**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**



**FORM 8-K**



**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d)**

**OF THE SECURITIES EXCHANGE ACT OF 1934**

**February 10, 2015**

**Date of Report**

**(Date of earliest event reported)**



**GENWORTH FINANCIAL, INC.**

**(Exact name of registrant as specified in its charter)**



**Delaware**

**001-32195**

**80-0873306**

**(State or other jurisdiction**

**of incorporation)**

**(Commission**

**File Number)**

**(I.R.S. Employer**

**Identification No.)**

**6620 West Broad Street, Richmond, VA**

**23230**

**(Address of principal executive offices)**

**(Zip Code)**

**(804) 281-6000**

**(Registrant’s telephone number, including area code)**

**N/A**

**(Former name or former address, if changed since last report)**



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

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



**Item 2.02** **Results of Operations and Financial Condition.**

On February 10, 2015, Genworth Financial, Inc. issued (1) a press release announcing its financial results for the quarter ended December 31, 2014, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference, and (2) a financial supplement for the quarter ended December 31, 2014, a copy of which is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

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

**Item 9.01** **Financial Statements and Exhibits.**

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

|  |  |  |  |
| --- | --- | --- | --- |
| Exhibit |  |  |  |
| Number |  | Description of Exhibit |  |
| 99.1 | Press Release dated February 10, 2015. | | |
| 99.2 | Financial Supplement for the quarter ended December 31, 2014. | | |

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**SIGNATURES**

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

GENWORTH FINANCIAL, INC.

Date: February 10, 2015 By: /s/ Kelly L. Groh



Kelly L. Groh

Vice President and Controller

(Principal Accounting Officer)

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| --- | --- | --- | --- |
|  |  |  | **Exhibit Index** |
| Exhibit |  |  |  |
| Number |  | Description of Exhibit |  |
| 99.1 | Press Release dated February 10, 2015. | | |
| 99.2 | Financial Supplement for the quarter ended December 31, 2014. | | |
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**Exhibit 99.1**



**Genworth Financial Announces Fourth Quarter 2014 Results**

* Long Term Care Insurance (LTC) Active Life Margin Review Substantially Complete (Pending Regulatory Filings); Majority Of LTC Block Has Positive Margin But Acquired Blocks And New York Subsidiary Had Negative Margins Resulting In 4Q14 Charges
* Commenced Strategic Review Of Businesses
* Initial Charges Taken To Rationalize Portfolio
* Mortgage Insurance Turnaround Near Complete; Continued Strong Loss Ratio In Australia, Canada And United States
* LTC Remains A Priority; Seeking Structural And Regulatory Reform
* Retained Solid Capital Positions And Significant Holding Company Liquidity

Richmond, VA (February 10, 2015) – Genworth Financial, Inc. (NYSE: GNW) today reported results for the period ended December 31, 2014. The company reported a net loss1 of $760 million, or $1.53 per diluted share, compared with net income of $208 million, or $0.41 per diluted share, in the fourth quarter of 2013. The net operating loss2 for the fourth quarter of 2014 was $416 million, or $0.84 per diluted share, compared with net operating income of $193 million, or $0.38 per diluted share, in the fourth quarter of 2013.

The company reported a net loss of $1,244 million, or $2.51 per diluted share, in 2014, compared with net income of $560 million, or $1.12 per diluted share, in 2013. The company reported a net operating loss of $381 million, or $0.77 per diluted share, in 2014, compared with net operating income of $616 million, or $1.24 per diluted share, in 2013.

The current quarter results included an after-tax GAAP charge of $478 million related to the LTC active life margin review of its blocks acquired before 1996. Additionally, the company’s New York subsidiary had a preliminary3 incremental negative margin of $195 million. The company increased statutory reserves by $39 million in the New York subsidiary in the fourth quarter, with the remaining $156 million recognized over the next four years. The remaining LTC blocks have positive margin. The company also recorded non-cash charges of $340 million after-tax reflecting the write off of



* Unless otherwise stated, all references in this press release to net income (loss), net income (loss) per share, book value, book value per share and stockholders’ equity should be read as net income (loss) available to Genworth’s common stockholders, net income (loss) available to Genworth’s common stockholders per share, book value available to Genworth’s common stockholders, book value available to Genworth’s common stockholders per share and stockholders’ equity available to Genworth’s common stockholders, respectively.
* This is a financial measure not calculated based on U.S. Generally Accepted Accounting Principles (Non-GAAP). See the Use of Non-GAAP Measures section of this press release for additional information.
* Preliminary margins as of September 30, 2014 in force – modeled with December 31, 2014 treasury rates. 1

remaining life insurance and LTC goodwill, as well as a tax charge related to a change in its permanent reinvestment assertion in Australia mortgage insurance (MI) and a tax benefit in connection with the company’s plan to sell the lifestyle protection insurance business, which was previously identified as non-core, discussed below.

In response to current market realities, the company is embarking on a multistep restructuring plan targeting cash savings in excess of $100 million pre-tax over the next two years. In January, the company began the consolidation of its U.S. Life Insurance Division and corporate holding company functions, which resulted in the reduction of key leadership positions. In connection with the company’s plan to sell the lifestyle protection insurance business, the company completed an internal debt restructuring recognizing tax benefits of $108 million in the quarter impacting net loss. In addition, while no decisions have been made, the company recognized a tax charge of $174 million as it is no longer asserting its intent to permanently reinvest earnings from Genworth Mortgage Insurance Australia Limited.

“I am disappointed by the continued challenges in our older LTC blocks and how it is overshadowing otherwise strong performance and momentum in other businesses, however we have taken steps on many fronts to deal with these challenges in order to strengthen and rebuild the future. During the quarter we conducted a thorough review of our portfolio, exploring all options to maximize long-term shareholder value. As a result, we are taking proactive measures to leverage our strengths, namely in the Global Mortgage Insurance Division, and rationalize our portfolio including reducing costs and debt levels. These efforts will better position the company for profitable growth, and improve our capital position and return on equity,” said Tom McInerney, President and CEO. “While LTC continues to be challenged, we plan to capitalize on our industry leadership and drive regulatory changes that are necessary to sustain this business long term.”

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Consolidated Net Income (Loss) & Net Operating Income (Loss)** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **Three months ended December 31** | | | | | | | | | | | | |  |  |  |
|  |  |  |  |  |  |  |  | **(Unaudited)** | | | | |  |  |  |  |  |  |  |
|  |  |  |  | **2014** | | | |  |  |  |  |  | **2013** | |  |  |  |  |  |
|  |  |  |  |  |  |  |  | **Per** |  |  |  |  |  |  | **Per** |  |  |  |  |
| *(Amounts in millions, except per share)* | | |  |  |  |  | **diluted** | | |  |  |  |  | **diluted** | | | **Total** | |  |
| **Total** | | |  | **share** | | | **Total** | | |  |  | **share** | | **% change** | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net income (loss) available to Genworth’s common stockholders | | $ | (760) |  |  | $ | (1.53) |  | $ | 208 |  |  | $ | 0.41 |  | NM | 4 |  |
|  | Adjustment: Net income attributable to noncontrolling interests in Australia MI | |  | 22 | |  |  | 0.04 | |  | N/A | |  |  | N/A | | N/A | |  |
|  | Net income (loss) available to Genworth’s common stockholders before net income | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | attributable to noncontrolling interests in Australia MI2 | | $ | (738) | | $ | | (1.49) | | $ | 208 | | $ | | 0.41 | | NM4 | |  |
| Net operating income (loss) | | | $ | (416) | | $ | | (0.84) | | $ | 193 | | $ | | 0.38 | | NM4 | |  |
|  | Adjustment: Net operating income attributable to noncontrolling interests in Australia MI | |  | 21 | |  |  | 0.04 | |  | N/A | |  |  | N/A | | N/A | |  |
| Net operating income (loss) before net operating income attributable to noncontrolling | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | interests in Australia MI2 | | $ | (395) | | $ | | (0.79) | | $ | 193 | | $ | | 0.38 | | NM4 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Weighted average diluted shares5 | |  | 496.7 | |  |  |  |  |  | 501.2 | |  |  |  |  |  |  |  |
|  | Book value per share | | $ | 30.04 | |  |  |  |  | $ | 29.08 | |  |  |  |  |  |  |  |
|  | Book value per share, excluding accumulated other comprehensive income (loss) | | $ | 21.09 | |  |  |  |  | $ | 23.95 | |  |  |  |  |  |  |  |



* The company defines “NM” as not meaningful for increases or decreases greater than 200 percent.
* 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 company’s loss for the three and twelve months ended December 31, 2014, the company was required to use basic weighted average common shares outstanding in the calculation of diluted loss per share, as the inclusion of shares for stock options, restricted stock units and stock appreciation rights would have been antidilutive to the calculation. If the company had not incurred a loss during the three and twelve months ended December 31, 2014, dilutive potential weighted average common shares outstanding would have been 499.9 million and 502.0 million, respectively.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Consolidated Net Income (Loss) & Net Operating Income (Loss)** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **Twelve months ended December 31** | | | | | | | | | | | | |  |  |  |
|  |  |  |  |  |  |  |  | **(Unaudited)** | | | | | |  |  |  |  |  |  |  |
|  |  |  |  |  | **2014** | |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |
|  |  |  |  |  |  |  |  | **Per** |  |  |  |  |  |  |  | **Per** |  |  |  |  |
| *(Amounts in millions, except per share)* | | |  |  |  |  | **diluted** | | |  |  |  |  |  | **diluted** | | | **Total** | |  |
|  |  | **Total** | | **share** | | |  | **Total** | | |  |  | **share** | | **% change** | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net income (loss) available to Genworth’s common stockholders | |  | $ | (1,244) |  | $ | (2.51) |  |  | $ | 560 |  |  | $ | 1.12 |  | NM | 4 |  |
|  | Adjustment: Net income attributable to noncontrolling interests in Australia MI | |  |  | 56 |  |  | 0.11 | |  |  | N/A | |  |  | N/A | | N/A | |  |
|  | Net income (loss) available to Genworth’s common stockholders before net income | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | attributable to noncontrolling interests in Australia MI2 | | $ | | (1,188) | | $ | (2.39) | | $ | | 560 | | $ | | 1.12 | | NM4 | |  |
| Net operating income (loss) | | | $ | | (381) | | $ | (0.77) | | $ | | 616 | | $ | | 1.24 | | (162)% | |  |
|  | Adjustment: Net operating income attributable to noncontrolling interests in Australia MI | |  |  | 55 |  |  | 0.11 | |  |  | N/A | |  |  | N/A | | N/A | |  |
| Net operating income (loss) before net operating income attributable to noncontrolling | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | interests in Australia MI2 | | $ | | (326) | | $ | (0.66) | | $ | | 616 | | $ | | 1.24 | | (153)% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Weighted average diluted shares5 | |  |  | 496.4 | |  |  |  |  |  | 498.7 |  |  |  |  |  |  |  |  |
|  | Book value per share | | $ | | 30.04 | |  |  |  | $ | | 29.08 |  |  |  |  |  |  |  |  |
|  | Book value per share, excluding accumulated other comprehensive income (loss) | | $ | | 21.09 | |  |  |  | $ | | 23.95 |  |  |  |  |  |  |  |  |



During the fourth quarter of 2014 in connection with the preparation of its financial statements, the company recorded after-tax goodwill impairments of $129 million in the long term care insurance business and $145 million in the life insurance business, in each case, as a result of current market conditions and potential further decreases in sales. The impairments reduced the goodwill of these two businesses to zero.

Net investment losses, net of taxes and other adjustments, were $4 million in the quarter, compared to net investment gains, net of taxes and other adjustments, of $15 million in the prior year.

On May 21, 2014, the company completed the minority initial public offering (IPO) of 33.8 percent of its Australia MI business and as a result, net income attributable to noncontrolling interests in the Australia MI business was $22 million in the quarter. The company’s net loss before net income attributable to noncontrolling interests in the Australia MI business was $738 million, or $1.49 per diluted share, in the fourth quarter of 2014 compared with net income available to Genworth’s common stockholders of $208 million, or $0.41 per diluted share, in the fourth quarter of 2013. The company’s net operating loss before net operating income attributable to noncontrolling interests in the Australia MI business for the fourth quarter of 2014 was $395 million, or $0.79 per diluted share, compared with net operating income of $193 million, or $0.38 per diluted share, in the fourth quarter of 2013.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Net operating income (loss) results are summarized in the table below: | | |  |  |  |  |  |  |  |  |
| **Net Operating Income (Loss)** | | |  |  |  |  |  |  |  |  |
| *(Amounts in millions)* | | | **Q4 14** | | **Q3 14** | |  | **Q4 13** | | |
|  |  |  |  |  |  |  |  |  |  |  |
|  | U.S. Life Insurance Division: | |  |  |  |  |  |  |  |  |
|  | U.S. Life Insurance | | $ (482) | | $ (322) | | $ | | 119 | |
|  |  |  |  |  |  |  |  |  |  |  |
|  | **Total U.S. Life Insurance Division** | | **(482)** | | **(322)** | |  |  | **119** | |
| Global Mortgage Insurance Division: | | |  |  |  |  |  |  |  |  |
|  | International Mortgage Insurance | | 626 | | 876 | |  |  | 101 | |
|  | U.S. Mortgage Insurance (U.S. MI) | | 21 |  | (2) | |  |  | 6 | |
|  | **Total Global Mortgage Insurance Division** | | **83** |  | **85** |  |  |  | **107** |  |
| Corporate and Other Division: | | |  |  |  |  |  |  |  |  |
|  | International Protection | | (4) | | 3 | |  |  | 13 |  |
|  | Runoff | | 16 |  | 5 | |  |  | 19 |  |
|  | Corporate and Other | | (29) | | (88) | |  |  | (65) | |
|  | **Total Corporate and Other Division** | | **(17)** |  | **(80)** |  |  |  | **(33)** |  |
|  | **Total Net Operating Income (Loss)** | | **$ (416)** | | **$ (317)** | | **$** | | **193** | |
|  |  |  |  |  |  |  |  |  |  |  |



Net operating income (loss) excludes 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 and other adjustments, net of taxes. A reconciliation of net operating income (loss) of segments and Corporate and Other activities to net income (loss) is included at the end of this press release.

Unless specifically noted in the discussion of results for the International Mortgage Insurance and International Protection segments, references to percentage changes exclude the impact of translating foreign denominated activity into U.S. dollars (foreign exchange). Percentage changes, which include the impact of foreign exchange, are found in a table at the end of this press release. The impact of foreign exchange on results in the fourth quarter of 2014 was an unfavorable impact of $3 million versus the prior quarter and $6 million versus the prior year.



* Excludes net operating income attributable to noncontrolling interests in the Australia MI business of $21 million and $23 million, respectively, in the fourth quarter of 2014 and third quarter of 2014 related to the Australia MI IPO completed on May 21, 2014.

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**U.S. Life Insurance Division**

U.S. Life Insurance Division net operating loss was $482 million, compared with a net operating loss of $322 million in the prior quarter and net operating income of $119 million a year ago.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **U.S. Life Insurance Division** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net Operating Income (Loss)** | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *(Amounts in millions)* | | | |  |  | **Q4 14** | | | |  | **Q3 14** | | | |  |  | **Q4 13** | | |  |
|  | **U.S. Life Insurance** |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Long Term Care Insurance | | | $ (506) | | | | | | $ (361) | | | | | $ | | | 42 | |  |
|  | Life Insurance | | | 1 | | | | |  | 13 | | |  |  |  |  |  | 56 | |  |
|  | Fixed Annuities | | |  | | 23 | | |  | 26 | | |  |  |  |  |  | 21 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total U.S. Life Insurance** | | |  | | (482) | | | | (322) | | | | |  |  |  | 119 | |  |
| **Total U.S. Life Insurance** | | | |  |  | **$ (482** | | **)** | |  | **$ (322** | | **)** | |  |  | **$** | **119** |  |  |
| **Sales** | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *(Amounts in millions)* | | | | **Q4 14** | | | | | | **Q3 14** | | | | |  | **Q4 13** | | | |  |
|  | **U.S. Life Insurance** |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Long Term Care Insurance | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Individual | | | $ 17 | | | |  |  | $ 28 | |  |  |  | $ | | | 24 |  |  |
|  | Group | | | 6 | | | |  |  | 1 | | |  |  |  |  |  | 2 |  |  |
|  | Life Insurance | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Term Life | | | 11 | | | |  |  | 13 | |  |  |  |  |  |  | 9 |  |  |
|  | Term Universal Life | | |  |  | — | | | |  | — | | | |  |  |  | — | |  |
|  | Universal Life | | | 7 | | | |  |  | 11 | |  |  |  |  |  |  | 5 |  |  |
|  | Linked Benefits | | | 5 | | | |  |  | 4 | | |  |  |  |  |  | 3 |  |  |
|  | Fixed Annuities | | | 495 | | | |  |  | 371 | | |  |  |  |  |  | 730 |  |  |
| **Account Value** | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *(Amounts in millions)* | | | |  | **Q4 14** | | | | | **Q3 14** | | | | | **Q4 13** | | | | |  |
|  | Fixed Annuities |  | |  | $19,278 | | | |  | $19,156 | | | |  | $18,737 | | | |  |  |

**U.S. Life Insurance Division**

**Key Points**

* U.S. Life Insurance Division net operating loss was $482 million, compared with a net operating loss of $322 million in the prior quarter and net operating income of $119 million a year ago. The net operating loss in the quarter reflected the completion of the company’s annual review of its LTC active life margins that resulted in after-tax charges of $478 million on its acquired blocks.
* Compared to the prior quarter, sales results were mixed with individual LTC and life insurance products lower but higher for fixed annuities.
* The consolidated risk-based capital (RBC) ratio is estimated to be approximately 430 percent7, down from approximately 445 percent at the end of the third quarter of 2014.



* Company estimate for the fourth quarter of 2014, due to timing of the filing of statutory statements. 6

* As of December 31, 2014, 47 states have approved the initial round of premium rate increases and six states have approved a second round of premium rate increases as part of the 2012 in force premium rate action. The company continues to expect to achieve $250 to $300 million of additional annual premiums when fully implemented by 2017.
* In September 2013, the company announced that it began filing for LTC premium rate increases on certain Privileged Choice® and Classic Select® policies sold between 2003 and 2012. As of December 31, 2014, 22 states have approved these rate increases.

**Long Term Care Insurance**

Long term care insurance net operating loss was $506 million, compared with a net operating loss of $361 million in the prior quarter and net operating income of $42 million in the prior year.

During the quarter, the company substantially completed (pending regulatory filings) its annual review of active life margins, including a review of the associated assumptions and methodologies. The company updated its margin assumptions and methodologies, informed by the work done in connection with the claim reserve review completed in the third quarter of 2014. The updates resulted in changes to claim termination rates and benefit utilization assumptions and associated methodologies, which materially reduced the company’s active life margins. As part of the review, the company also developed updated assumptions relating to planned in force premium rate increases on in force policies that offset much of the reduction on margins from the updated margin assumptions, and also reviewed its other active life margin assumptions, including but not limited to claims frequency, and investment allocation and returns. As previously disclosed, the company is required to separately test its acquired LTC blocks for recoverability as part of its loss recognition testing margin review which resulted in a negative margin for those blocks, and the company unlocked the associated active life reserve assumptions, while the margin on the remaining blocks was positive. The current quarter impact of this unlocking, as well as additional adjustments to reserves, are as follows:

* Reserves were increased $729 million pre-tax or $474 million after-tax and the present value of future profits balance of $6 million pre-tax or $4 million after-tax was written off as a result of annual loss recognition testing;
* Claim reserves were increased a net $24 million pre-tax or $16 million after-tax, as a result of a $44 million after-tax correction to the prior quarter’s claim reserve primarily related to claims in course of settlement, partially offset by a $28 million after-tax refinement of assumptions relating to claim termination rates.

Results for the quarter also included lower benefits from premium increases and reduced benefit options of $3 million after-tax versus the prior quarter and a favorable benefit of $7 million after-tax versus the prior year related to the premium increases approved and implemented to date.

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Benefits and other changes in policy reserves increased $151 million after-tax versus the prior quarter and increased $549 million after-tax versus the prior year. Results versus the prior quarter were primarily impacted by the completion of the annual review of active life margins completed in the current quarter and the impact in the prior quarter from the completion of the claim reserve review, in addition to lower reinsurance benefits in the current quarter. Performance was unfavorable to the prior year primarily from the completion of the annual review of active life margins in the current quarter, but was also impacted by higher new claim severity assumptions resulting from the claim reserve review completed in the third quarter of 2014 in addition to higher frequency of new claims.

Individual LTC sales of $17 million were lower than the prior quarter and the prior year. In July 2014, the company launched its Privileged Choice Flex 3.0 product. This product is now available in 45 states. Sales are expected to continue at low levels in the near term due to the introduction of this higher priced product and ratings pressure.

**Life Insurance**

Life insurance net operating income was $1 million, compared with $13 million in the prior quarter and $56 million in the prior year. Results in the quarter included a correction to a reserve calculation on a reinsurance transaction of $32 million. Mortality performance was $14 million favorable compared to the prior quarter and $10 million unfavorable compared to the prior year. Prior quarter results included $10 million of unfavorable items and prior year results included $14 million of favorable items.

Sales of $23 million decreased compared to the prior quarter and increased compared to the prior year. Linked benefit product deposits were $42 million in the quarter, down from $47 million in the prior quarter and up from $27 million in the prior year.

**Fixed Annuities**

Fixed annuities net operating income was $23 million, compared with $26 million in the prior quarter and $21 million in the prior year. Results in the quarter reflected slightly improved mortality results and lower expenses but also included higher amortization of deferred acquisition costs versus the prior quarter and the prior year. Sales in the quarter totaled $495 million, up sequentially but down versus the prior year given the lower interest rate environment.

**U.S. Life Insurance Division Statutory Capital**

The consolidated RBC ratio is estimated to be approximately 430 percent7, down from approximately 445 percent at the end of the third quarter of 2014, and the consolidated U.S. life insurance companies unassigned surplus is estimated to be $155 million7, down from approximately $290 million at the end of the third quarter of 2014. Primary drivers in the quarter include:

* $39 million increase in LTC cash flow testing reserves in the New York subsidiary as part of the annual review of LTC active life margins. Remaining $156 million reserve increase spread over next four years;

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* $70 million reserve increase relating to life insurance products with secondary guarantees in the New York subsidiary;
* Approximately $80 million unassigned surplus benefit from the completion of a life reinsurance transaction; and
* Approximately $155 million unfavorable taxes associated with the planned sale of the lifestyle protection insurance business, from intercompany tax sharing agreements. Brookfield Life & Annuity Insurance Company, the parent company of the lifestyle protection insurance business, had a favorable impact of approximately $230 million.

**Global Mortgage Insurance Division**

Global Mortgage Insurance Division had net operating income of $83 million, compared with $85 million in the prior quarter and $107 million a year ago.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Global Mortgage Insurance Division** | | | |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net Operating Income (Loss)** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *(Amounts in millions)* | | | |  | **Q4 14** | | | **Q3 14** | | |  | **Q4 13** | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **International Mortgage Insurance** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Canada | | | $ | | 36 | | $ | 46 | | $ | | 44 |  |  |
|  | Australia | | |  |  | 336 | |  | 486 | |  |  | 66 |  |  |
|  | Other Countries | | |  |  | (7) | |  | (7) | |  |  | (9) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total International Mortgage Insurance** | | |  |  | 62 |  |  | 87 | |  |  | 101 | |  |
|  | **U.S. Mortgage Insurance** | | |  |  | 21 |  |  | (2) | |  |  | 6 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total Global Mortgage Insurance** | | |  | **$** | **83** |  | **$** | **85** | | **$** | | **107** | |  |
|  |  |  |  | 9 |  |  |  |  |  |  |  |  |  |  |  |



|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales** | |  |  |  |  |  |  |
| *(Amounts in billions)* |  | **Q4 14** | | **Q3 14** | | **Q4 13** | |
| **International Mortgage Insurance** | |  |  |  |  |  |  |
| Flow | |  |  |  |  |  |  |
| Canada | | $ 5.5 | | $ 6.8 | | $ 5.0 | |
| Australia | | 8.0 | | 8.1 | | 9.0 | |
| Other Countries | | 0.5 | | 0.4 | | 0.5 | |
| Bulk | |  |  |  |  |  |  |
| Canada | | 2.3 | | 5.6 | | 2.4 | |
| Australia | | 0.1 | | 1.0 | | — | |
| Other Countries | | — | | — | | 0.6 | |
| **U.S. Mortgage Insurance** | |  |  |  |  |  |  |
| Primary Flow | | 6.9 | | 7.5 | | 4.9 | |
| Primary Bulk | | — | | — | | — | |

**International Mortgage Insurance Segment**

**Key Points**

* Reported International Mortgage Insurance segment net operating income was $62 million, compared with $87 million in the prior quarter and $101 million a year ago. Results in the quarter reflected a $21 million decrease in net operating income versus the prior year as a result of the minority IPO of 33.8 percent of the Australia MI business, which was completed on May 21, 2014. Results were impacted by less favorable tax benefits of $23 million versus the prior quarter and $21 million versus the prior year. Results were also impacted by unfavorable foreign exchange of $5 million versus the prior year. The loss ratio was 26 percent in Canada and 15 percent in Australia.
* In Canada, flow new insurance written (NIW) was down 16 percent8 sequentially and up 18 percent8 year over year. In addition, in the current quarter, the company completed $2.3 billion of bulk transactions, consisting of low loan-to-value prime loans.
* In Australia, flow NIW was up five percent8 sequentially and down six percent8 year over year.
* The Canadian and Australian MI businesses continue to maintain sound capital positions and paid $109 million in dividends to the holding company in 2014.

**Canada Mortgage Insurance**

Canada reported net operating income of $36 million versus $46 million in the prior quarter and $44 million in the prior year. The loss ratio in the quarter was 26 percent, up five points from the prior quarter from seasonally higher new delinquencies, net of cures, and up four points from the prior year. Results included less favorable tax benefits of $6 million versus the prior quarter and $5 million versus the prior year and higher expenses versus the prior quarter. Flow NIW was down 16 percent8 sequentially primarily from a seasonally smaller



* Percent change excludes the impact of foreign exchange.

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originations market and up 18 percent8 year over year from a larger originations market. In addition, the company completed several bulk transactions in the quarter of approximately $2.3 billion in total, consisting of low loan-to-value prime loans, reflecting its selective participation in this market. At quarter end, the Canada mortgage insurance business had a minimum capital test (MCT) ratio of 225 percent7, in excess of the targeted level.

**Australia Mortgage Insurance**

Australia reported net operating income of $33 million versus $48 million in the prior quarter and $66 million in the prior year. Results in the quarter reflected a $21 million decrease in net operating income versus the prior year as a result of the minority IPO of 33.8 percent of the Australia MI business, which was completed on May 21, 2014. The loss ratio in the quarter was 15 percent, down six points sequentially from seasonally lower new delinquencies and favorable aging of existing delinquencies and down six points from the prior year. Results were impacted by less favorable tax benefits of $17 million versus the prior quarter and $16 million versus the prior year, including a $7 million net unfavorable impact in the current quarter. Flow NIW was up five percent8 sequentially from normal seasonal variation and down six percent8 year over year from a slightly smaller mortgage insurance market. At quarter end, the Australia mortgage insurance business had a prescribed capital amount (PCA) ratio of 159 percent7, in excess of the targeted range.

**Other Countries Mortgage Insurance**

Other Countries had a net operating loss of $7 million, compared to $7 million in the prior quarter and $9 million in the prior year. During the quarter, a lender settlement was executed reducing outstanding risk in force in Ireland from approximately $700 million to $60 million.

**U.S. Mortgage Insurance Segment**

**Key Points**

* U.S. MI net operating income was $21 million, compared with a net operating loss of $2 million in the prior quarter and net operating income of $6 million in the prior year. Results in the prior quarter included $4 million of favorable tax benefits from a prior year true-up, as well as $34 million of after-tax accruals recorded principally in connection with the settlement agreement with Bank of America as well as discussions with another servicer in an effort to resolve pending disputes over loss mitigation activities. The company has recently received government-sponsored enterprise (GSE) approvals in connection with the Bank of America settlement agreement and resolved the servicer dispute consistent with prior period accruals. The loss ratio in the current quarter was 61 percent.
* Flow NIW decreased eight percent from the prior quarter and increased 41 percent from the prior year to $6.9 billion.
* The risk-to-capital ratio for Genworth Mortgage Insurance Corporation (GMICO) is estimated at 14.2:17 and the combined risk-to-capital ratio is estimated at 14.5:17 as of December 31, 2014.

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Total flow delinquencies decreased three percent sequentially and 22 percent versus the prior year. New flow delinquencies decreased approximately six percent from the prior quarter from recent seasonal variation and decreased approximately 19 percent from the prior year, reflecting the continued burn through of delinquencies from the 2005 to 2008 book years. The flow average reserve per delinquency was $30,200, down slightly from the prior quarter.

Total losses were down $50 million versus the prior quarter reflecting the pre-tax accruals of approximately $53 million recorded in the third quarter principally in connection with the settlement agreement with Bank of America as well as discussions with another servicer in an effort to resolve pending disputes over loss mitigation activities. Loss mitigation savings were $59 million in the quarter.

Flow NIW of $6.9 billion decreased eight percent from the prior quarter from a seasonally smaller purchase originations market and increased 41 percent versus the prior year primarily from a larger purchase origination market and an approximately two point increase in estimated market share. During the quarter, the company increased its single premium lender paid new insurance written reflecting its selective participation in this market. Future volumes of this product will vary depending on the evaluation of the risk return profile of these transactions. Overall private mortgage insurance market penetration was flat compared with the prior quarter and up approximately three points year over year as purchase penetration increased. The company’s estimate of its market share at the end of the quarter is approximately 15 percent. Flow persistency was 83 percent. In addition, the Home Affordable Refinance Program (HARP) accounted for about $0.3 billion in the quarter of insurance that is treated as a modification of the coverage on existing insurance in force rather than NIW, bringing the total current insurance in force under the HARP program to $18.9 billion.

The combined U.S. MI statutory risk-to-capital ratio is estimated at 14.5:17 at the end of the fourth quarter with the risk-to-capital ratio for GMICO estimated at 14.2:17.

On July 10, 2014, the Federal Housing Finance Agency (FHFA) released publicly a draft of the revised GSE private mortgage insurer eligibility requirements (PMIERs). The company currently intends that its U.S. MI business will meet the additional capital requirements contained in the PMIERs by the effective date, primarily through reinsurance (or similar) transactions, together with cash available at the holding company. The company will seek to utilize the transition period provided for in the draft guidelines if it does not comply by the anticipated effective date (subject to GSE approval). The company and its U.S. MI business believe that they are well positioned to meet the draft version of the operational and financial requirements contained in the guidelines within the prescribed transition period and expect the business to maintain its strong presence in the private mortgage insurance market.

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**Corporate and Other Division**

Corporate and Other Division net operating loss was $17 million, compared with $80 million in the prior quarter and $33 million in the prior year.

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| **Corporate and Other Division** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net Operating Income (Loss)** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *(Amounts in millions)* |  | | **Q4 14** | | | | |  | **Q3 14** | | | | **Q4 13** | | |  |
| International Protection | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | (4) | | |  | $ | 3 | $ | 13 |  |  |
| Runoff | | |  | 16 | | |  |  |  | 5 | |  |  | 19 |  |  |
| Corporate and Other | | |  | (29) | | |  |  |  | (88) | |  |  | (65) | |  |
| **Total Corporate and Other** | | | **$** | **(17** | | **)** |  |  | **$** | **(80** | **)** |  | **$** | **(33** | **)** |  |
| **Account Value** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *(Amounts in millions)* |  | |  |  | **Q4 14** | | |  |  | **Q3 14** | | | **Q4 13** | | |  |
| Variable Annuities | | |  |  | $7,434 | |  |  |  | $7,566 | |  | $8,020 | |  |  |
| Guaranteed Investment Contracts, Funding Agreements Backing Notes and Funding Agreements | | |  | 493 | | | |  |  | 526 | | |  | 896 | |  |

**International Protection Segment**

International Protection reported a net operating loss of $4 million, compared with net operating income of $3 million in the prior quarter and $13 million in the prior year. Results in the current quarter reflected $4 million of net unfavorable items including higher claim reserves on certain contracts, an unfavorable shift in the mix of contracts with profit share, higher expenses and unfavorable foreign exchange. Results in the prior year reflected $10 million of favorable adjustments. At quarter end, the lifestyle protection insurance business had a regulatory capital ratio of approximately 365 percent7, well in excess of regulatory requirements.

**Runoff Segment**

The Runoff segment’s net operating income was $16 million, compared with $5 million in the prior quarter and $19 million in the prior year. Results in the current quarter reflect lower equity market performance versus the prior year primarily impacting variable annuity products. Results also reflect favorable taxes versus the prior quarter and the prior year. The prior quarter’s results included a favorable impact from refinement of deferred acquisition costs assumptions related to the company’s annual review of assumptions in variable annuity products.

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**Corporate and Other**

Corporate and Other’s net operating loss was $29 million, compared with $88 million in the prior quarter and $65 million in the prior year. Results in the current quarter reflect favorable taxes versus the prior quarter and prior year.

**Investment Portfolio Performance**

Net investment income increased to $819 million, compared to $805 million in the prior quarter primarily from changes in prepayment speeds on structured securities due to lower interest rates. The reported yield for the current quarter was 4.63 percent. The core yield2 was down slightly compared to the prior quarter at 4.38 percent.

Net investment losses, net of taxes and other adjustments, were $4 million in the quarter, compared to net investment gains, net of taxes and other adjustments, of $15 million in the prior year.

Net unrealized investment gains were $2.5 billion, net of taxes and other items, as of December 31, 2014 compared with $2.1 billion as of September 30, 2014 and $0.9 billion as of December 31, 2013. The fixed maturity securities portfolio had gross unrealized investment gains of $5.8 billion as of December 31, 2014 compared with $3.3 billion as of December 31, 2013 and gross unrealized investment losses of $0.3 billion as of December 31, 2014 compared with $1.0 billion as of December 31, 2013.

**Holding Company**

Genworth’s holding company9 ended the quarter with approximately $1.1 billion10 of cash and liquid assets, down approximately $35 million compared to the prior quarter, from $76 million of debt interest payments and $26 million of net other expenses partially offset by $67 million of dividends paid from the operating companies. The holding company targets maintaining cash balances of at least one and a half times its annual debt service expense plus a risk buffer of $350 million. The company ended the quarter with a buffer of approximately $685 million in excess of one and a half times annual debt service.



* 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.

1. Comprises cash and cash equivalents of $953 million and U.S. government bonds of $150 million. 14

**About Genworth Financial**

Genworth Financial, Inc. (NYSE: GNW) is a leading Fortune 500 insurance holding company committed to helping families become more financially secure, self-reliant and prepared for the future. Genworth has leadership positions in long term care insurance and mortgage insurance and competitive offerings in life insurance and fixed annuities that assist consumers in solving their insurance, retirement and home ownership needs.

Genworth operates through three divisions: U.S. Life Insurance, which includes long term care insurance, life insurance and fixed annuities; Global Mortgage Insurance, containing U.S. Mortgage Insurance and International Mortgage Insurance segments; and the Corporate and Other Division, which includes the International Protection and Runoff segments. Products and services are offered through financial intermediaries, advisors, independent distributors and sales specialists. Genworth, headquartered in Richmond, Virginia, traces its roots back to 1871 and became a public company in 2004. For more information, visit genworth.com. From time to time, Genworth releases important information via postings on its corporate website. Accordingly, investors and other interested parties are encouraged to enroll to receive automatic email alerts and Really Simple Syndication (RSS) feeds regarding new postings. Enrollment information is found under the “Investors” section of genworth.com. From time to time, Genworth’s publicly traded subsidiaries, Genworth MI Canada Inc. and Genworth Mortgage Insurance Australia Limited, separately release financial and other information about their operations. This information can be found at http://genworth.ca and http://www.genworth.com.au.

**Conference Call and Financial Supplement Information**

This press release and the fourth quarter 2014 financial supplement are now posted on the company’s website. Additional information regarding business results, strategic update and the LTC active life margin review will be posted on the company’s website, http://investor.genworth.com, by 7:30 a.m. on February 11, 2015. Investors are encouraged to review these materials.

Genworth will conduct a 90 minute conference call on February 11, 2015 at 8:00 a.m. (ET) to discuss fourth quarter 2014 results, cover results of LTC active life margin review, and provide an update on strategic priorities. The conference call will be accessible via telephone and the Internet. The dial-in number for the conference call is 877 888.4034 or 913 489.5101 (outside the U.S.); conference ID # 9155802. To participate in the call by webcast, register at http://investor.genworth.com at least 15 minutes prior to the webcast to download and install any necessary software.

Replays of the call will be available through February 25, 2015 at 888 203.1112 or 719 457.0820 (outside the U.S.); conference ID # 9155802. The webcast will also be archived on the company’s website.

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**Use of Non-GAAP Measures**

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

In the fourth quarter of 2014, the company recorded goodwill impairments of $129 million, net of taxes, in the long term care insurance business and $145 million, net of taxes, in the life insurance business. In the third quarter of 2014, the company recorded goodwill impairments of $167 million, net of taxes, in the long term care insurance business and $350 million, net of taxes, in the life insurance business.

The following transactions were excluded from net operating income (loss) for the periods presented as they related to the loss on the early extinguishment of debt. In the second quarter of 2014, the company paid an early redemption payment of approximately $2 million, net of taxes and portion attributable to noncontrolling interests, related to the early redemption of Genworth MI Canada Inc.’s notes that were scheduled to mature in 2015. In the third quarter of 2013, the company paid a make-whole expense of approximately $20 million, net of taxes, related to the early redemption of Genworth Holdings’ notes that were scheduled to mature in 2015.

There were no infrequent or unusual items excluded from net operating income (loss) during the periods presented other than the following items. There was a $66 million net tax impact in the fourth quarter of 2014 from potential business portfolio changes. Although no decisions have been made, the company recognized a tax charge of $174 million in the fourth quarter of 2014 associated with the Australian mortgage insurance business as the company can no longer assert its intent to permanently reinvest earnings in that business. In connection with the company’s plans to sell the lifestyle protection insurance business, the company completed an internal debt restructuring recognizing tax benefits of $108 million in the fourth quarter of 2014.

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Also, in the second quarter of 2013, the company recorded a $13 million, net of taxes, expense related to restructuring costs.

While some of these items may be significant components of net income (loss) available to Genworth’s common stockholders in accordance with GAAP, the company believes that net operating income (loss) and measures that are derived from or incorporate net operating income (loss), including net operating income (loss) per common 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 net 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 net operating income (loss) have occurred in the past and could, and in some cases will, recur in the future. Net operating income (loss) and net operating income (loss) per common share on a basic and diluted basis are not substitutes for net income (loss) available to Genworth’s common stockholders or net income (loss) available to Genworth’s common stockholders per common share on a basic and diluted basis determined in accordance with GAAP. In addition, the company’s definition of net operating income (loss) may differ from the definitions used by other companies.

The tables at the end of this press release reflect net operating income (loss) as determined in accordance with accounting guidance related to segment reporting, and a reconciliation of net operating income (loss) of the company’s segments and Corporate and Other activities to net income (loss) available to Genworth’s common stockholders for the three and twelve months ended December 31, 2014 and 2013, as well as for the three months ended September 30, 2014.

Adjustments to reconcile net income (loss) attributable to Genworth’s common stockholders and net operating income (loss) assume a 35 percent tax rate and are net of the portion attributable to noncontrolling interests. Net investment gains (losses) are also adjusted for deferred acquisition costs and other intangible amortization and certain benefit reserves.

This press release also includes non-GAAP financial measures entitled “net income (loss) before net income attributable to noncontrolling interests in the Australia MI business” and “net operating income (loss) before net operating income attributable to noncontrolling interests in the Australia MI business.” The company defines net income (loss) before net income attributable to noncontrolling interests in the Australia MI business and net operating income (loss) before net operating income attributable to noncontrolling interests in the Australia MI business as net income (loss) or net operating income (loss), as applicable, adjusted for net income

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attributable to noncontrolling interests in the Australia MI business but before noncontrolling interests in the Canada MI business. These measures are presented as they are comparable to net income (loss) and net operating income (loss) for the three and twelve months ended December 31, 2013. However, net income (loss) before net income attributable to noncontrolling interests in the Australia MI business and net operating income (loss) before net operating income attributable to noncontrolling interests in the Australia MI business are not substitutes for net income (loss) and net operating income (loss) determined in accordance with GAAP. A reconciliation of net income (loss) before net income attributable to noncontrolling interests in the Australia MI business and net operating income (loss) before net operating income attributable to noncontrolling interests in the Australia MI business to net income (loss) and net operating income (loss) is included in a table at the end of this press release.

This press release includes the non-GAAP financial measure entitled “core yield” as a measure of investment yield. The company defines core yield as the investment yield adjusted for those items that are not recurring in nature. 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 GAAP. In addition, the company’s definition of core yield may differ from the definitions used by other companies. A reconciliation of core yield to reported GAAP yield is included in a table at the end of this press release.

**Definition of Selected Operating Performance Measures**

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

Management regularly monitors and reports sales metrics as a measure of volume of new and renewal business generated in a period. Sales refer to:

1. annualized first-year premiums for long term care and term life insurance products; (2) annualized first-year deposits plus five percent of excess deposits for universal and term universal life insurance products; (3) 10 percent of premium deposits for linked-benefits products; (4) new and additional premiums/deposits for fixed annuities; (5) new insurance written for mortgage insurance; and (6) net premiums written for the lifestyle protection insurance business. Sales do not include renewal premiums on policies or contracts written during prior periods. The company considers annualized first-year premiums/deposits, premium equivalents, new premiums/deposits, new insurance written, and net premiums written to be a measure of the company’s operating performance because they represent a measure of new sales of insurance policies or contracts 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 life, international mortgage and U.S. mortgage insurance businesses is a measure of the aggregate face value of outstanding insurance policies as of the respective reporting date. For risk in force in the international

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mortgage insurance business, the company has computed an “effective” risk in force amount, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in force has been calculated by applying to insurance in force a factor of 35 percent that represents the highest expected average per-claim payment for any one underwriting year over the life of the company’s businesses in Canada and Australia. Risk in force for the U.S. mortgage insurance business is the obligation that is limited under contractual terms to the amounts less than 100 percent of the mortgage loan value. The company considers insurance in force and risk in force to be measures of the company’s operating performance because they represent measures of the size of the business at a specific date which will generate revenues and profits in a future period, rather than measures of the company’s revenues or profitability during that period.

This press release also includes information related to loss mitigation activities for the U.S. mortgage insurance business. The company defines loss mitigation activities as rescissions, cancellations, borrower loan modifications, repayment plans, lender- and borrower-titled presales, claims administration and other loan workouts. Estimated savings related to rescissions are the reduction in carried loss reserves, net of premium refunds and reinstatement of prior rescissions.

Estimated savings related to loan modifications and other cure related loss mitigation actions represent the reduction in carried loss reserves. Estimated savings related to claims mitigation activities represent amounts deducted or “curtailed” from claims due to acts or omissions by the insured or the servicer with respect to the servicing of an insured loan that is not in compliance with obligations under the company’s master policy. For non-cure related actions, including presales, the estimated savings represent the difference between the full claim obligation and the actual amount paid. Loans subject to the company’s loss mitigation actions, the results of which have been included in the company’s reported estimated loss mitigation savings, are subject to re-default and may result in a potential claim in future periods, as well as potential future loss mitigation savings depending on the resolution of the re-defaulted loan. The company believes that this information helps to enhance the understanding of the operating performance of the U.S. mortgage insurance business as loss mitigation activities specifically impact current and future loss reserves and level of claim payments.

Management also regularly monitors and reports a loss ratio for the company’s businesses. 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. For the mortgage and lifestyle protection insurance businesses, the loss ratio is the ratio of incurred losses and 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.

An assumed tax rate of 35 percent is utilized in certain adjustments to net operating income (loss) and in the explanation of specific variances of operating performance and investment results.

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

**Cautionary Note Regarding Forward-Looking Statements**

This press release contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “estimates,” “will” or words of similar meaning and include, but are not limited to, statements regarding the outlook for the company’s future business and financial performance. 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, but not limited to, the following:

* **Risks relating to all of the company’s businesses, including:**
  1. inability to successfully develop and execute strategic plans to effectively address the company’s current business challenges (including with respect to its long-term care insurance business, ratings and capital), including as a result of failure to attract buyers for any assets the company may seek to sell, or securities it may seek to issue, in each case, in a timely manner on anticipated terms; inability to generate required capital; failure to obtain any required regulatory, stockholder and/or noteholder approvals or consents, 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; (ii) inability to increase the capital needed in the company’s businesses in a timely manner and on anticipated terms, including through improved business performance, reinsurance or similar transactions, asset sales, securities offerings or otherwise, in each case as and when required; (iii) inadequate reserves and 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; (iv) lapse experience for the company’s products differing significantly from its pricing assumptions (particularly with respect to certain of the company’s term life insurance policies where the level premium period is nearing an end, after which premiums may increase significantly and cause the company to experience significantly higher lapses than historically has been the case and adverse selection with respect to those policyholders maintaining their policies; (v) adverse rating agency actions, including with respect to rating downgrades or potential downgrades, being placed on negative outlook 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, collateral obligations and availability and terms of hedging, reinsurance and credit facility; (vi) inability to retain, attract and motivate qualified employees and independent sales representatives, particularly in the light of the company’s recent business challenges; (vii) adverse change in regulatory requirements, including risk-based capital; (viii) dependence on dividends and other distributions from the company’s subsidiaries (particularly the company’s Australian and Canadian businesses) and the inability of any subsidiaries to pay dividends or make other distributions to the company, including as a result of the performance of the subsidiaries and insurance, regulatory or corporate law restrictions (including the unwillingness or inability of the subsidiary that indirectly owns most of the company’s interests in the Australian and Canadian mortgage insurance businesses to pay dividends to the company that it receives from those businesses as a result of the impact on its financial condition of its guarantee of certain long-term care insurance related reinsurance arrangements); (ix) inability to borrow under the company’s credit facility; (x) downturns and volatility in global economies and equity and credit markets; (xi) interest rates and changes in rates; (xii) availability, affordability and adequacy of reinsurance to meet the company’s needs; defaults by counterparties to reinsurance arrangements or derivative instruments; (xiii) changes in valuation of fixed maturity, equity and trading securities; defaults or other events impacting the value of the company’s fixed maturity securities portfolio; defaults on the company’s commercial mortgage loans or the mortgage loans underlying its investments in commercial mortgage-backed securities and volatility in performance; (xiv) adverse capital and credit markets adversely affecting the company’s ability to meet capital and liquidity needs; (xv) competition; (xvi) reliance on, and loss of, key distribution relationships; (xvii) extensive regulation on the company’s business and changes in applicable laws and regulations; (xviii) litigation and regulatory investigations or other actions (including the two shareholder class action lawsuits alleging securities law violations filed against the company in 2014); (xix) 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, the company’s confidential information; (xx) occurrence of natural or man-made disasters or a pandemic;
  2. impact of additional regulations pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; (xxii) ineffective or inadequate risk management; weaknesses in, or ineffective, internal controls; (xxiii) changes in accounting and reporting standards; (xxiv) impairments of or valuation allowances against the company’s deferred tax assets; (xxv) accelerated

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amortization of deferred acquisition costs and present value of future profits (including as a result of any changes the company may make to its assumptions, methodologies or otherwise in connection with periodic or other reviews); (xxvi) political and economic instability or changes in government policies; and (xxvii) fluctuations in foreign currency exchange rates and international securities markets.

* **Risks relating primarily to the company’s long-term care insurance, life insurance and annuities businesses, including:**
  1. the company’s inability to increase sufficiently, and in a timely manner, premiums on in-force long-term care insurance policies and/or reduce in-force benefits, and charge higher premiums on new policies, in each case, as currently anticipated (including the future increases assumed in connection with the completion of the company’s active life reserve review in the fourth quarter of 2014) and as may be required from time to time in the future (including as a result of its failure to obtain any necessary regulatory approvals or unwillingness or inability of policyholders to pay increased premiums); the company’s inability to reflect future premium increases and other management actions in its active life margin calculation as anticipated; (xxix) failure to sufficiently increase demand for the company’s long-term care insurance, life insurance and fixed annuity products; (xxx) adverse impact on the company’s financial results as a result of projected profits followed by projected losses in the company’s long-term care insurance business; (xxxi) deviations from the persistence assumptions used to price and establish reserves for the company’s insurance policies and annuity contracts; (xxxii) medical advances, such as genetic research and diagnostic imaging, and related legislation that impact policyholder behavior in ways adverse to the company; and (xxxiii) inability to continue to implement actions to mitigate the impact of statutory reserve requirements.
* **Risks relating primarily to the company’s mortgage insurance businesses, including:**
  1. deterioration in economic conditions or a decline in home prices that adversely affect the company’s loss experience in mortgage insurance;
  2. premiums for the significant portion of the company’s international mortgage insurance risk in-force with high loan-to-value ratios may not be sufficient to compensate the company for the greater risks associated with those policies; (xxxvi) competition in the company’s international and U.S. mortgage insurance businesses, including from government and government-owned and sponsored enterprises offering mortgage insurance;
  3. changes in regulations adversely affecting the company’s international operations; (xxxviii) inability to meet the proposed private mortgage insurance eligibility requirements (PMIERs) on the contemplated timetable with the contemplated funding; (xxxix) the influence of Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and a small number of large mortgage lenders and investors on the company’s industry and business and adverse changes to the role or structure of Fannie Mae and Freddie Mac; (xl) increases in U.S. mortgage insurance default rates; (xli) inability to realize anticipated benefits of the company’s rescissions, curtailments and loan modifications; (xlii) problems associated with foreclosure process defects in the United States that may defer claim payments; (xliii) adverse changes in regulations affecting the company’s U.S. mortgage insurance business; (xliv) decrease in the volume of high loan-to-value mortgage originations or increases in mortgage insurance cancellations in the United States; (xlv) increases in the use of alternatives to private mortgage insurance in the United States and reductions by lenders in the level of coverage they select; (xlvi) reduction in profitability and return on capital as a result of reinsurance with reinsurance companies affiliated with the company’s U.S. mortgage lending customers; and (xlvii) liabilities in connection with the company’s U.S. contract underwriting services.

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* **Other risks, including:**

(xlviii) the possibility that in certain circumstances the company will be obligated to make payments to General Electric Company (GE) under the tax matters agreement with GE even if its corresponding tax savings are never realized and payments could be accelerated in the event of certain changes in control; and (xlix) provisions of the company’s certificate of incorporation and bylaws and the tax matters agreement with GE may discourage takeover attempts and business combinations that stockholders might consider in their best interests; and

* **Risks relating to the company’s common stock**, **including:**
  1. the continued suspension of payment of dividends and stock price fluctuations.

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

# # #

**Contact Information**:

|  |  |  |
| --- | --- | --- |
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|  |  |  |
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**Condensed Consolidated Statements of Income**

**(Amounts in millions, except per share amounts)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three months ended** | | | | | |  | **Twelve months ended** | | | | | |  |
|  |  |  | **December 31,** | | | | |  |  | **December 31,** | | | | |  |
|  |  |  | **2014** |  |  | **2013** |  |  |  | **2014** |  |  | **2013** |  |  |
|  | Revenues: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | $ | 1,386 | | $ | 1,310 |  | $ | | 5,431 | | $ | 5,148 | |  |
|  | Net investment income |  | 819 | |  | 835 | |  |  | 3,242 | |  | 3,271 | |  |
|  | Net investment gains (losses) |  | (10) | |  | 26 |  |  |  | (20) | |  | (37) | |  |
|  | Insurance and investment product fees and other |  | 229 | |  | 241 | |  |  | 912 | |  | 1,021 | |  |
|  | Total revenues |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 2,424 | |  | 2,412 |  |  |  | 9,565 | |  | 9,403 | |  |
|  | Benefits and expenses: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  | 2,184 | |  | 1,256 |  |  |  | 6,620 | |  | 4,895 | |  |
|  | Interest credited |  | 185 | |  | 186 | |  |  | 737 | |  | 738 | |  |
|  | Acquisition and operating expenses, net of deferrals |  | 405 | |  | 406 | |  |  | 1,585 | |  | 1,659 | |  |
|  | Amortization of deferred acquisition costs and intangibles |  | 156 | |  | 128 | |  |  | 571 | |  | 569 | |  |
|  | Goodwill impairment |  | 299 | |  | — | |  |  | 849 | |  | — | |  |
|  | Interest expense |  | 118 | |  | 121 | |  |  | 479 | |  | 492 | |  |
|  | Total benefits and expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 3,347 | |  | 2,097 |  |  |  | 10,841 | |  | 8,353 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income (loss) from continuing operations before income taxes |  | (923) | |  | 315 | |  |  | (1,276) | |  | 1,050 | |  |
|  | Provision (benefit) for income taxes |  | (215) | |  | 70 |  |  |  | (228) | |  | 324 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income (loss) from continuing operations |  | (708) | |  | 245 | |  |  | (1,048) | |  | 726 | |  |
|  | Loss from discontinued operations, net of taxes |  | — |  |  | — |  |  |  | — |  |  | (12) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income (loss) |  | (708) | |  | 245 | |  |  | (1,048) | |  | 714 | |  |
|  | Less: net income attributable to noncontrolling interests |  | 52 | |  | 37 |  |  |  | 196 | |  | 154 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income (loss) available to Genworth Financial, Inc.’s common stockholders | $ | (760) | | $ | 208 | | $ | | (1,244) | | $ | 560 | |  |
| Income (loss) from continuing operations available to Genworth Financial, Inc.’s common stockholders per | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | common share: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic | $ | (1.53) | | $ | 0.42 | | $ | | (2.51) | | $ | 1.16 | |  |
|  | Diluted |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | (1.53) | | $ | 0.42 | | $ | | (2.51) | | $ | 1.15 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net income (loss) available to Genworth Financial, Inc.’s common stockholders per common share: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic | $ | (1.53) | | $ | 0.42 | | $ | | (2.51) | | $ | 1.13 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Diluted | $ | (1.53) | | $ | 0.41 | | $ | | (2.51) | | $ | 1.12 | |  |
| Weighted-average shares outstanding: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic |  | 496.7 | |  | 494.7 |  |  |  | 496.4 | |  | 493.6 | |  |
|  | Diluted5 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 496.7 | |  | 501.2 |  |  |  | 496.4 | |  | 498.7 | |  |
| 23 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Reconciliation of Net Operating Income (Loss) to Net Income (Loss)**

**(Amounts in millions, except per share amounts)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Three** |  |  |  |  |  | **Twelve** | |  |  |  |  |  | **Three** | |  |
|  |  |  | **months ended** | | | | |  |  | **months ended** | | | | | | **months ended** | | |  |
|  |  |  | **December 31,** | | | | |  |  | **December 31,** | | | | | | **September 30,** | | |  |
|  |  |  | **2014** |  |  | **2013** |  |  |  | **2014** |  |  |  | **2013** |  |  | **2014** |  |  |
|  | Net operating income (loss): |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | U.S. Life Insurance Division |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | U.S. Life Insurance segment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Long Term Care Insurance | $ (506) | | | $ | 42 | | $ | | (815) | | $ | | 129 | | $ | (361) | |  |
|  | Life Insurance | 1 | | |  | 56 | |  |  | 74 | |  |  | 173 | |  | 13 | |  |
|  | Fixed Annuities |  | 23 |  |  | 21 | |  |  | 100 | |  |  | 92 |  |  | 26 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total U.S. Life Insurance segment |  | (482) | |  | 119 | |  |  | (641) | |  |  | 394 | |  | (322) | |  |
|  | Total U.S. Life Insurance Division |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | (482) | |  | 119 | |  |  | (641) | |  |  | 394 | |  | (322) | |  |
|  | Global Mortgage Insurance Division |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | International Mortgage Insurance segment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Canada | 36 | |  |  | 44 | |  |  | 170 | |  |  | 170 | |  | 46 | |  |
|  | Australia | 336 | | |  | 66 | |  |  | 200 | |  |  | 228 | |  | 486 | |  |
|  | Other Countries |  | (7) | |  | (9) | |  |  | (25) | |  |  | (37) | |  | (7) | |  |
|  | Total International Mortgage Insurance segment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 62 |  |  | 101 | |  |  | 345 | |  |  | 361 | |  | 87 | |  |
|  | U.S. Mortgage Insurance segment |  | 21 |  |  | 6 | |  |  | 91 | |  |  | 37 |  |  | (2) | |  |
|  | Total Global Mortgage Insurance Division |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 83 |  |  | 107 | |  |  | 436 | |  |  | 398 | |  | 85 | |  |
|  | Corporate and Other Division |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | International Protection segment | (4) | | |  | 13 | |  |  | 8 | |  |  | 24 |  |  | 3 | |  |
|  | Runoff segment | 16 | |  |  | 19 | |  |  | 48 | |  |  | 66 |  |  | 5 | |  |
|  | Corporate and Other |  | (29) | |  | (65) | |  |  | (232) | |  |  | (266) | |  | (88) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Corporate and Other Division |  | (17) | |  | (33) | |  |  | (176) | |  |  | (176) | |  | (80) | |  |
| Net operating income (loss) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | (416) | |  | 193 | |  |  | (381) | |  |  | 616 | |  | (317) | |  |
|  | Adjustments to net operating income (loss): |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment gains (losses), net | (4) | | |  | 15 | |  |  | (4) | |  |  | (11) | |  | (10) | |  |
|  | Goodwill impairment, net | (274) | | |  | — | |  |  | (791) | |  |  | — | |  | (517) | |  |
|  | Gains (losses) on early extinguishment of debt, net |  | — | |  | — | |  |  | (2) | |  |  | (20) | |  | — | |  |
|  | Tax impact from potential business portfolio changes | (66) | | |  | — | |  |  | (66) | |  |  | — | |  | — | |  |
|  | Expenses related to restructuring, net |  | — | |  | — | |  |  | — | |  |  | (13) | |  | — | |  |
|  | Loss from discontinued operations, net of taxes |  | — |  |  | — |  |  |  | — |  |  |  | (12) | |  | — | |  |
| Net income (loss) available to Genworth Financial, Inc.’s common stockholders | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | (760) | |  | 208 | |  |  | (1,244) | |  |  | 560 | |  | (844) | |  |
|  | Add: net income attributable to noncontrolling interests |  | 52 |  |  | 37 | |  |  | 196 | |  |  | 154 | |  | 57 | |  |
| Net income (loss) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ (708) | | $ | 245 | | $ | | (1,048) | | $ | | 714 | | $ | (787) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income (loss) available to Genworth Financial, Inc.’s common stockholders per |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | common share: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic | $ (1.53) | | | $ | 0.42 | | $ | | (2.51) | | $ | | 1.13 | | $ | (1.70) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Diluted | $ (1.53) | | | $ | 0.41 | | $ | | (2.51) | | $ | | 1.12 | | $ | (1.70) | |  |
| Net operating income (loss) per common share: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic |  | $ (0.84) | | $ | 0.39 | | $ | | (0.77) | | $ | | 1.25 | | $ | (0.64) | |  |
|  | Diluted |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ (0.84) | | | $ | 0.38 | | $ | | (0.77) | | $ | | 1.24 | | $ | (0.64) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Weighted-average shares outstanding: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic | 496.7 | | |  | 494.7 | |  |  | 496.4 | |  |  | 493.6 | |  | 496.6 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Diluted5 | 496.7 | | |  | 501.2 | |  |  | 496.4 | |  |  | 498.7 | |  | 496.6 | |  |
| 24 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Condensed Consolidated Balance Sheets**

**(Amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **December 31,** | | |  | **December 31,** | | |  |
|  |  |  | **2014** |  |  |  | **2013** |  |  |
| Assets |  |  |  |  |  |  |  |  |  |
| Cash, cash equivalents and invested assets | $ | | 78,841 | | $ | | 73,505 | |  |
| Deferred acquisition costs |  |  | 5,042 | |  |  | 5,278 | |  |
| Intangible assets |  |  | 272 | |  |  | 399 | |  |
| Goodwill |  |  | 16 | |  |  | 867 | |  |
| Reinsurance recoverable |  |  | 17,346 | |  |  | 17,219 | |  |
| Other assets |  |  | 633 | |  |  | 639 | |  |
| Separate account assets |  |  | 9,208 |  |  |  | 10,138 |  |  |
| Total assets | $ | | 111,358 | | $ | | 108,045 | |  |
| Liabilities and stockholders’ equity |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Liabilities: |  |  |  |  |  |  |  |  |  |
| Future policy benefits | $ | | 35,915 | | $ | | 33,705 | |  |
| Policyholder account balances |  |  | 26,043 | |  |  | 25,528 | |  |
| Liability for policy and contract claims |  |  | 8,043 | |  |  | 7,204 | |  |
| Unearned premiums |  |  | 3,986 | |  |  | 4,107 | |  |
| Deferred tax and other liabilities |  |  | 4,512 | |  |  | 4,302 | |  |
| Borrowings related to securitization entities |  |  | 219 | |  |  | 242 | |  |
| Non-recourse funding obligations |  |  | 1,996 | |  |  | 2,038 | |  |
| Long-term borrowings |  |  | 4,639 | |  |  | 5,161 | |  |
| Separate account liabilities |  |  | 9,208 |  |  |  | 10,138 |  |  |
| Total liabilities |  |  | 94,561 | |  |  | 92,425 | |  |
| Stockholders’ equity: |  |  |  |  |  |  |  |  |  |
| Common stock |  |  | 1 | |  |  | 1 | |  |
| Additional paid-in capital |  |  | 11,997 | |  |  | 12,127 | |  |
| Accumulated other comprehensive income (loss): |  |  |  |  |  |  |  |  |  |
| Net unrealized investment gains (losses): |  |  |  |  |  |  |  |  |  |
| Net unrealized gains (losses) on securities not other-than-temporarily impaired |  |  | 2,431 | |  |  | 914 | |  |
| Net unrealized gains (losses) on other-than-temporarily impaired securities |  |  | 22 |  |  |  | 12 |  |  |
| Net unrealized investment gains (losses) |  |  | 2,453 |  |  |  | 926 |  |  |
| Derivatives qualifying as hedges |  |  | 2,070 | |  |  | 1,319 | |  |
| Foreign currency translation and other adjustments |  |  | (77) | |  |  | 297 | |  |
| Total accumulated other comprehensive income (loss) |  |  | 4,446 |  |  |  | 2,542 |  |  |
| Retained earnings |  |  | 1,179 | |  |  | 2,423 | |  |
| Treasury stock, at cost |  |  | (2,700) | |  |  | (2,700) | |  |
| Total Genworth Financial, Inc.’s stockholders’ equity |  |  | 14,923 |  |  |  | 14,393 |  |  |
| Noncontrolling interests |  |  | 1,874 |  |  |  | 1,227 |  |  |
| Total stockholders’ equity |  |  | 16,797 |  |  |  | 15,620 |  |  |
| Total liabilities and stockholders’ equity | $ | | 111,358 | | $ | | 108,045 | |  |
| 25 |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

**Impact of Foreign Exchange on Operating Results11**

**Three months ended December 31, 2014**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Percentages** | | **Percentages** | |
|  | **Including Foreign** | | **Excluding Foreign** | |
|  | **Exchange** | | **Exchange12** | |
| **Canada Mortgage Insurance (MI):** |  |  |  |  |
| Flow new insurance written | 10 % | | 18 % | |
| Flow new insurance written (4Q14 vs. 3Q14) | (19)% | | (16)% | |
| **Australia MI:** |  |  |  |  |
| Flow new insurance written | (11)% | | (6)% | |
| Flow new insurance written (4Q14 vs. 3Q14) | (1)% | | 5 % | |



1. All percentages are comparing the fourth quarter of 2014 to the fourth quarter of 2013 unless otherwise stated.
2. The impact of foreign exchange was calculated using the comparable prior period exchange rates.

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**Reconciliation of Net Investment Gains (Losses)**

**(Amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Three** |  |  |  |  |  | **Twelve** | |  |  |  | **Three** | |  |
|  |  | **months ended** | | | | | |  | **months ended** | | | | **months ended** | | |  |
|  |  | **December 31,** | | | | | |  | **December 31,** | | | | **September 30,** | | |  |
|  | **2014** | |  | **2013** | | |  | **2014** | |  | **2013** |  |  | **2014** |  |  |
| Net investment gains (losses), gross | $ | (10) |  |  | $ | 26 |  | $ | (20) |  | $(37) |  | $ | (27) |  |  |
| Adjustments for: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Deferred acquisition costs and other intangible amortization and certain benefit reserves |  | 1 | |  |  | — | |  | 14 | | 32 |  |  | 9 | |  |
| Net investment gains (losses) attributable to noncontrolling interests |  | 1 | |  |  | (2) | |  | — | | (13) | |  | 3 | |  |
| Taxes |  | 4 |  |  |  | (9) | |  | 2 | | 7 | |  | 5 | |  |
| Net investment gains (losses), net of taxes and other adjustments |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | (4) | | $ | | 15 |  | $ | (4) | | $(11) | | $ | (10) | |  |
| 27 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Reconciliation of Net Income (Loss) Before Net Income Attributable To Noncontrolling Interests In The Australia MI Business to Net Income (Loss)**

**Available To Genworth’s Common Stockholders and Net Operating Income (Loss) Before Net Operating Income Attributable To Noncontrolling**

**Interests In The Australia MI Business to Net Operating Income (Loss)**

**(Amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Three** |  |  |  |  |  | **Twelve** | |  |  |  |  | **Three** | |  |
|  |  |  | **months ended** | | | | |  |  | **months ended** | | | | | **months ended** | | |  |
|  |  |  | **December 31,** | | | | |  |  | **December 31,** | | | | | **September 30,** | | |  |
|  |  |  | **2014** |  | **2013** | |  |  |  | **2014** |  | **2013** | |  |  | **2014** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income (loss) before net income attributable to noncontrolling interests | $(708) | | | $ 245 | | | $ | | (1,048) | | $ 714 | | | $ | (787) | |  |
|  | Adjustments for: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net income attributable to noncontrolling interests in the Australia MI business | 22 | | |  | N/A | |  |  | 56 | |  | N/A | |  | 23 |  |  |
|  | Net income attributable to noncontrolling interests in the Canada MI business | 30 | | | 37 | | |  |  | 140 | | 154 | | |  | 34 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income (loss) available to Genworth’s common stockholders | $(760) | | | $ 208 | | | $ | | (1,244) | | $ 560 | | | $ | (844) | |  |
|  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net operating income (loss) before net operating income attributable to noncontrolling interests | | $(363) | | | $ 228 | | | $ | | (183) | | $ 761 | | | $ | (258) | |  |
|  | Adjustments for: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net operating income attributable to noncontrolling interests in the Australia MI business | 21 | | |  | N/A | |  |  | 55 | |  | N/A | |  | 23 |  |  |
|  | Net operating income attributable to noncontrolling interests in the Canada MI business |  | 32 |  |  | 35 |  |  |  | 143 | | 145 | | |  | 36 |  |  |
| Net operating income (loss) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $(416) | | | $ 193 | | | $ | | (381) | | $ 616 | | | $ | (317) | |  |
| 28 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Reconciliation of Core Yield to Reported Yield**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **For the three** | | |  |
|  |  |  |  |  |  | **months ended** | | |  |
|  |  |  |  |  |  | **December 31,** | | |  |
|  |  |  |  |  |  |  | **2014** |  |  |
|  | **(Assets - amounts in billions)** | | | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  | Reported Total Invested Assets and Cash | | | | $ | | 78.2 | |  |
|  | Subtract: | | | |  |  |  |  |  |
|  |  | Securities lending | | |  |  | 0.3 | |  |
|  |  | Unrealized gains (losses) | | |  |  | 6.7 | |  |
|  |  | Derivative counterparty collateral | | |  |  | — |  |  |
|  | Adjusted end of period invested assets | | | |  | $ | 71.2 | |  |
|  | |  |  |  |  |  |  |  |  |
| Average Invested Assets Used in Reported Yield Calculation | | | | | $ | | 70.8 | |  |
|  | Subtract: | | | |  |  |  |  |  |
|  |  | Restricted commercial mortgage loans and other invested assets related to securitization entities13 | | |  |  | 0.2 | |  |
|  |  |  |  |  |  |  |  |  |  |
| Average Invested Assets Used in Core Yield Calculation | | | |  | $ | 70.6 | |  |
| **(Income - amounts in millions)** | | | | |  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  | Reported Net Investment Income | | | | $ | | 819 | |  |
|  | Subtract: | | | |  |  |  |  |  |
|  |  | Bond calls and commercial mortgage loan prepayments | | |  |  | 18 | |  |
|  |  | Reinsurance14 | | |  |  | 14 | |  |
|  |  | Other non-core items15 | | |  |  | 12 | |  |
|  |  | Restricted commercial mortgage loans and other invested assets related to securitization entities13 | | |  |  | 2 | |  |
|  |  |  |  |  |  |  |  |  |  |
| Core Net Investment Income | | | |  | $ | 773 | |  |
|  | |  |  |  |  |  |  |  |  |
| Reported Yield | | | | |  |  | 4.63% | |  |
|  |  |  |  |  |  |  |  |  |  |
|  | Core Yield | | | |  |  | 4.38% | |  |
|  |  |  |  |  |  |  |  |  |  |



1. Represents the incremental assets and investment income related to restricted commercial mortgage loans and other invested assets.
2. Represents imputed investment income related to reinsurance agreements in the lifestyle protection insurance business.
3. Includes cost basis adjustments on structured securities, preferred stock income and various other immaterial items.

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**Exhibit 99.2**

**Fourth Quarter Financial Supplement**

**December 31, 2014**



**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

|  |  |  |  |
| --- | --- | --- | --- |
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**Note:**

Unless otherwise noted, 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, book value and book value per common 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, book value available to Genworth Financial, Inc.’s common stockholders and book value available to Genworth Financial, Inc.’s common stockholders per share, respectively.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

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Dear Investor,

Thank you for your continued interest in Genworth Financial.

During the fourth quarter of 2014, the company completed its annual loss recognition testing for its long-term care insurance business that resulted in after-tax charges of $478 million on its acquired blocks. The company updated its margin assumptions and methodologies, informed by the work done in connection with the claim reserve review completed in the third quarter of 2014. The company is required to separately test its acquired long-term care insurance blocks for recoverability as part of its loss recognition testing which resulted in a negative margin for those blocks, and the company unlocked the associated active life reserve assumptions, while the margin on the remaining blocks was positive.

During the fourth quarter of 2014 in connection with the preparation of its financial statements, the company recorded after-tax goodwill impairments of $129 million in the long-term care insurance business and $145 million in the life insurance business, in each case, as a result of current market conditions and potential further decreases in sales. The impairments reduced the goodwill of these two businesses to zero.

There was also a $66 million net tax impact in the fourth quarter of 2014 from potential business portfolio changes. Although no decisions have been made, the company recognized a tax charge of $174 million in the fourth quarter of 2014 associated with the Australian mortgage insurance business as the company can no longer assert its intent to permanently reinvest earnings in that business. In connection with the company’s plans to sell the lifestyle protection insurance business, the company completed an internal debt restructuring recognizing tax benefits of $108 million in the fourth quarter of 2014.

Please feel free to call with any questions or comments.

Regards,

Amy Corbin

Investor Relations

804 662.2685

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Use of Non-GAAP Measures**

This financial supplement includes the non-GAAP(1) financial measure entitled “net operating income (loss).” The chief operating decision maker evaluates segment performance and allocates resources on the basis of net operating income (loss). The company defines net operating income (loss) as income (loss) from continuing operations excluding the after-tax effects of income 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 and infrequent or unusual non-operating items. Gains (losses) on insurance block transactions are defined as gains (losses) on the early extinguishment of non-recourse funding obligations, early termination fees for other financing restructuring and/or resulting gains (losses) on reinsurance restructuring for certain blocks of business. The company excludes net investment gains (losses) and infrequent or unusual non-operating items because the company does not consider them to be related to the operating performance of the company’s segments and Corporate and Other activities. A component of the company’s net investment gains (losses) is the result of impairments, the size and timing of which can vary significantly depending on market credit cycles. In addition, the size and timing of other investment gains (losses) can be subject to the company’s discretion and are influenced by market opportunities, as well as asset-liability matching considerations. Goodwill impairments, gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt and gains (losses) on insurance block transactions are also excluded from net operating income (loss) because, in the company’s opinion, they are not indicative of overall operating trends. Other non-operating items are also excluded from net operating income (loss) if, in the company’s opinion, they are not indicative of overall operating trends.

In the fourth quarter of 2014, the company recorded goodwill impairments of $129 million, net of taxes, in the long-term care insurance business and $145 million, net of taxes, in the life insurance business. In the third quarter of 2014, the company recorded goodwill impairments of $167 million, net of taxes, in the long-term care insurance business and $350 million, net of taxes, in the life insurance business.

The following transactions were excluded from net operating income (loss) for the periods presented as they related to the loss on the early extinguishment of debt. In the second quarter of 2014, the company paid an early redemption payment of approximately $2 million, net of taxes and portion attributable to noncontrolling interests, related to the early redemption of Genworth MI Canada Inc.’s notes that were scheduled to mature in 2015. In the third quarter of 2013, the company paid a make-whole expense of approximately $20 million, net of taxes, related to the early redemption of Genworth Holdings’ notes that were scheduled to mature in 2015.

There were no infrequent or unusual items excluded from net operating income (loss) during the periods presented other than the following items. There was a $66 million net tax impact in the fourth quarter of 2014 from potential business portfolio changes. Although no decisions have been made, the company recognized a tax charge of $174 million in the fourth quarter of 2014 associated with the Australian mortgage insurance business as the company can no longer assert its intent to permanently reinvest earnings in that business. In connection with the company’s plans to sell the lifestyle protection insurance business, the company completed an internal debt restructuring recognizing tax benefits of $108 million in the fourth quarter of 2014. Also, in the second quarter of 2013, the company recorded a $13 million, net of taxes, expense related to restructuring costs.

While some of these items may be significant components of net income (loss) available to Genworth Financial, Inc.’s common stockholders in accordance with GAAP, the company believes that net operating income (loss) and measures that are derived from or incorporate net operating income (loss), including net operating income (loss) per common 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 net 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 net operating income (loss) have occurred in the past and could, and in some cases will, recur in the future. Net operating income (loss) and net operating income (loss) per common 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 common share on a basic and diluted basis determined in accordance with GAAP. In addition, the company’s definition of net operating income (loss) may differ from the definitions used by other companies.

The table on page 9 of this financial supplement reflects net operating income (loss) as determined in accordance with accounting guidance related to segment reporting, and a reconciliation of net operating income (loss) of the company’s segments and Corporate and Other activities to net income (loss) available to Genworth Financial, Inc.’s common stockholders for the periods presented. The 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 72 and 73 of this financial supplement.

Adjustments to reconcile net income (loss) attributable to Genworth Financial, Inc.’s common stockholders and net operating income (loss) assume a 35% tax rate 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 70).



1. U.S. Generally Accepted Accounting Principles

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Operating Performance Measures**

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 and renewal business generated in a period. Sales refer to: (1) annualized first-year premiums for long-term care and term life insurance products; (2) annualized first-year deposits plus 5% of excess deposits for universal and term universal life insurance products; (3) 10% of premium deposits for linked-benefits products; (4) new and additional premiums/deposits for fixed annuities; (5) new insurance written for mortgage insurance; and (6) net premiums written for the lifestyle protection insurance business. Sales do not include renewal premiums on policies or contracts written during prior periods. The company considers annualized first-year premiums/deposits, premium equivalents, new premiums/deposits, new insurance written and net premiums written to be a measure of the company’s operating performance because they represent a measure of new sales of insurance policies or contracts 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 life, international mortgage and U.S. mortgage insurance businesses is a measure of the aggregate face value of outstanding insurance policies as of the respective reporting date. For risk in-force in the international mortgage insurance business, the company has computed an “effective” risk in-force amount, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor of 35% that represents the highest expected average per-claim payment for any one underwriting year over the life of the company’s businesses in Canada and Australia. Risk in-force for the U.S. mortgage insurance business is the obligation that is limited under contractual terms to the amounts less than 100% of the mortgage loan value. The company considers insurance in-force and risk in-force to be measures of the company’s operating performance because they represent measures of the size of the business at a specific date which will generate revenues and profits in a future period, rather than measures of the company’s revenues or profitability during that period.

This financial supplement also includes information related to loss mitigation activities for the U.S. mortgage insurance business. The company defines loss mitigation activities as rescissions, cancellations, borrower loan modifications, repayment plans, lender- and borrower-titled pre-sales, claims administration and other loan workouts. Estimated savings related to rescissions are the reduction in carried loss reserves, net of premium refunds and reinstatement of prior rescissions. Estimated savings related to loan modifications and other cure-related loss mitigation actions represent the reduction in carried loss reserves. Estimated savings related to claims mitigation activities represent amounts deducted or “curtailed” from claims due to acts or omissions by the insured or the servicer with respect to the servicing of an insured loan that is not in compliance with obligations under the company’s master policy. For non-cure related actions, including pre-sales, the estimated savings represent the difference between the full claim obligation and the actual amount paid. Loans subject to the company’s loss mitigation actions, the results of which have been included in the company’s reported estimated loss mitigation savings, are subject to re-default and may result in a potential claim in future periods, as well as potential future loss mitigation savings depending on the resolution of the re-defaulted loan. The company believes that this information helps to enhance the understanding of the operating performance of the U.S. mortgage insurance business as loss mitigation activities specifically impact current and future loss reserves and level of claim payments.

Management also regularly monitors and reports a loss ratio for the company’s businesses. 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. For the mortgage and lifestyle protection insurance businesses, the loss ratio is the ratio of incurred losses and 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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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Financial Highlights**

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Balance Sheet Data** | | | | | **December 31,** | | |  | **September 30,** | | | |  | **June 30,** | | | | | **March 31,** | | |  | **December 31,** | | |  |
|  | **2014** |  |  |  | **2014** | |  |  |  | **2014** | | |  |  | **2014** |  |  |  | **2013** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Genworth Financial, Inc.’s stockholders’ equity, excluding accumulated other | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | comprehensive income | | | | $ | 10,477 | | $ | | 11,231 | | | $ | | 12,070 | | |  | $ | 12,032 | | $ | | 11,851 | |  |
|  | Total accumulated other comprehensive income | | | |  | 4,446 | |  |  | 3,934 | | |  |  | 4,161 | | |  |  | 3,483 | |  |  | 2,542 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Genworth Financial, Inc.’s stockholders’ equity | | | | $ | 14,923 | | $ | | 15,165 | | | $ | | 16,231 | | |  | $ | 15,515 | | $ | | 14,393 |  |  |
| Book value per common share | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 30.04 | | $ | | 30.54 | | | $ | | 32.68 | | |  | $ | 31.27 | | $ | | 29.08 |  |  |
|  | Book value per common share, excluding accumulated other comprehensive income | | | | $ | 21.09 | | $ | | 22.62 | | | $ | | 24.31 | | |  | $ | 24.25 | | $ | | 23.95 |  |  |
|  | Common shares outstanding as of the balance sheet date | | | |  | 496.7 | |  |  | 496.6 | | |  |  | 496.6 | | |  |  | 496.2 | |  |  | 494.8 |  |  |
|  |  |  |  |  |  |  |  |  |  |  | **Twelve months ended** | | | | | | | |  |  |  |  |  |  |  |  |
| **Twelve Month Rolling Average ROE** | | | | | **December 31,** | | |  | **September 30,** | | | |  | **June 30,** | | | | | **March 31,** | | |  | **December 31,** | |  |  |
|  | **2014** |  |  |  | **2014** | |  |  |  | **2014** | | |  |  | **2014** |  |  |  | **2013** |  |  |
|  | GAAP Basis ROE | | |  |  | -10.8% |  |  |  | -2.3% | |  |  |  | 5.7% | | |  |  | 5.5% |  |  |  | 4.8% |  |  |
|  | Operating ROE(1) | | | |  | -3.3% |  |  |  | 1.9% | |  |  |  | 5.8% | | |  |  | 5.6% |  |  |  | 5.3% |  |  |
|  |  |  |  |  |  |  |  |  |  |  | **Three months ended** | | | | | | | |  |  |  |  |  |  |  |  |
| **Quarterly Average ROE** | | | | | **December 31,** | | |  | **September 30,** | | | |  | **June 30,** | | | | | **March 31,** | | |  | **December 31,** | |  |  |
|  | **2014** |  |  |  | **2014** | |  |  |  | **2014** | | |  |  | **2014** |  |  |  | **2013** |  |  |
|  | GAAP Basis ROE | |  | |  | -28.0% |  |  |  | -29.0% | |  |  |  | 5.8% | | |  |  | 6.2% |  |  |  | 7.1% |  |  |
|  | Operating ROE(1) | | | |  | -15.3% |  |  |  | -10.9% | |  |  |  | 5.2% | | |  |  | 6.5% |  |  |  | 6.6% |  |  |
|  |  |  |  |  |  |  |  |  |  |  | **Three months ended** | | | | | | | |  |  | **Twelve months ended** | | | | |  |
| **Basic and Diluted Shares** | | | | |  |  |  |  |  |  | **December 31,** | | | | | | | |  |  |  | **December 31,** | | | |  |
|  |  |  |  |  |  |  |  | **2014** |  |  |  |  |  |  |  |  | **2014** | | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Weighted-average common shares used in basic earnings per common share calculations | | | |  |  |  |  |  |  |  |  | 496.7 | | |  |  |  |  |  |  |  |  | 496.4 |  |  |
|  | Potentially dilutive securities: | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Stock options, restricted stock units and stock appreciation rights | | | |  |  |  |  |  |  |  |  |  |  | — |  | | |  |  |  |  |  | — |  |  |
| Weighted-average common shares used in diluted earnings per common share calculations(2) | | | | |  |  |  |  |  |  |  |  | 496.7 | | | |  |  |  |  |  |  |  | 496.4 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



1. See page 72 herein for a reconciliation of 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 net loss and net operating loss for the three and twelve months ended December 31, 2014, the company was required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share for the three and twelve months ended December 31, 2014, as the inclusion of shares for stock options, restricted stock units and stock appreciation rights of 3.2 million and 5.6 million, respectively, would have been antidilutive to the calculation. If the company had not incurred a net loss and net operating loss for the three and twelve months ended December 31, 2014, dilutive potential weighted-average common shares outstanding would have been 499.9 million and 502.0 million, respectively.

6



**Fourth Quarter Results**

7

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Consolidated Net Income (Loss) by Quarter**

**(amounts in millions, except per share amounts)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  | **2014** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  | **1Q** | |  |  | **Total** | |  |  | **4Q** | |  |  | **3Q** | |  |  | **2Q** | |  | **1Q** | | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | $ | | 1,386 | | $ | | 1,395 | | $ | 1,343 | | $ | 1,307 | | $ | | 5,431 | |  | $ | 1,310 | | $ | | 1,291 | | $ | | 1,286 | | $ | 1,261 | | $ | 5,148 | |  |
|  | Net investment income |  |  | 819 | |  |  | 805 | |  | 813 | |  | 805 | |  |  | 3,242 | |  |  | 835 | |  |  | 801 | |  |  | 821 | |  | 814 | |  | 3,271 | |  |
|  | Net investment gains (losses) |  |  | (10) | |  |  | (27) | |  | 34 | |  | (17) | |  |  | (20) | |  |  | 26 |  |  |  | (23) | |  |  | 21 | |  | (61) | |  | (37) | |  |
|  | Insurance and investment product fees and other |  |  | 229 | |  |  | 231 | |  | 225 | |  | 227 | |  |  | 912 | |  |  | 241 | |  |  | 248 | |  |  | 243 | |  | 289 | |  | 1,021 | |  |
|  | Total revenues |  |  | 2,424 |  |  |  | 2,404 |  |  | 2,415 |  |  | 2,322 |  |  |  | 9,565 |  |  |  | 2,412 |  |  |  | 2,317 |  |  |  | 2,371 |  |  | 2,303 |  |  | 9,403 |  |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 2,184 | |  |  | 1,986 | |  | 1,256 | |  | 1,194 | |  |  | 6,620 | |  |  | 1,256 | |  |  | 1,169 | |  |  | 1,269 | |  | 1,201 | |  | 4,895 | |  |
|  | Interest credited |  |  | 185 | |  |  | 185 | |  | 184 | |  | 183 | |  |  | 737 | |  |  | 186 | |  |  | 184 | |  |  | 184 | |  | 184 | |  | 738 | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  | 405 | |  |  | 398 | |  | 404 | |  | 378 | |  |  | 1,585 | |  |  | 406 | |  |  | 407 | |  |  | 413 | |  | 433 | |  | 1,659 | |  |
|  | Amortization of deferred acquisition costs and intangibles |  |  | 156 | |  |  | 143 | |  | 138 | |  | 134 | |  |  | 571 | |  |  | 128 | |  |  | 182 | |  |  | 137 | |  | 122 | |  | 569 | |  |
|  | Goodwill impairment |  |  | 299 | |  |  | 550 | |  | — | |  | — | |  |  | 849 | |  |  | — | |  |  | — | |  |  | — | |  | — | |  | — | |  |
|  | Interest expense |  |  | 118 | |  |  | 114 | |  | 120 | |  | 127 | |  |  | 479 | |  |  | 121 | |  |  | 124 | |  |  | 121 | |  | 126 | |  | 492 | |  |
|  | Total benefits and expenses |  |  | 3,347 |  |  |  | 3,376 |  |  | 2,102 |  |  | 2,016 |  |  |  | 10,841 |  |  |  | 2,097 |  |  |  | 2,066 |  |  |  | 2,124 |  |  | 2,066 |  |  | 8,353 |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **TAXES** |  |  | (923) | |  |  | (972) | |  | 313 | |  | 306 | |  |  | (1,276) | |  |  | 315 | |  |  | 251 | |  |  | 247 | |  | 237 | |  | 1,050 | |  |
|  | Provision (benefit) for income taxes |  |  | (215) | |  |  | (185) | |  | 85 | |  | 87 |  |  |  | (228) | |  |  | 70 |  |  |  | 105 | |  |  | 73 | |  | 76 | |  | 324 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** |  |  | (708) | |  |  | (787) | |  | 228 | |  | 219 | |  |  | (1,048) | |  |  | 245 | |  |  | 146 | |  |  | 174 | |  | 161 | |  | 726 | |  |
|  | Income (loss) from discontinued operations, net of taxes(1) |  |  | — |  |  |  | — |  |  | — |  |  | — |  |  |  | — |  | |  | — |  |  |  | 2 |  |  |  | 6 |  |  | (20) | |  | (12) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET INCOME (LOSS)** |  |  | (708) | |  |  | (787) | |  | 228 | |  | 219 | |  |  | (1,048) | |  |  | 245 | |  |  | 148 | |  |  | 180 | |  | 141 | |  | 714 | |  |
|  | Less: net income attributable to noncontrolling interests |  |  | 52 | |  |  | 57 | |  | 52 | |  | 35 |  |  |  | 196 | |  |  | 37 |  |  |  | 40 | |  |  | 39 | |  | 38 | |  | 154 | |  |
|  | **NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.’S** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **COMMON STOCKHOLDERS** | $ | | (760) | | $ | | (844) | | $ | 176 | | $ | 184 | | $ | | (1,244) | |  | $ | 208 | | $ | | 108 | | $ | | 141 | | $ | 103 | | $ | 560 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Earnings (Loss) Per Share Data:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Income (loss) from continuing operations available to Genworth Financial, Inc.’s |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | common stockholders per common share |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic | $ | | (1.53) | | $ | | (1.70) | | $ | 0.35 | | $ | 0.37 | | $ | | (2.51) | |  | $ | 0.42 | | $ | | 0.21 | | $ | | 0.27 | | $ | 0.25 | | $ | 1.16 | |  |
|  | Diluted | $ | | (1.53) | | $ | | (1.70) | | $ | 0.35 | | $ | 0.37 | | $ | | (2.51) | |  | $ | 0.42 | | $ | | 0.21 | | $ | | 0.27 | | $ | 0.25 | | $ | 1.15 | |  |
|  | Net income (loss) available to Genworth Financial, Inc.’s common stockholders per |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | common share |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic | $ | | (1.53) | | $ | | (1.70) | | $ | 0.35 | | $ | 0.37 | | $ | | (2.51) | |  | $ | 0.42 | | $ | | 0.22 | | $ | | 0.29 | | $ | 0.21 | | $ | 1.13 | |  |
|  | Diluted | $ | | (1.53) | | $ | | (1.70) | | $ | 0.35 | | $ | 0.37 | | $ | | (2.51) | |  | $ | 0.41 | | $ | | 0.22 | | $ | | 0.28 | | $ | 0.21 | | $ | 1.12 | |  |
|  | Weighted-average common shares outstanding |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic |  |  | 496.7 | |  |  | 496.6 | |  | 496.6 | |  | 495.8 | |  |  | 496.4 | |  |  | 494.7 | |  |  | 494.0 | |  |  | 493.4 | |  | 492.5 | |  | 493.6 | |  |
|  | Diluted(2) |  |  | 496.7 | |  |  | 496.6 | |  | 503.6 | |  | 502.7 | |  |  | 496.4 | |  |  | 501.2 | |  |  | 499.3 | |  |  | 497.5 | |  | 496.8 | |  | 498.7 | |  |



1. Income (loss) from discontinued operations related to the wealth management business, which was sold on August 30, 2013.
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 and net loss for the three months ended September 30, 2014 and the three and twelve months ended December 31, 2014, 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 September 30, 2014 and the three and twelve months ended December 31, 2014, as the inclusion of shares for stock options, restricted stock units and stock appreciation rights of 5.4 million, 3.2 million and 5.6 million, respectively, would have been antidilutive to the calculation. If the company had not incurred a net loss for the three months ended September 30, 2014 and the three and twelve months ended December 31, 2014, dilutive potential weighted-average common shares outstanding would have been 502.0 million, 499.9 million and 502.0 million, respectively.

8

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss) by Segment by Quarter**

**(amounts in millions, except per share amounts)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  | **2014** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **4Q** | |  |  | **3Q** | |  |  | **2Q** | |  |  | **1Q** | | **Total** | | |  |  | **4Q** | |  | **3Q** | |  | **2Q** | |  | **1Q** | |  | **Total** |  |  |
|  | **U.S. Life Insurance Division** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | U.S. Life Insurance segment: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Long-Term Care Insurance | |  | $ | (506) | | $ | | (361) | | $ | | 6 |  | $ | | 46 | | $ | (815) | |  | $ | 42 | | $ | 41 | | $ | 26 |  | $ | 20 |  | $ | 129 |  |  |
|  | Life Insurance | |  |  | 1 | |  |  | 13 |  |  |  | 39 |  |  |  | 21 | |  | 74 | |  |  | 56 | |  | 54 | |  | 27 |  |  | 36 |  |  | 173 |  |  |
|  | Fixed Annuities | |  |  | 23 | |  |  | 26 |  |  |  | 24 |  |  |  | 27 | |  | 100 | |  |  | 21 | |  | 16 | |  | 26 |  |  | 29 |  |  | 92 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total U.S. Life Insurance segment | |  |  | (482) | |  |  | (322) | |  |  | 69 |  |  |  | 94 | |  | (641) | |  |  | 119 | |  | 111 | |  | 79 |  |  | 85 |  |  | 394 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total U.S. Life Insurance Division** | |  |  | (482) | |  |  | (322) | |  |  | 69 |  |  |  | 94 | |  | (641) | |  |  | 119 | |  | 111 | |  | 79 |  |  | 85 |  |  | 394 |  |  |
| **Global Mortgage Insurance Division** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | International Mortgage Insurance segment: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Canada | |  |  | 36 | |  |  | 46 |  |  |  | 47 |  |  |  | 41 | |  | 170 | |  |  | 44 | |  | 41 | |  | 43 |  |  | 42 |  |  | 170 |  |  |
|  | Australia(1) | |  |  | 33 | |  |  | 48 |  |  |  | 57 |  |  |  | 62 | |  | 200 | |  |  | 66 | |  | 61 | |  | 55 |  |  | 46 |  |  | 228 |  |  |
|  | Other Countries | |  |  | (7) | |  |  | (7) | |  |  | (7) | |  |  | (4) | |  | (25) | |  |  | (9) | |  | (12) | |  | (9) | |  | (7) | |  | (37) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total International Mortgage Insurance segment | |  |  | 62 | |  |  | 87 |  |  |  | 97 |  |  |  | 99 | |  | 345 | |  |  | 101 | |  | 90 | |  | 89 |  |  | 81 |  |  | 361 |  |  |
|  | U.S. Mortgage Insurance segment | |  |  | 21 | |  |  | (2) | |  |  | 39 |  |  |  | 33 | |  | 91 | |  |  | 6 | |  | (3) | |  | 13 |  |  | 21 |  |  | 37 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total Global Mortgage Insurance Division** | |  |  | 83 | |  |  | 85 |  |  |  | 136 |  |  |  | 132 | |  | 436 | |  |  | 107 | |  | 87 | |  | 102 |  |  | 102 |  |  | 398 |  |  |
| **Corporate and Other Division** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | International Protection segment | |  |  | (4) | |  |  | 3 |  |  |  | 2 |  |  |  | 7 | |  | 8 | |  |  | 13 | |  | 4 | |  | 1 |  |  | 6 |  |  | 24 |  |  |
|  | Runoff segment | |  |  | 16 | |  |  | 5 |  |  |  | 15 |  |  |  | 12 | |  | 48 | |  |  | 19 | |  | 25 | |  | 6 |  |  | 16 |  |  | 66 |  |  |
|  | Corporate and Other | |  |  | (29) | |  |  | (88) | |  |  | (64) | |  |  | (51) | |  | (232) | |  |  | (65) | |  | (88) | |  | (55) | |  | (58) | |  | (266) | |  |
| **Total Corporate and Other Division** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | (17) | |  |  | (80) | |  |  | (47) | |  |  | (32) | |  | (176) | |  |  | (33) | |  | (59) | |  | (48) | |  | (36) | |  | (176) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME (LOSS)** | |  |  | (416) | |  |  | (317) | |  |  | 158 |  |  |  | 194 | |  | (381) | |  |  | 193 | |  | 139 | |  | 133 |  |  | 151 |  |  | 616 |  |  |
|  | **ADJUSTMENTS TO NET OPERATING INCOME (LOSS):** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment gains (losses), net | |  |  | (4) | |  |  | (10) | |  |  | 20 |  |  |  | (10) | |  | (4) | |  |  | 15 | |  | (13) | |  | 15 |  |  | (28) | |  | (11) | |  |
|  | Goodwill impairment, net | |  |  | (274) | |  |  | (517) | |  |  | — | |  |  | — | |  | (791) | |  |  | — | |  | — | |  | — | |  | — | |  | — | |  |
|  | Gains (losses) on early extinguishment of debt, net | |  |  | — | |  |  | — | |  |  | (2) | |  |  | — | |  | (2) | |  |  | — | |  | (20) | |  | — | |  | — | |  | (20) | |  |
|  | Tax impact from potential business portfolio changes | |  |  | (66) | |  |  | — | |  |  | — | |  |  | — | |  | (66) | |  |  | — | |  | — | |  | — | |  | — | |  | — | |  |
|  | Expenses related to restructuring, net | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  | — | | |  | — | |  | — | |  | (13) | |  | — | |  | (13) | |  |
|  | Income (loss) from discontinued operations, net of taxes | |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  | — |  | |  | — |  |  | 2 | |  | 6 |  |  | (20) | |  | (12) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.’S COMMON STOCKHOLDERS** | |  |  | (760) | |  |  | (844) | |  |  | 176 |  |  |  | 184 | |  | (1,244) | |  |  | 208 | |  | 108 | |  | 141 |  |  | 103 |  |  | 560 |  |  |
|  | Add: net income attributable to noncontrolling interests | |  |  | 52 | |  |  | 57 |  |  |  | 52 |  |  |  | 35 | |  | 196 | |  |  | 37 | |  | 40 | |  | 39 |  |  | 38 |  |  | 154 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET INCOME (LOSS)** | |  | $ | (708) | | $ | | (787) | | $ | | 228 |  | $ | | 219 | | $ | (1,048) | |  | $ | 245 | | $ | 148 | | $ | 180 |  | $ | 141 |  | $ | 714 |  |  |
| **Earnings (Loss) Per Share Data:** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net income (loss) available to Genworth Financial, Inc.’s common stockholders per common share | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic | | | $ | (1.53) | | $ | | (1.70) | | $ | | 0.35 | | $ | | 0.37 | | $ | (2.51) | |  | $ | 0.42 | | $ | 0.22 | | $ | 0.29 | | $ | 0.21 | | $ | 1.13 | |  |
|  | Diluted | | | $ | (1.53) | | $ | | (1.70) | | $ | | 0.35 | | $ | | 0.37 | | $ | (2.51) | |  | $ | 0.41 | | $ | 0.22 | | $ | 0.28 | | $ | 0.21 | | $ | 1.12 | |  |
|  | Net operating income (loss) per common share | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic | | | $ | (0.84) | | $ | | (0.64) | | $ | | 0.32 | | $ | | 0.39 | | $ | (0.77) | |  | $ | 0.39 | | $ | 0.28 | | $ | 0.27 | | $ | 0.31 | | $ | 1.25 | |  |
|  | Diluted | | | $ | (0.84) | | $ | | (0.64) | | $ | | 0.31 | | $ | | 0.39 | | $ | (0.77) | |  | $ | 0.38 | | $ | 0.28 | | $ | 0.27 | | $ | 0.30 | | $ | 1.24 | |  |
|  | Weighted-average common shares outstanding | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic | | |  | 496.7 | |  |  | 496.6 | |  |  | 496.6 | |  |  | 495.8 | |  | 496.4 | |  |  | 494.7 | |  | 494.0 | |  | 493.4 | |  | 492.5 | |  | 493.6 | |  |
|  | Diluted(2) | | |  | 496.7 | |  |  | 496.6 | |  |  | 503.6 | |  |  | 502.7 | |  | 496.4 | |  |  | 501.2 | |  | 499.3 | |  | 497.5 | |  | 496.8 | |  | 498.7 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



1. Adjusted for 33.8% owned by noncontrolling interests after the initial public offering of the Australian mortgage insurance business on May 21, 2014. The following table shows Australia’s net operating income assuming 100% ownership and then adjusts for the portion related to noncontrolling interests.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Three months ended | | | | | |  |  | Twelve months ended | | | | |
|  |  |  |  | December 31, | | |  |  |  |  | December 31, | | |  |  |
|  |  |  | 2014 |  |  |  | 2013 |  |  |  | 2014 |  |  | 2013 |  |
|  | Australia’s Net Operating Income |  | $ | 54 |  | $ | 66 |  |  | $ | 255 |  | $ | 228 |  |
|  | Less: Net Operating Income Attributable to Noncontrolling Interests |  |  | 21 |  |  | — |  |  |  | 55 |  |  | — |  |
|  | Australia’s Net Operating Income Available to Genworth Financial, Inc.’s Common Stockholders | $ | | 33 | $ | | 66 | | $ | | 200 | | $ | 228 | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Under applicable accounting guidance, companies in a loss position are required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share. Therefore, as a result of the net loss and net operating loss for the three months ended September 30, 2014 and the three and twelve months ended December 31, 2014, 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 September 30, 2014 and the three and twelve months ended December 31, 2014, as the inclusion of shares for stock options, restricted stock units and stock appreciation rights of 5.4 million, 3.2 million and 5.6 million, respectively, would have been antidilutive to the calculation. If the company had not incurred a net loss and net operating loss for the three months ended September 30, 2014 and the three and twelve months ended December 31, 2014, dilutive potential weighted-average common shares outstanding would have been 502.0 million, 499.9 million and 502.0 million, respectively.

9

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Consolidated Balance Sheets**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **December 31,** | | |  | **September 30,** | | |  | **June 30,** | | |  | **March 31,** | | |  | **December 31,** | | |  |
|  |  |  | **2014** |  |  |  | **2014** |  |  |  | **2014** |  |  |  | **2014** |  |  |  | **2013** |  |  |
| **ASSETS** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investments: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Fixed maturity securities available-for-sale, at fair value | $ | | 62,447 | | $ | | 62,317 | | $ | | 62,360 | | $ | | 60,244 | | $ | | 58,629 | |  |
| Equity securities available-for-sale, at fair value |  |  | 282 | |  |  | 313 | |  |  | 320 | |  |  | 349 | |  |  | 341 | |  |
| Commercial mortgage loans |  |  | 6,100 |  |  |  | 6,077 | |  |  | 5,986 |  |  |  | 5,894 |  |  |  | 5,899 | |  |
| Restricted commercial mortgage loans related to securitization entities |  |  | 201 | |  |  | 209 | |  |  | 217 | |  |  | 227 | |  |  | 233 | |  |
| Policy loans |  |  | 1,501 |  |  |  | 1,512 | |  |  | 1,514 |  |  |  | 1,438 |  |  |  | 1,434 | |  |
| Other invested assets |  |  | 2,296 |  |  |  | 2,281 | |  |  | 1,963 |  |  |  | 1,875 |  |  |  | 1,686 | |  |
| Restricted other invested assets related to securitization entities |  |  | 411 |  |  |  | 404 |  |  |  | 404 | |  |  | 398 | |  |  | 391 | |  |
| Total investments |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 73,238 |  |  |  | 73,113 |  |  |  | 72,764 | |  |  | 70,425 | |  |  | 68,613 | |  |
| Cash and cash equivalents |  |  | 4,918 |  |  |  | 3,477 | |  |  | 4,138 |  |  |  | 4,360 |  |  |  | 4,214 | |  |
| Accrued investment income |  |  | 685 | |  |  | 719 | |  |  | 642 | |  |  | 752 | |  |  | 678 | |  |
| Deferred acquisition costs |  |  | 5,042 |  |  |  | 5,085 | |  |  | 5,085 |  |  |  | 5,177 |  |  |  | 5,278 | |  |
| Intangible assets |  |  | 272 | |  |  | 300 | |  |  | 266 | |  |  | 327 | |  |  | 399 | |  |
| Goodwill |  |  | 16 |  |  |  | 316 | |  |  | 867 | |  |  | 866 | |  |  | 867 | |  |
| Reinsurance recoverable |  |  | 17,346 | |  |  | 17,374 | |  |  | 17,276 | |  |  | 17,234 | |  |  | 17,219 | |  |
| Other assets |  |  | 633 | |  |  | 710 | |  |  | 695 | |  |  | 691 | |  |  | 639 | |  |
| Separate account assets |  |  | 9,208 |  |  |  | 9,420 |  |  |  | 9,911 | |  |  | 9,933 |  |  |  | 10,138 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total assets | $ | | 111,358 | | $ | | 110,514 | | $ | | 111,644 | | $ | | 109,765 |  | $ | | 108,045 | |  |
| 10 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Consolidated Balance Sheets**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **December 31,** | | |  | **September 30,** | | |  | **June 30,** | | |  | **March 31,** | | |  | **December 31,** | | |  |
|  |  |  | **2014** |  |  |  | **2014** |  |  |  | **2014** |  |  |  | **2014** |  |  |  | **2013** |  |  |
| **LIABILITIES AND STOCKHOLDERS’ EQUITY** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Liabilities: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Future policy benefits | $ | | 35,915 | | $ | | 34,697 | | $ | | 34,497 | | $ | | 34,076 | | $ | | 33,705 | |  |
| Policyholder account balances |  |  | 26,043 | |  |  | 25,827 | |  |  | 25,834 | |  |  | 25,881 | |  |  | 25,528 | |  |
| Liability for policy and contract claims |  |  | 8,043 | |  |  | 7,987 | |  |  | 7,223 |  |  |  | 7,156 |  |  |  | 7,204 | |  |
| Unearned premiums |  |  | 3,986 | |  |  | 4,085 | |  |  | 4,191 |  |  |  | 4,075 |  |  |  | 4,107 | |  |
| Other liabilities |  |  | 3,604 | |  |  | 3,605 | |  |  | 3,702 |  |  |  | 3,777 |  |  |  | 4,096 | |  |
| Borrowings related to securitization entities |  |  | 219 | |  |  | 225 | |  |  | 233 | |  |  | 239 | |  |  | 242 | |  |
| Non-recourse funding obligations |  |  | 1,996 | |  |  | 2,010 | |  |  | 2,024 |  |  |  | 2,030 |  |  |  | 2,038 | |  |
| Long-term borrowings |  |  | 4,639 | |  |  | 4,662 | |  |  | 4,691 |  |  |  | 5,150 |  |  |  | 5,161 | |  |
| Deferred tax liability |  |  | 908 | |  |  | 875 | |  |  | 1,074 |  |  |  | 714 | |  |  | 206 | |  |
| Separate account liabilities |  |  | 9,208 |  |  |  | 9,420 |  |  |  | 9,911 | |  |  | 9,933 |  |  |  | 10,138 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total liabilities |  |  | 94,561 |  |  |  | 93,393 |  |  |  | 93,380 | |  |  | 93,031 | |  |  | 92,425 | |  |
| Stockholders’ equity: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Common stock |  |  | 1 | |  |  | 1 | |  |  | 1 | |  |  | 1 | |  |  | 1 | |  |
| Additional paid-in capital |  |  | 11,997 |  |  |  | 11,991 | |  |  | 11,986 |  |  |  | 12,124 | |  |  | 12,127 | |  |
| Accumulated other comprehensive income (loss): |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net unrealized investment gains (losses): |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net unrealized gains (losses) on securities not other-than- |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| temporarily impaired |  |  | 2,431 | |  |  | 2,047 | |  |  | 2,109 |  |  |  | 1,606 |  |  |  | 914 | |  |
| Net unrealized gains (losses) on other-than-temporarily impaired |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| securities |  |  | 22 |  |  |  | 20 |  |  |  | 19 |  |  |  | 18 |  |  |  | 12 |  |  |
| Net unrealized investment gains (losses) |  |  | 2,453 |  |  |  | 2,067 |  |  |  | 2,128 |  |  |  | 1,624 |  |  |  | 926 |  |  |
| Derivatives qualifying as hedges |  |  | 2,070 | |  |  | 1,753 | |  |  | 1,652 |  |  |  | 1,538 |  |  |  | 1,319 | |  |
| Foreign currency translation and other adjustments |  |  | (77) | |  |  | 114 | |  |  | 381 | |  |  | 321 | |  |  | 297 | |  |
| Total accumulated other comprehensive income |  |  | 4,446 |  |  |  | 3,934 |  |  |  | 4,161 |  |  |  | 3,483 |  |  |  | 2,542 |  |  |
| Retained earnings |  |  | 1,179 | |  |  | 1,939 | |  |  | 2,783 |  |  |  | 2,607 |  |  |  | 2,423 | |  |
| Treasury stock, at cost |  |  | (2,700) | |  |  | (2,700) | |  |  | (2,700) | |  |  | (2,700) | |  |  | (2,700) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Genworth Financial, Inc.’s stockholders’ equity |  |  | 14,923 |  |  |  | 15,165 |  |  |  | 16,231 | |  |  | 15,515 | |  |  | 14,393 | |  |
| Noncontrolling interests |  |  | 1,874 |  |  |  | 1,956 |  |  |  | 2,033 |  |  |  | 1,219 |  |  |  | 1,227 |  |  |
| Total stockholders’ equity |  |  | 16,797 |  |  |  | 17,121 |  |  |  | 18,264 | |  |  | 16,734 | |  |  | 15,620 | |  |
| Total liabilities and stockholders’ equity |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 111,358 |  |  | $ | 110,514 |  |  | $ | 111,644 | | $ | | 109,765 |  | $ | | 108,045 | |  |
| 11 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Consolidated Balance Sheet by Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  | **December 31, 2014** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **U.S. Life** | | **International** | | | **U.S. Mortgage** | | | |  | **International** | | |  |  |  |  | **Corporate and** | | |  |  |  |  |  |
|  |  | **Mortgage** | |  | **Runoff** | | |  |  |  | **Total** | |  |
|  | **Insurance** | |  | **Insurance** | |  |  | **Insurance** | |  |  | **Protection** | |  |  | **Other**(1) | |  |  |  |
| **ASSETS** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and investments | $ 61,555 | | $ | 8,540 | | $ | | 2,240 | | $ | | 1,455 |  | $ | 2,602 | | $ | | 2,449 | | $ | | 78,841 | |  |
| Deferred acquisition costs and intangible assets | 4,589 |  |  | 179 | |  |  | 24 | |  |  | 215 | |  | 311 | |  |  | 12 | |  |  | 5,330 | |  |
| Reinsurance recoverable | 16,408 | |  | 23 | |  |  | 27 | |  |  | 32 |  |  | 856 | |  |  | — | |  |  | 17,346 | |  |
| Deferred tax and other assets | 354 | |  | 73 | |  |  | 33 | |  |  | 131 | |  | (6) | |  |  | 48 | |  |  | 633 | |  |
| Separate account assets | — |  |  | — |  |  |  | — |  |  |  | — |  |  | 9,208 |  |  |  | — |  |  |  | 9,208 |  |  |
| Total assets | $ 82,906 | | $ | 8,815 | | $ | | 2,324 | | $ | | 1,833 |  | $ | 12,971 | | $ | | 2,509 | | $ | | 111,358 | |  |
| **LIABILITIES AND STOCKHOLDERS’ EQUITY** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Liabilities: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Future policy benefits | $ 35,911 |  | $ | — | | $ | | — | | $ | | — | | $ | 4 | | $ | | — | | $ | | 35,915 | |  |
| Policyholder account balances | 22,874 | |  | — | |  |  | — | |  |  | 11 | |  | 3,158 | |  |  | — | |  |  | 26,043 | |  |
| Liability for policy and contract claims | 6,434 |  |  | 308 | |  |  | 1,180 | |  |  | 106 | |  | 15 | |  |  | — | |  |  | 8,043 | |  |
| Unearned premiums | 639 | |  | 2,723 | |  |  | 178 | |  |  | 439 | |  | 7 | |  |  | — | |  |  | 3,986 | |  |
| Non-recourse funding obligations | 2,026 |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | (30) | |  |  | 1,996 | |  |
| Deferred tax and other liabilities | 4,047 |  |  | 375 | |  |  | (719) | |  |  | 460 | |  | (208) | |  |  | 557 | |  |  | 4,512 | |  |
| Borrowings and capital securities | — | |  | 488 | |  |  | — | |  |  | — | |  | 13 | |  |  | 4,357 | |  |  | 4,858 | |  |
| Separate account liabilities | — |  |  | — |  |  |  | — |  |  |  | — |  |  | 9,208 |  |  |  | — |  |  |  | 9,208 |  |  |
| Total liabilities | 71,931 | |  | 3,894 | |  |  | 639 | |  |  | 1,016 |  |  | 12,197 | |  |  | 4,884 | |  |  | 94,561 | |  |
| Stockholders’ equity: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Allocated equity, excluding accumulated other |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| comprehensive income (loss) | 6,668 |  |  | 2,888 | |  |  | 1,666 | |  |  | 815 | |  | 793 | |  |  | (2,353) | |  |  | 10,477 | |  |
| Allocated accumulated other comprehensive income |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (loss) | 4,307 |  |  | 159 | |  |  | 19 | |  |  | 2 | |  | (19) | |  |  | (22) | |  |  | 4,446 | |  |
| Total Genworth Financial, Inc.’s stockholders’ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| equity | 10,975 | |  | 3,047 | |  |  | 1,685 | |  |  | 817 | |  | 774 | |  |  | (2,375) | |  |  | 14,923 | |  |
| Noncontrolling interests | — |  |  | 1,874 | |  |  | — | |  |  | — | |  | — | |  |  | — | |  |  | 1,874 | |  |
| Total stockholders’ equity |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 10,975 |  |  | 4,921 | |  |  | 1,685 | |  |  | 817 | |  | 774 | |  |  | (2,375) | |  |  | 16,797 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total liabilities and stockholders’ equity | $ 82,906 |  | $ | 8,815 | | $ | | 2,324 | | $ | | 1,833 |  | $ | 12,971 | | $ | | 2,509 | | $ | | 111,358 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



1. Includes inter-segment eliminations and non-core products.

12

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Consolidated Balance Sheet by Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **September 30, 2014** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | **U.S. Life** | | **International** | | | **U.S. Mortgage** | | | |  | **International** | | |  |  |  |  | **Corporate and** | | |  |  |  |  |  |
|  |  |  | **Mortgage** | |  | **Runoff** | | |  |  |  | **Total** | |  |
|  |  | **Insurance** | |  | **Insurance** | |  |  | **Insurance** | |  |  | **Protection** | |  |  | **Other**(1) | |  |  |  |
| **ASSETS** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and investments | $ 59,897 | | | $ | 8,897 | | $ | | 2,236 | | $ | | 1,520 | | $ | 2,556 |  | $ | | 2,203 | | $ | | 77,309 | |  |
| Deferred acquisition costs and intangible assets | 4,913 | | |  | 184 | |  |  | 23 | |  |  | 238 | |  | 327 | |  |  | 16 | |  |  | 5,701 | |  |
| Reinsurance recoverable | 16,434 | | |  | 23 | |  |  | 28 | |  |  | 32 |  |  | 857 | |  |  | — | |  |  | 17,374 | |  |
| Deferred tax and other assets | 370 | | |  | 119 | |  |  | 35 | |  |  | 153 | |  | (8) | |  |  | 41 | |  |  | 710 | |  |
| Separate account assets |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  | 9,420 |  |  |  | — |  |  |  | 9,420 |  |  |
| Total assets | $ 81,614 | | | $ | 9,223 | | $ | | 2,322 | | $ | | 1,943 | | $ | 13,152 | | $ | | 2,260 | | $ | | 110,514 | |  |
| **LIABILITIES AND STOCKHOLDERS’ EQUITY** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Liabilities: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Future policy benefits | $ 34,693 | | | $ | — | | $ | | — | | $ | | — | | $ | 4 | | $ | | — | | $ | | 34,697 | |  |
| Policyholder account balances | 22,720 | | |  | — | |  |  | — | |  |  | 11 | |  | 3,096 |  |  |  | — | |  |  | 25,827 | |  |
| Liability for policy and contract claims | 6,269 | | |  | 355 | |  |  | 1,239 | |  |  | 107 | |  | 17 |  |  |  | — | |  |  | 7,987 | |  |
| Unearned premiums | 624 | | |  | 2,806 | |  |  | 159 | |  |  | 488 | |  | 8 | |  |  | — | |  |  | 4,085 | |  |
| Non-recourse funding obligations | 2,040 | | |  | — | |  |  | — | |  |  | — | |  | — | |  |  | (30) | |  |  | 2,010 | |  |
| Deferred tax and other liabilities | 4,115 | | |  | 264 | |  |  | (728) | |  |  | 379 | |  | (73) | |  |  | 523 | |  |  | 4,480 | |  |
| Borrowings and capital securities |  | — | |  | 511 | |  |  | — | |  |  | — | |  | 13 |  |  |  | 4,363 | |  |  | 4,887 | |  |
| Separate account liabilities |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  | 9,420 |  |  |  | — |  |  |  | 9,420 |  |  |
| Total liabilities | 70,461 | | |  | 3,936 | |  |  | 670 | |  |  | 985 | |  | 12,485 | |  |  | 4,856 | |  |  | 93,393 | |  |
| Stockholders’ equity: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Allocated equity, excluding accumulated other |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| comprehensive income (loss) | 7,536 | | |  | 3,056 | |  |  | 1,633 | |  |  | 929 | |  | 688 | |  |  | (2,611) | |  |  | 11,231 |  |  |
| Allocated accumulated other comprehensive |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| income (loss) | 3,617 | | |  | 275 | |  |  | 19 | |  |  | 29 |  |  | (21) | |  |  | 15 | |  |  | 3,934 | |  |
| Total Genworth Financial, Inc.’s stockholders’ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| equity | 11,153 | | |  | 3,331 | |  |  | 1,652 | |  |  | 958 | |  | 667 | |  |  | (2,596) | |  |  | 15,165 | |  |
| Noncontrolling interests |  | — |  |  | 1,956 | |  |  | — | |  |  | — | |  | — | |  |  | — | |  |  | 1,956 | |  |
| Total stockholders’ equity |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 11,153 |  |  | 5,287 | |  |  | 1,652 | |  |  | 958 | |  | 667 | |  |  | (2,596) | |  |  | 17,121 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total liabilities and stockholders’ equity |  | $ 81,614 |  | $ | 9,223 | | $ | | 2,322 | | $ | | 1,943 | | $ | 13,152 | | $ | | 2,260 | | $ | | 110,514 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



1. Includes inter-segment eliminations and non-core products.

13

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Deferred Acquisition Costs Rollforward**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **U.S. Life** | | **International** | | | **U.S. Mortgage** | | |  | **International** | | |  |  |  |  | **Corporate and** | |  |  |  |  |
|  |  |  |  | **Mortgage** | |  |  | **Runoff**(2) | | |  | **Total** | |  |
|  |  | **Insurance**(1) | | |  | **Insurance** | |  | **Insurance** | |  |  | **Protection** | |  |  | **Other** |  |  |
|  | Unamortized balance as of September 30, 2014 | $ | 4,726 |  | $ | 153 |  | $ | 15 |  |  | $ | 215 |  |  | $ | 312 |  | $ | — |  | $5,421 |  |  |
|  | Costs deferred |  | 83 | |  | 16 | |  | 2 | |  |  | 16 |  |  |  | — | |  | — | 117 | | |  |
|  | Amortization, net of interest accretion |  | (77) | |  | (11) | |  | (1) | |  |  | (26) | |  |  | (13) | |  | — | (128) | | |  |
|  | Impact of foreign currency translation |  | — |  |  | (8) | |  | — | |  |  | (12) | |  |  | — | |  | — | (20) | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Unamortized balance as of December 31, 2014 |  | 4,732 |  |  | 150 |  |  | 16 |  |  |  | 193 | |  |  | 299 | |  | — | 5,390 | | |  |
|  | Effect of accumulated net unrealized investment (gains) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | losses |  | (342) | |  | — | |  | — | |  |  | — | |  |  | (6) | |  | — | (348) | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Balance as of December 31, 2014 | $ | 4,390 |  | $ | 150 |  | $ | 16 |  | $ | | 193 | | $ | | 293 | | $ | — | $5,042 | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



1. Amortization, net of interest accretion, included $1 million of amortization related to net investment losses for the policyholder account balances.
2. Amortization, net of interest accretion, included $2 million of amortization related to net investment gains for the policyholder account balances.

14



**U.S. Life Insurance Division**

15

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss)—U.S. Life Insurance Division**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | |  | **Total** | |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  | **1Q** | |  | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums |  | $ | 827 | |  | $ | 821 | | $ | 762 |  | $ | | 759 |  | $ | 3,169 | |  | $ | 761 | | $ | | 751 |  | $ | 738 | | $ | 707 |  | $ | | 2,957 | |  |
|  | Net investment income |  |  | 676 | |  |  | 658 | |  | 671 |  |  |  | 660 |  |  | 2,665 | |  |  | 675 | |  |  | 650 |  |  | 658 | |  | 638 |  |  |  | 2,621 | |  |
|  | Net investment gains (losses) |  |  | 12 | |  |  | 1 | |  | 25 |  |  |  | 3 |  |  | 41 | |  |  | (2) | |  |  | (6) | |  | 17 | |  | (12) | |  |  | (3) | |  |
|  | Insurance and investment product fees and other |  |  | 180 | |  |  | 186 | |  | 175 |  |  |  | 171 |  |  | 712 | |  |  | 185 | |  |  | 192 |  |  | 190 | |  | 188 |  |  |  | 755 | |  |
|  | Total revenues |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 1,695 | |  |  | 1,666 | |  | 1,633 |  |  |  | 1,593 |  |  | 6,587 | |  |  | 1,619 | |  |  | 1,587 |  |  | 1,603 | |  | 1,521 |  |  |  | 6,330 | |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 1,981 | |  |  | 1,722 | |  | 1,087 |  |  |  | 1,030 |  |  | 5,820 | |  |  | 1,036 | |  |  | 924 |  |  | 1,041 | |  | 974 |  |  |  | 3,975 | |  |
|  | Interest credited |  |  | 154 | |  |  | 155 | |  | 155 |  |  |  | 154 |  |  | 618 | |  |  | 156 | |  |  | 156 |  |  | 155 | |  | 152 |  |  |  | 619 | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  | 168 | |  |  | 173 | |  | 156 |  |  |  | 161 |  |  | 658 | |  |  | 164 | |  |  | 154 |  |  | 177 | |  | 163 |  |  |  | 658 | |  |
|  | Amortization of deferred acquisition costs and intangibles |  |  | 98 | |  |  | 91 | |  | 81 |  |  |  | 75 |  |  | 345 | |  |  | 78 | |  |  | 139 |  |  | 80 | |  | 87 |  |  |  | 384 | |  |
|  | Goodwill impairment |  |  | 299 | |  |  | 550 | |  | — | |  |  | — | |  | 849 | |  |  | — | |  |  | — | |  | — | |  | — | |  |  | — | |  |
|  | Interest expense |  |  | 23 | |  |  | 22 | |  | 21 |  |  |  | 21 |  |  | 87 | |  |  | 25 | |  |  | 25 |  |  | 24 | |  | 23 |  |  |  | 97 | |  |
|  | Total benefits and expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 2,723 | |  |  | 2,713 | |  | 1,500 |  |  |  | 1,441 |  |  | 8,377 | |  |  | 1,459 | |  |  | 1,398 |  |  | 1,477 | |  | 1,399 |  |  |  | 5,733 | |  |
|  | **INCOME (LOSS) FROM CONTINUING** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS BEFORE INCOME TAXES** |  |  | (1,028) | |  |  | (1,047) | |  | 133 |  |  |  | 152 |  |  | (1,790) | |  |  | 160 | |  |  | 189 |  |  | 126 | |  | 122 |  |  |  | 597 | |  |
|  | Provision (benefit) for income taxes |  |  | (278) | |  |  | (211) | |  | 47 |  |  |  | 57 |  |  | (385) | |  |  | 40 | |  |  | 82 |  |  | 46 | |  | 45 |  |  |  | 213 | |  |
|  | **INCOME (LOSS) FROM CONTINUING** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS** |  |  | (750) | |  |  | (836) | |  | 86 |  |  |  | 95 |  |  | (1,405) | |  |  | 120 | |  |  | 107 |  |  | 80 | |  | 77 |  |  |  | 384 | |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **CONTINUING OPERATIONS:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  | (6) | |  |  | (3) | |  | (17) | |  |  | (1) | |  | (27) | |  |  | (1) | |  |  | 4 |  |  | (10) | |  | 8 |  |  |  | 1 | |  |
|  | Goodwill impairment, net |  |  | 274 | |  |  | 517 | |  | — | |  |  | — | |  | 791 | |  |  | — | |  |  | — | |  | — | |  | — | |  |  | — | |  |
|  | Expenses related to restructuring, net |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  | |  | — |  |  |  | — |  |  | 9 |  |  | — |  |  |  | 9 |  |  |
| **NET OPERATING INCOME (LOSS)** | |  | $ | (482) | |  | $ | (322) | | $ | 69 |  | $ | | 94 |  | $ | (641) | |  | $ | 119 | | $ | | 111 |  | $ | 79 | | $ | 85 |  | $ | | 394 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *Effective tax rate (operating income (loss))*(1) |  |  | *34.7%* | |  |  | *35.8%* | |  | *35.6%* | |  |  | *37.3%* | |  | *34.7%* | |  |  | *25.3%* | |  |  | *43.0%* | |  | *37.1%* | |  | *36.4%* | |  |  | *35.7%* | |  |



1. The operating income (loss) effective tax rate for all pages in this financial supplement was calculated using whole dollars. As a result, the percentages shown may differ from an operating income (loss) effective tax rate calculated using the rounded numbers in this financial supplement.

16

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss)—U.S. Life Insurance Division**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  | **U.S. Life Insurance Segment** | | | |  |  |  |  |  |  |  |  |  |  |
| **Three months ended December 31, 2014** | | |  | **Long-Term Care** | | |  |  |  |  |  |  |  |  |  | **Total U.S. Life** |  |  |  |  |  |  |
|  |  | **Insurance** | | **Life Insurance** | | | |  | **Fixed Annuities** | | | **Insurance Segment** | | |  |  | **Total** | |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | | 607 | | $ | | 175 |  | $ | | 45 | | $ | 827 |  | $ | | 827 |  |  |
|  | Net investment income | |  |  | 303 | |  |  | 133 |  |  |  | 240 | |  | 676 |  |  |  | 676 |  |  |
|  | Net investment gains (losses) | |  |  | 6 | |  |  | — | |  |  | 6 | |  | 12 |  |  |  | 12 |  |  |
|  | Insurance and investment product fees and other | |  |  | — |  |  |  | 179 |  |  |  | 1 | |  | 180 |  |  |  | 180 |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total revenues | |  |  | 916 | |  |  | 487 |  |  |  | 292 | |  | 1,695 | |  |  | 1,695 | |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  |  | 1,545 | |  |  | 315 |  |  |  | 121 | |  | 1,981 | |  |  | 1,981 | |  |
|  | Interest credited | |  |  | — | |  |  | 67 |  |  |  | 87 | |  | 154 |  |  |  | 154 |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  |  | 106 | |  |  | 45 |  |  |  | 17 | |  | 168 |  |  |  | 168 |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  |  | 34 | |  |  | 36 |  |  |  | 28 | |  | 98 |  |  |  | 98 |  |  |
|  | Goodwill impairment | |  |  | 154 | |  |  | 145 |  |  |  | — | |  | 299 |  |  |  | 299 |  |  |
|  | Interest expense | |  |  | — |  |  |  | 23 |  |  |  | — |  |  | 23 |  |  |  | 23 |  |  |
|  | Total benefits and expenses | |  |  | 1,839 | |  |  | 631 |  |  |  | 253 | |  | 2,723 | |  |  | 2,723 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  |  | (923) | |  |  | (144) | |  |  | 39 | |  | (1,028) | |  |  | (1,028) | |  |
|  | Provision (benefit) for income taxes | |  |  | (291) | |  |  | — | |  |  | 13 | |  | (278) | |  |  | (278) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  |  | (632) | |  |  | (144) | |  |  | 26 | |  | (750) | |  |  | (750) | |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  |  | (3) | |  |  | — | |  |  | (3) | |  | (6) | |  |  | (6) | |  |
|  | Goodwill impairment, net | |  |  | 129 | |  |  | 145 |  |  |  | — | |  | 274 |  |  |  | 274 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME (LOSS)** | |  | $ | (506) | | $ | | 1 |  | $ | | 23 | | $ | (482) | | $ | | (482) | |  |
|  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  |  |  | |  |  |  | |  |  |  | |  |  | |  |  |  | |  |
| *Effective tax rate (operating income (loss))* | | |  |  | *34.6%* | |  |  | *NM(1)* | |  |  | *33.3%* | |  | *34.7%* | |  |  | *34.7%* | |  |
|  |  |  |  |  |  |  |  |  | **U.S. Life Insurance Segment** | | | |  |  |  |  |  |  |  |  |  |  |
| **Three months ended December 31, 2013** | | |  | **Long-Term Care** | | |  |  |  |  |  |  |  |  |  | **Total U.S. Life** |  |  |  |  |  |  |
|  |  | **Insurance** | | **Life Insurance** | | | |  | **Fixed Annuities** | | | **Insurance Segment** | | |  |  | **Total** | |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | | 582 | | $ | | 164 |  | $ | | 15 | | $ | 761 |  | $ | | 761 |  |  |
|  | Net investment income | |  |  | 291 | |  |  | 139 |  |  |  | 245 | |  | 675 |  |  |  | 675 |  |  |
|  | Net investment gains (losses) | |  |  | (4) | |  |  | 8 |  |  |  | (6) | |  | (2) | |  |  | (2) | |  |
|  | Insurance and investment product fees and other | |  |  | — |  |  |  | 183 |  |  |  | 2 | |  | 185 |  |  |  | 185 |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total revenues | |  |  | 869 | |  |  | 494 |  |  |  | 256 | |  | 1,619 | |  |  | 1,619 | |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  |  | 701 | |  |  | 241 |  |  |  | 94 | |  | 1,036 | |  |  | 1,036 | |  |
|  | Interest credited | |  |  | — | |  |  | 66 |  |  |  | 90 | |  | 156 |  |  |  | 156 |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  |  | 94 | |  |  | 47 |  |  |  | 23 | |  | 164 |  |  |  | 164 |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  |  | 27 | |  |  | 31 |  |  |  | 20 | |  | 78 |  |  |  | 78 |  |  |
|  | Interest expense | |  |  | — |  |  |  | 25 |  |  |  | — |  |  | 25 |  |  |  | 25 |  |  |
|  | Total benefits and expenses | |  |  | 822 | |  |  | 410 |  |  |  | 227 | |  | 1,459 | |  |  | 1,459 | |  |
| **INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 47 | |  |  | 84 |  |  |  | 29 | |  | 160 |  |  |  | 160 |  |  |
|  | Provision for income taxes | |  |  | 8 | |  |  | 22 |  |  |  | 10 | |  | 40 |  |  |  | 40 |  |  |
| **INCOME FROM CONTINUING OPERATIONS** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 39 | |  |  | 62 |  |  |  | 19 | |  | 120 |  |  |  | 120 |  |  |
|  | **ADJUSTMENT TO INCOME FROM CONTINUING OPERATIONS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  |  | 3 | |  |  | (6) | |  |  | 2 | |  | (1) | |  |  | (1) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME** | |  | $ | 42 | | $ | | 56 |  | $ | | 21 | | $ | 119 | | $ | | 119 | |  |
|  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  |  |  | |  |  |  | |  |  |  | |  |  | |  |  |  | |  |
| *Effective tax rate (operating income)* | | |  |  | *19.8%* | |  |  | *25.6%* | |  |  | *33.6%* | |  | *25.3%* | |  |  | *25.3%* | |  |



1. “NM” is defined as not meaningful for percentages greater than 200%.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss)—U.S. Life Insurance Division**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | **U.S. Life Insurance Segment** | | | |  |  |  |  |  |  |  |  |  |  |  |
| **Twelve months ended December 31, 2014** | | | **Long-Term Care** | | |  |  |  |  |  |  |  |  |  | **Total U.S. Life** |  |  |  |  |  |  |  |
|  | **Insurance** | | **Life Insurance** | | | |  | **Fixed Annuities** | | | **Insurance Segment** | | |  |  | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | 2,336 | | $ | | 722 |  | $ | | 111 | | $ | 3,169 | | $ | | 3,169 | |  |  |
|  | Net investment income | |  | 1,178 | |  |  | 521 |  |  |  | 966 | |  | 2,665 | |  |  | 2,665 | |  |  |
|  | Net investment gains (losses) | |  | 8 | |  |  | 34 |  |  |  | (1) | |  | 41 | |  |  | 41 |  |  |  |
|  | Insurance and investment product fees and other | |  | 1 |  |  |  | 704 |  |  |  | 7 | |  | 712 | |  |  | 712 |  |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total revenues | |  | 3,523 |  |  |  | 1,981 | |  |  | 1,083 | |  | 6,587 | |  |  | 6,587 | |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  | 4,257 | |  |  | 1,146 | |  |  | 417 | |  | 5,820 | |  |  | 5,820 | |  |  |
|  | Interest credited | |  | — | |  |  | 266 |  |  |  | 352 | |  | 618 | |  |  | 618 |  |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  | 399 | |  |  | 192 |  |  |  | 67 | |  | 658 | |  |  | 658 |  |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  | 112 | |  |  | 140 |  |  |  | 93 | |  | 345 | |  |  | 345 |  |  |  |
|  | Goodwill impairment | |  | 354 | |  |  | 495 |  |  |  | — | |  | 849 | |  |  | 849 |  |  |  |
|  | Interest expense | |  | — |  |  |  | 87 |  |  |  | — |  |  | 87 | |  |  | 87 |  |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses | |  | 5,122 |  |  |  | 2,326 | |  |  | 929 | |  | 8,377 | |  |  | 8,377 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  | (1,599) | |  |  | (345) | |  |  | 154 | |  | (1,790) | |  |  | (1,790) | |  |  |
|  | Provision (benefit) for income taxes | |  | (493) | |  |  | 54 |  |  |  | 54 | |  | (385) | |  |  | (385) | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  | (1,106) | |  |  | (399) | |  |  | 100 | |  | (1,405) | |  |  | (1,405) | |  |  |
|  | **ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  | (5) | |  |  | (22) | |  |  | — | |  | (27) | |  |  | (27) | |  |  |
|  | Goodwill impairment, net | |  | 296 |  |  |  | 495 |  |  |  | — |  |  | 791 | |  |  | 791 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME (LOSS)** | | $ | (815) | | $ | | 74 |  | $ | | 100 | | $ | (641) | | $ | | (641) | |  |  |
|  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  |  | |  |  |  | |  |  |  | |  |  | |  |  |  | |  |  |
| *Effective tax rate (operating income (loss))* | | |  | *34.9%* | |  |  | *36.2%* | |  |  | *35.0%* | |  | *34.7%* | |  |  | *34.7%* | |  |  |
|  |  |  |  |  |  |  |  | **U.S. Life Insurance Segment** | | | |  |  |  |  |  |  |  |  |  |  |  |
| **Twelve months ended December 31, 2013** | | | **Long-Term Care** | | |  |  |  |  |  |  |  |  |  | **Total U.S. Life** |  |  |  |  |  |  |  |
|  | **Insurance** | | **Life Insurance** | | | | **Fixed Annuities** | | | | **Insurance Segment** | | |  |  | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | 2,209 | | $ | | 684 |  | $ | | 64 | | $ | 2,957 | | $ | | 2,957 | |  |  |
|  | Net investment income | |  | 1,114 | |  |  | 541 |  |  |  | 966 | |  | 2,621 | |  |  | 2,621 | |  |  |
|  | Net investment gains (losses) | |  | (11) | |  |  | 13 |  |  |  | (5) | |  | (3) | |  |  | (3) | |  |  |
|  | Insurance and investment product fees and other | |  | 4 |  |  |  | 744 |  |  |  | 7 | |  | 755 | |  |  | 755 |  |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total revenues | |  | 3,316 |  |  |  | 1,982 | |  |  | 1,032 | |  | 6,330 | |  |  | 6,330 | |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  | 2,651 | |  |  | 945 |  |  |  | 379 | |  | 3,975 | |  |  | 3,975 | |  |  |
|  | Interest credited | |  | — | |  |  | 266 |  |  |  | 353 | |  | 619 | |  |  | 619 |  |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  | 385 | |  |  | 194 |  |  |  | 79 | |  | 658 | |  |  | 658 |  |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  | 107 | |  |  | 192 |  |  |  | 85 | |  | 384 | |  |  | 384 |  |  |  |
|  | Interest expense | |  | — |  |  |  | 97 |  |  |  | — |  |  | 97 | |  |  | 97 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses | |  | 3,143 |  |  |  | 1,694 | |  |  | 896 | |  | 5,733 | |  |  | 5,733 | |  |  |
| **INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 173 |  |  |  | 288 |  |  |  | 136 | |  | 597 | |  |  | 597 |  |  |  |
|  | Provision for income taxes | |  | 57 |  |  |  | 108 |  |  |  | 48 | |  | 213 | |  |  | 213 |  |  |  |
| **INCOME FROM CONTINUING OPERATIONS** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 116 |  |  |  | 180 |  |  |  | 88 | |  | 384 | |  |  | 384 |  |  |  |
|  | **ADJUSTMENTS TO INCOME FROM CONTINUING OPERATIONS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  | 7 | |  |  | (9) | |  |  | 3 | |  | 1 | |  |  | 1 |  |  |  |
|  | Expenses related to restructuring, net | |  | 6 |  |  |  | 2 |  |  |  | 1 | |  | 9 | |  |  | 9 |  |  |  |
| **NET OPERATING INCOME** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 129 |  |  | $ | 173 |  | $ | | 92 | | $ | 394 | | $ | | 394 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *Effective tax rate (operating income)* | |  | *33.3%* | |  |  | *37.6%* | |  |  | *35.3%* | |  | *35.7%* | |  |  | *35.7%* | |  |  |

18



**U.S. Life Insurance Segment**

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss) and Sales—U.S. Life Insurance Segment—Long-Term Care Insurance**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  | **2014** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  | **1Q** | |  | **Total** | |  |  | **4Q** | |  |  | **3Q** | |  |  | **2Q** | |  |  | **1Q** | |  | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | $ | | 607 | |  | $ | 587 | | $ | 577 | | $ | 565 | | $ | 2,336 | | $ | | 582 | | $ | | 564 | | $ | | 550 | | $ | | 513 | | $ | | 2,209 | |  |
|  | Net investment income |  |  | 303 | |  |  | 293 | |  | 292 | |  | 290 | |  | 1,178 | |  |  | 291 | |  |  | 282 | |  |  | 277 | |  |  | 264 | |  |  | 1,114 | |  |
|  | Net investment gains (losses) |  |  | 6 | |  |  | (1) | |  | 3 | |  | — | |  | 8 |  |  |  | (4) | |  |  | (2) | |  |  | (2) | |  |  | (3) | |  |  | (11) | |  |
|  | Insurance and investment product fees and other |  |  | — | |  |  | — | |  | — | |  | 1 | |  | 1 |  |  |  | — | |  |  | 2 | |  |  | 1 | |  |  | 1 | |  |  | 4 | |  |
|  | Total revenues |  |  | 916 |  |  |  | 879 |  |  | 872 |  |  | 856 |  |  | 3,523 |  |  |  | 869 |  |  |  | 846 |  |  |  | 826 |  |  |  | 775 |  |  |  | 3,316 |  |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 1,545 | |  |  | 1,313 | |  | 735 | |  | 664 | |  | 4,257 | |  |  | 701 | |  |  | 659 | |  |  | 663 | |  |  | 628 | |  |  | 2,651 | |  |
|  | Interest credited |  |  | — | |  |  | — | |  | — | |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  | 106 | |  |  | 103 | |  | 97 | |  | 93 | |  | 399 |  |  |  | 94 | |  |  | 90 | |  |  | 107 | |  |  | 94 | |  |  | 385 | |  |
|  | Amortization of deferred acquisition costs and intangibles |  |  | 34 | |  |  | 25 | |  | 27 | |  | 26 | |  | 112 | |  |  | 27 | |  |  | 31 | |  |  | 24 | |  |  | 25 | |  |  | 107 | |  |
|  | Goodwill impairment |  |  | 154 | |  |  | 200 | |  | — | |  | — | |  | 354 |  |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |
|  | Interest expense |  |  | — | |  |  | — | |  | — | |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |
|  | Total benefits and expenses |  |  | 1,839 |  |  |  | 1,641 |  |  | 859 |  |  | 783 |  |  | 5,122 |  |  |  | 822 |  |  |  | 780 |  |  |  | 794 |  |  |  | 747 |  |  |  | 3,143 |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **TAXES** |  |  | (923) | |  |  | (762) | |  | 13 | |  | 73 | |  | (1,599) | |  |  | 47 | |  |  | 66 | |  |  | 32 | |  |  | 28 | |  |  | 173 | |  |
|  | Provision (benefit) for income taxes |  |  | (291) | |  |  | (234) | |  | 5 | |  | 27 | |  | (493) | |  |  | 8 | |  |  | 26 | |  |  | 13 | |  |  | 10 | |  |  | 57 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** |  |  | (632) | |  |  | (528) | |  | 8 | |  | 46 | |  | (1,106) | |  |  | 39 | |  |  | 40 | |  |  | 19 | |  |  | 18 | |  |  | 116 | |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  | (3) | |  |  | — | |  | (2) | |  | — | |  | (5) | |  |  | 3 | |  |  | 1 | |  |  | 1 | |  |  | 2 | |  |  | 7 | |  |
|  | Goodwill impairment, net |  |  | 129 | |  |  | 167 | |  | — | |  | — | |  | 296 |  |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |
|  | Expenses related to restructuring, net |  |  | — | |  |  | — | |  | — | |  | — | |  | — | |  |  | — | |  |  | — | |  |  | 6 | |  |  | — | |  |  | 6 | |  |
| **NET OPERATING INCOME (LOSS)** | |  | $ | (506 | ) |  | $ | (361 | ) | $ | 6 |  | $ | 46 |  | $ | (815 | ) |  | $ | 42 |  |  | $ | 41 |  |  | $ | 26 |  |  | $ | 20 |  |  | $ | 129 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *Effective tax rate (operating income (loss))* |  |  | *34.6%* | |  |  | *35.7%* | |  | *37.1%* | |  | *37.0%* | |  | *34.9%* | |  |  | *19.8%* | |  |  | *38.6%* | |  |  | *40.2%* | |  |  | *35.4%* | |  |  | *33.3%* | |  |
| **SALES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Individual Long-Term Care Insurance | $ | | 17 | |  | $ | 28 | | $ | 24 | | $ | 21 | | $ | 90 |  | $ | | 24 | | $ | | 37 | | $ | | 38 | | $ | | 35 | | $ | | 134 | |  |
|  | Group Long-Term Care Insurance |  |  | 6 |  |  |  | 1 |  |  | 2 |  |  | 1 |  |  | 10 |  |  |  | 2 | |  |  | 3 | |  |  | 5 | |  |  | 5 | |  |  | 15 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total Sales** | $ | | 23 | |  | $ | 29 | | $ | 26 | | $ | 22 | | $ | 100 |  | $ | | 26 | | $ | | 40 | | $ | | 43 | | $ | | 40 | | $ | | 149 | |  |
| **RATIOS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Loss Ratio(1) |  |  | 200.1% | |  |  | 173.0% | |  | 73.2% | |  | 63.3% | |  | 128.8% | |  |  | 68.2% | |  |  | 63.7% | |  |  | 66.6% | |  |  | 66.2% | |  |  | 66.2% | |  |
|  | Gross Benefits Ratio(2) |  |  | 254.4% | |  |  | 224.1% | |  | 127.3% | |  | 117.5% | |  | 182.2% | |  |  | 120.4% | |  |  | 116.8% | |  |  | 120.3% | |  |  | 122.8% | |  |  | 120.0% | |  |



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 the benefits and other changes in policy reserves by net earned premiums.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income and Sales—U.S. Life Insurance Segment—Life Insurance**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | | |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | |  | **Total** | | |  |  | **4Q** | |  | **3Q** | |  |  | **2Q** | |  | **1Q** | |  | **Total** | |  |  |
|  | **REVENUES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | |  | $ | | 175 |  | $ | | 193 |  | $ | 171 | | $ | | 183 | | $ | | 722 | | $ | | 164 | | $ | 166 | | $ | | 173 |  | $ | 181 | | $ | | 684 | |  |
|  | Net investment income | |  |  |  | 133 |  |  |  | 123 |  |  | 137 | |  |  | 128 | |  |  | 521 | |  |  | 139 | |  | 138 | |  |  | 133 |  |  | 131 | |  |  | 541 | |  |
|  | Net investment gains (losses) | |  |  |  | — | |  |  | 10 |  |  | 23 | |  |  | 1 | |  |  | 34 | |  |  | 8 | |  | — | |  |  | 9 |  |  | (4) | |  |  | 13 | |  |
|  | Insurance and investment product fees and other | |  |  |  | 179 |  |  |  | 184 |  |  | 173 | |  |  | 168 | |  |  | 704 | |  |  | 183 | |  | 188 | |  |  | 187 |  |  | 186 | |  |  | 744 | |  |
|  | Total revenues | |  |  |  | 487 |  |  |  | 510 |  |  | 504 |  |  |  | 480 |  |  |  | 1,981 |  |  |  | 494 |  |  | 492 |  |  |  | 502 |  |  | 494 |  |  |  | 1,982 |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  |  |  | 315 |  |  |  | 293 |  |  | 257 | |  |  | 281 | |  |  | 1,146 | |  |  | 241 | |  | 160 | |  |  | 280 |  |  | 264 | |  |  | 945 | |  |
|  | Interest credited | |  |  |  | 67 |  |  |  | 67 |  |  | 66 | |  |  | 66 | |  |  | 266 | |  |  | 66 | |  | 68 | |  |  | 68 |  |  | 64 | |  |  | 266 | |  |
|  | Acquisition and operating expenses, net of deferrals | |  |  |  | 45 |  |  |  | 52 |  |  | 45 | |  |  | 50 | |  |  | 192 | |  |  | 47 | |  | 47 | |  |  | 50 |  |  | 50 | |  |  | 194 | |  |
|  | Amortization of deferred acquisition costs and intangibles | |  |  |  | 36 |  |  |  | 46 |  |  | 32 | |  |  | 26 | |  |  | 140 | |  |  | 31 | |  | 88 | |  |  | 33 |  |  | 40 | |  |  | 192 | |  |
|  | Goodwill impairment | |  |  |  | 145 |  |  |  | 350 |  |  | — | |  |  | — | |  |  | 495 | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |
|  | Interest expense | |  |  |  | 23 |  |  |  | 22 |  |  | 21 | |  |  | 21 | |  |  | 87 | |  |  | 25 | |  | 25 | |  |  | 24 |  |  | 23 | |  |  | 97 | |  |
|  | Total benefits and expenses | |  |  |  | 631 |  |  |  | 830 |  |  | 421 |  |  |  | 444 |  |  |  | 2,326 |  |  |  | 410 |  |  | 388 |  |  |  | 455 |  |  | 441 |  |  |  | 1,694 |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  |  |  | (144) | |  |  | (320) | |  | 83 | |  |  | 36 | |  |  | (345) | |  |  | 84 | |  | 104 | |  |  | 47 |  |  | 53 | |  |  | 288 | |  |
|  | Provision for income taxes | |  |  |  | — |  |  |  | 11 |  |  | 29 |  |  |  | 14 |  |  |  | 54 |  |  |  | 22 |  |  | 50 |  |  |  | 16 |  |  | 20 |  |  |  | 108 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  |  |  | (144) | |  |  | (331) | |  | 54 | |  |  | 22 | |  |  | (399) | |  |  | 62 | |  | 54 | |  |  | 31 |  |  | 33 | |  |  | 180 | |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  |  |  | — | |  |  | (6) | |  | (15) | |  |  | (1) | |  |  | (22) | |  |  | (6) | |  | — | |  |  | (6) | |  | 3 | |  |  | (9) | |  |
|  | Goodwill impairment, net | |  |  |  | 145 |  |  |  | 350 |  |  | — | |  |  | — | |  |  | 495 | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |
|  | Expenses related to restructuring, net | |  |  |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | 2 |  |  | — | |  |  | 2 | |  |
| **NET OPERATING INCOME** | | |  |  | $ | 1 |  |  | $ | 13 |  | $ | 39 |  |  | $ | 21 |  |  | $ | 74 |  |  | $ | 56 |  | $ | 54 |  |  | $ | 27 |  | $ | 36 |  |  | $ | 173 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *Effective tax rate (operating income)* | |  |  |  | *NM* | *(1)* |  |  | *35.2%* | |  | *35.4%* | |  |  | *39.3%* | |  |  | *36.2%* | |  |  | *25.6%* | |  | *47.5%* | |  |  | *34.4%* | |  | *37.6%* | |  |  | *37.6%* | |  |
| **SALES:** | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Sales by Product:** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Term Life | |  | $ | | 11 | | $ | | 13 |  | $ | 14 | | $ | | 13 | | $ | | 51 | | $ | | 9 | | $ | 5 | | $ | | 4 |  | $ | 4 | | $ | | 22 | |  |
|  | Term Universal Life | |  |  |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | 1 | |  |  | 1 | |  |
|  | Universal Life | |  |  |  | 7 |  |  |  | 11 | |  | 7 | |  |  | 6 | |  |  | 31 | |  |  | 5 | |  | 5 | |  |  | 5 |  |  | 9 | |  |  | 24 | |  |
|  | Linked-Benefits | |  |  |  | 5 |  |  |  | 4 |  |  | 5 | |  |  | 2 | |  |  | 16 | |  |  | 3 | |  | 2 | |  |  | 3 |  |  | 2 | |  |  | 10 | |  |
| **Total Sales** | | |  |  | $ | 23 |  |  | $ | 28 |  | $ | 26 |  |  | $ | 21 |  |  | $ | 98 |  |  | $ | 17 |  | $ | 12 |  |  | $ | 12 |  | $ | 16 |  |  | $ | 57 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(1) “NM” is defined as not meaningful for percentages greater than 200%.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Life Insurance In-Force**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | **2014** | | |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** |  |  |
|  | **Term and Whole Life Insurance** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Life insurance in-force, net of reinsurance | $ | | 353,631 | | $ | | 350,946 |  | $ | 341,383 | | $ | | 338,372 | |  | $ | 336,015 | | $ | | 335,039 | | $ | 336,008 | | $ | | 338,014 | |  |
|  | Life insurance in-force before reinsurance | $ | | 522,761 | | $ | | 523,784 |  | $ | 524,743 | | $ | | 523,925 | |  | $ | 523,694 | | $ | | 525,171 | | $ | 528,874 | | $ | | 534,194 | |  |
| **Term Universal Life Insurance** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Life insurance in-force, net of reinsurance | $ | | 128,289 | | $ | | 129,268 |  | $ | 130,270 | | $ | | 131,256 | |  | $ | 132,293 | | $ | | 133,500 | | $ | 134,868 | | $ | | 136,222 | |  |
|  | Life insurance in-force before reinsurance | $ | | 129,296 | | $ | | 130,285 |  | $ | 131,296 | | $ | | 132,294 | |  | $ | 133,348 | | $ | | 134,555 | | $ | 135,937 | | $ | | 137,297 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Universal Life Insurance** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Life insurance in-force, net of reinsurance | $ | | 41,959 | | $ | | 42,119 |  | $ | 42,454 | | $ | | 42,814 | |  | $ | 43,150 | | $ | | 43,447 | | $ | 43,773 | | $ | | 44,051 | |  |
|  | Life insurance in-force before reinsurance | $ | | 48,570 | | $ | | 48,821 | | $ | 49,004 | | $ | | 49,418 | |  | $ | 49,790 | | $ | | 50,203 | | $ | 50,558 | | $ | | 50,906 | |  |
| **Total Life Insurance** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Life insurance in-force, net of reinsurance | $ | | 523,879 | | $ | | 522,333 |  | $ | 514,107 | | $ | | 512,442 | |  | $ | 511,458 | | $ | | 511,986 | | $ | 514,649 | | $ | | 518,287 | |  |
|  | Life insurance in-force before reinsurance | $ | | 700,627 | | $ | | 702,890 |  | $ | 705,043 | | $ | | 705,637 | |  | $ | 706,832 | | $ | | 709,929 | | $ | 715,369 | | $ | | 722,397 | |  |
|  |  |  |  |  |  |  |  | 22 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income and Sales—U.S. Life Insurance Segment—Fixed Annuities**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  | **2014** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | | |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | |  | **Total** | | |  |  | **4Q** | |  | **3Q** | |  |  | **2Q** | |  | **1Q** | |  | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums |  | $ | 45 | |  | $ | | 41 |  | $ | 14 | | $ | | 11 | | $ | | 111 | | $ | | 15 | | $ | 21 | | $ | | 15 |  | $ | 13 | | $ | | 64 | |  |
|  | Net investment income |  |  | 240 | |  |  |  | 242 |  |  | 242 | |  |  | 242 | |  |  | 966 | |  |  | 245 | |  | 230 | |  |  | 248 |  |  | 243 | |  |  | 966 | |  |
|  | Net investment gains (losses) |  |  | 6 | |  |  |  | (8) | |  | (1) | |  |  | 2 | |  |  | (1) | |  |  | (6) | |  | (4) | |  |  | 10 |  |  | (5) | |  |  | (5) | |  |
|  | Insurance and investment product fees and other |  |  | 1 | |  |  |  | 2 |  |  | 2 | |  |  | 2 | |  |  | 7 | |  |  | 2 | |  | 2 | |  |  | 2 |  |  | 1 | |  |  | 7 | |  |
|  | Total revenues |  |  | 292 |  |  |  |  | 277 |  |  | 257 |  |  |  | 257 |  |  |  | 1,083 |  |  |  | 256 |  |  | 249 |  |  |  | 275 |  |  | 252 |  |  |  | 1,032 |  |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 121 | |  |  |  | 116 | |  | 95 | |  |  | 85 | |  |  | 417 | |  |  | 94 | |  | 105 | |  |  | 98 |  |  | 82 | |  |  | 379 | |  |
|  | Interest credited |  |  | 87 | |  |  |  | 88 |  |  | 89 | |  |  | 88 | |  |  | 352 | |  |  | 90 | |  | 88 | |  |  | 87 |  |  | 88 | |  |  | 353 | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  | 17 | |  |  |  | 18 |  |  | 14 | |  |  | 18 | |  |  | 67 | |  |  | 23 | |  | 17 | |  |  | 20 |  |  | 19 | |  |  | 79 | |  |
|  | Amortization of deferred acquisition costs and intangibles |  |  | 28 | |  |  |  | 20 |  |  | 22 | |  |  | 23 | |  |  | 93 | |  |  | 20 | |  | 20 | |  |  | 23 |  |  | 22 | |  |  | 85 | |  |
|  | Interest expense |  |  | — |  | |  |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  |
|  | Total benefits and expenses |  |  | 253 | |  |  |  | 242 |  |  | 220 | |  |  | 214 | |  |  | 929 | |  |  | 227 | |  | 230 | |  |  | 228 |  |  | 211 | |  |  | 896 | |  |
| **INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  |  | 39 |  |  |  |  | 35 |  |  | 37 |  |  |  | 43 |  |  |  | 154 |  |  |  | 29 |  |  | 19 |  |  |  | 47 |  |  | 41 |  |  |  | 136 |  |  |
|  | Provision for income taxes |  |  | 13 | |  |  |  | 12 |  |  | 13 | |  |  | 16 | |  |  | 54 | |  |  | 10 | |  | 6 | |  |  | 17 |  |  | 15 | |  |  | 48 | |  |
| **INCOME FROM CONTINUING OPERATIONS** | |  |  | 26 |  |  |  |  | 23 |  |  | 24 |  |  |  | 27 |  |  |  | 100 |  |  |  | 19 |  |  | 13 |  |  |  | 30 |  |  | 26 |  |  |  | 88 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ADJUSTMENTS TO INCOME FROM CONTINUING OPERATIONS:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  | (3) | | |  |  | 3 |  |  | — | |  |  | — | |  |  | — | |  |  | 2 | |  | 3 | |  |  | (5) | |  | 3 | |  |  | 3 | |  |
|  | Expenses related to restructuring, net |  |  | — | | |  |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | 1 |  |  | — | |  |  | 1 | |  |
| **NET OPERATING INCOME** | |  | $ | 23 |  |  |  | $ | 26 |  | $ | 24 |  |  | $ | 27 |  |  | $ | 100 |  |  | $ | 21 |  | $ | 16 |  |  | $ | 26 |  | $ | 29 |  |  | $ | 92 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *Effective tax rate (operating income)* |  |  | *33.3%* | | |  |  | *34.8%* | |  | *35.5%* | |  |  | *36.2%* | |  |  | *35.0%* | |  |  | *33.6%* | |  | *35.4%* | |  |  | *36.3%* | |  | *35.5%* | |  |  | *35.3%* | |  |
| **SALES:** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Sales by Product:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Single Premium Deferred Annuities |  | $ | 439 | |  | $ | | 322 |  | $ | 400 | | $ | | 492 | | $ | | 1,653 | | $ | | 678 | | $ | 707 | | $ | | 164 |  | $ | 67 | | $ | | 1,616 | |  |
|  | Single Premium Immediate Annuities |  |  | 56 | |  |  |  | 49 |  |  | 29 | |  |  | 28 | |  |  | 162 | |  |  | 52 | |  | 53 | |  |  | 48 |  |  | 40 | |  |  | 193 | |  |
| **Total Sales** | |  | $ | 495 |  |  |  | $ | 371 |  | $ | 429 |  |  | $ | 520 |  |  | $ | 1,815 |  |  | $ | 730 |  | $ | 760 |  |  | $ | 212 |  | $ | 107 |  |  | $ | 1,809 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

23

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Operating Performance Measures—U.S. Life Insurance Segment—Fixed Annuities**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **2014** |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |
|  |  | **4Q** | |  | **3Q** | | **2Q** | | **1Q** | |  | **Total** | |  | **4Q** | |  | **3Q** | |  | **2Q** | | **1Q** | |  | **Total** |  |  |
| **Single Premium Deferred Annuities** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Account value, beginning of the period |  | $12,292 |  | $12,233 | | | $12,070 | | $11,807 | | $11,807 | | |  | $11,341 | | $10,842 | |  | $10,881 | | | $11,038 | | $11,038 | | |  |
| Deposits |  | 475 |  | 324 | | | 404 | | 496 |  | 1,699 | |  |  | 686 | | 714 | |  | 166 | | | 68 | | 1,634 | |  |  |
| Surrenders, benefits and product charges |  | (407) | | (344) | | | (320) | | (312) | | (1,383) | | |  | (300) | | (293) | | | (281) | | | (302) | | (1,176) | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net flows |  | 68 |  |  | (20) | | 84 | | 184 |  | 316 | |  |  | 386 | | 421 | |  | (115) | | | (234) | | 458 | |  |  |
| Interest credited |  | 77 |  |  | 79 |  | 79 |  | 79 |  |  | 314 |  |  | 80 |  |  | 78 |  |  | 76 |  | 77 |  |  | 311 |  |  |
| Account value, end of the period |  | 12,437 |  | 12,292 | | | 12,233 | | 12,070 |  | 12,437 | |  |  | 11,807 | | 11,341 | | | 10,842 | | | 10,881 | | 11,807 | | |  |
| **Single Premium Immediate Annuities** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Account value, beginning of the period |  | 5,782 |  | 5,891 | | | 5,875 | | 5,837 |  | 5,837 | |  |  | 5,931 | | 6,010 | |  | 6,319 | | | 6,442 | | 6,442 | |  |  |
| Premiums and deposits |  | 83 |  | 83 | | | 59 | | 49 |  | 274 | |  |  | 91 | | 80 | |  | 71 | | | 65 | | 307 | |  |  |
| Surrenders, benefits and product charges |  | (215) | | (209) | | | (213) | | (215) | | (852) | | |  | (221) | | (214) | | | (228) | | | (235) | | (898) | | |  |
| Net flows |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | (132) | | (126) | | | (154) | | (166) | | (578) | | |  | (130) | | (134) | | | (157) | | | (170) | | (591) | | |  |
| Interest credited |  | 65 |  | 66 | | | 67 | | 68 |  | 266 | |  |  | 69 | | 71 | |  | 72 | | | 73 | | 285 | |  |  |
| Effect of accumulated net unrealized investment gains (losses) |  | 48 |  |  | (49) | | 103 | | 136 |  | 238 | |  |  | (33) | | (16) | | | (224) | | | (26) | | (299) | | |  |
| Account value, end of the period |  | 5,763 |  |  | 5,782 |  | 5,891 |  | 5,875 |  |  | 5,763 |  |  | 5,837 |  |  | 5,931 |  |  | 6,010 |  | 6,319 |  |  | 5,837 |  |  |
| **Structured Settlements** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Account value, net of reinsurance, beginning of the period |  | 1,082 |  | 1,085 | | | 1,092 | | 1,093 |  | 1,093 | |  |  | 1,095 | | 1,097 | |  | 1,101 | | | 1,101 | | 1,101 | |  |  |
| Surrenders, benefits and product charges |  | (18) | | (18) | | | (21) | | (15) | | (72) | | |  | (16) | | (17) | | | (18) | | | (15) | | (66) | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net flows |  | (18) | | (18) | | | (21) | | (15) | | (72) | | |  | (16) | | (17) | | | (18) | | | (15) | | (66) | | |  |
| Interest credited |  | 14 |  |  | 15 |  | 14 |  | 14 |  |  | 57 |  |  | 14 |  |  | 15 |  |  | 14 |  | 15 |  |  | 58 |  |  |
| Account value, net of reinsurance, end of the period |  | 1,078 |  |  | 1,082 |  | 1,085 |  | 1,092 |  |  | 1,078 |  |  | 1,093 |  |  | 1,095 |  |  | 1,097 |  | 1,101 |  |  | 1,093 |  |  |
| **Total Fixed Annuities** |  | $19,278 |  | $19,156 | | | $19,209 | | $19,037 |  | $19,278 | |  |  | $18,737 | | $18,367 | |  | $17,949 | | | $18,301 | | $18,737 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

24



**Global Mortgage Insurance Division**

25

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income—Global Mortgage Insurance Division**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | | **1Q** | |  |  | **Total** | |  | **4Q** | |  | **3Q** | |  | **2Q** | |  | **1Q** | |  | **Total** |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums |  | $ | 387 | |  | $ | 388 | | $ 381 | | | $ 372 | | $ | | 1,528 | | $ 390 | | | $ | 380 | | $ 392 | | | $ 388 | | | $ | 1,550 | |  |
|  | Net investment income |  |  | 87 | |  |  | 97 |  | 86 | | | 92 |  |  |  | 362 | | 93 | | |  | 98 |  | 95 | | | 107 | | |  | 393 | |  |
|  | Net investment gains (losses) |  |  | (4) | |  |  | (4) | | 12 | | | (3) | |  |  | 1 | | 9 | | |  | 7 | | 13 | | | 3 | | |  | 32 | |  |
|  | Insurance and investment product fees and other |  |  | (4) | |  |  | (7) | | (3) | | | 2 | |  |  | (12) | | 1 | | |  | — | |  | — | | 1 | | |  | 2 | |  |
|  | Total revenues |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 466 | |  |  | 474 | | 476 | | | 463 | |  |  | 1,879 | | 493 | | |  | 485 | | 500 | | | 499 | | |  | 1,977 | |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 145 | |  |  | 199 | | 107 | | | 110 | |  |  | 561 | | 172 | | |  | 196 | | 177 | | | 184 | | |  | 729 | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  | 101 | |  |  | 87 |  | 93 | | | 82 |  |  |  | 363 | | 107 | | |  | 91 |  | 96 | | | 91 | | |  | 385 | |  |
|  | Amortization of deferred acquisition costs and |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | intangibles |  |  | 16 | |  |  | 16 |  | 17 | | | 17 |  |  |  | 66 |  | 15 | | |  | 15 |  | 19 | | | 17 | | |  | 66 | |  |
|  | Interest expense |  |  | 7 | |  |  | 8 | | 8 | | | 8 | |  |  | 31 |  | 7 | | |  | 9 | | 8 | | | 9 | | |  | 33 | |  |
|  | Total benefits and expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 269 | |  |  | 310 | | 225 | | | 217 | |  |  | 1,021 | | 301 | | |  | 311 | | 300 | | | 301 | | |  | 1,213 | |  |
|  | **INCOME FROM CONTINUING OPERATIONS** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **BEFORE INCOME TAXES** |  |  | 197 | |  |  | 164 | | 251 | | | 246 | |  |  | 858 | | 192 | | |  | 174 | | 200 | | | 198 | | |  | 764 | |  |
|  | Provision for income taxes |  |  | 237 | |  |  | 24 |  | 61 | | | 80 |  |  |  | 402 | | 44 | | |  | 45 |  | 55 | | | 57 | | |  | 201 | |  |
|  | **INCOME (LOSS) FROM CONTINUING** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS** |  |  | (40) | |  |  | 140 | | 190 | | | 166 | |  |  | 456 | | 148 | | |  | 129 | | 145 | | | 141 | | |  | 563 | |  |
|  | Less: net income attributable to noncontrolling |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | interests |  |  | 52 | |  |  | 57 |  | 52 | | | 35 |  |  |  | 196 | | 37 | | |  | 40 |  | 39 | | | 38 | | |  | 154 | |  |
|  | **INCOME (LOSS) FROM CONTINUING** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS AVAILABLE TO GENWORTH** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **FINANCIAL, INC.’S COMMON** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **STOCKHOLDERS** |  |  | (92) | |  |  | 83 |  | 138 | | | 131 | |  |  | 260 | | 111 | | |  | 89 |  | 106 | | | 103 | | |  | 409 | |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **CONTINUING OPERATIONS AVAILABLE TO** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **GENWORTH FINANCIAL, INC.’S COMMON** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **STOCKHOLDERS:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  | 1 | |  |  | 2 | | (4) | | | 1 | |  |  | — | | (4) | | |  | (2) | | (5) | | | (1) | | |  | (12) | |  |
|  | (Gains) losses on early extinguishment of debt, net |  |  | — | |  |  | — | | 2 | | | — | |  |  | 2 | |  | — | |  | — | |  | — | |  | — | |  | — | |  |
|  | Tax impact from potential business portfolio changes |  |  | 174 | |  |  | — | |  | — | | — | |  |  | 174 | |  | — | |  | — | |  | — | |  | — | |  | — | |  |
|  | Expenses related to restructuring, net |  |  | — |  |  |  | — |  |  | — |  | — |  |  |  | — |  |  | — |  |  | — |  |  | 1 | |  | — | |  | 1 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME**(1) |  | $ | 83 | |  | $ | 85 |  | $ 136 | | | $ 132 | | $ | | 436 | | $ 107 | | | $ | 87 |  | $ 102 | | | $ 102 | | | $ | 398 | |  |
| *Effective tax rate (operating income)* | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | |  |  | *11.3%* | | *23.3%* | | | *33.9%* | |  |  | *27.2%* | | *20.7%* | | |  | *25.3%* | | *27.2%* | | | *30.0%* | | |  | *25.9%* | |  |
|  |  | *34.0%* | |  |  |  |  |  |  |  |



1. Net operating income adjusted for foreign exchange as compared to the prior year period for the Global Mortgage Insurance Division was $88 million and $469 million for the three and twelve months ended December 31, 2014, respectively.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss)—Global Mortgage Insurance Division**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **International Mortgage Insurance Segment** | | | | | | | | |  |  |  | **U.S. Mortgage** | | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | **Total International** | |  |  |  |  |  |  |  |
| **Three months ended December 31, 2014** | | |  |  |  |  |  |  |  |  | **Other** | |  | **Mortgage Insurance** | | |  |  | **Insurance** | |  |  |  |  |  |
| **Canada** | | |  | **Australia** | | | **Countries** | | |  | **Segment** |  |  |  |  | **Segment** | |  | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | 127 | | $ | | 102 | | $ | 7 |  | $ | | 236 | | $ | | 151 |  |  | $ 387 | |  |  |
|  | Net investment income | |  | 38 | |  |  | 36 | |  | 2 |  |  |  | 76 | |  |  | 11 | |  | 87 | |  |  |
|  | Net investment gains (losses) | |  | (7) | |  |  | 3 | |  | — | |  |  | (4) | |  |  | — | |  | (4) | |  |  |
|  | Insurance and investment product fees and other | |  | — |  |  |  | (5) | |  | — | |  |  | (5) | |  |  | 1 |  |  | (4) | |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total revenues | |  | 158 | |  |  | 136 | |  | 9 |  |  |  | 303 | |  |  | 163 |  |  | 466 | |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  | 33 | |  |  | 15 | |  | 6 |  |  |  | 54 | |  |  | 91 |  |  | 145 | |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  | 23 | |  |  | 30 | |  | 10 |  |  |  | 63 | |  |  | 38 |  |  | 101 | |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  | 9 | |  |  | 5 | |  | — | |  |  | 14 | |  |  | 2 |  |  | 16 | |  |  |
|  | Interest expense | |  | 5 | |  |  | 2 | |  | — | |  |  | 7 | |  |  | — | |  | 7 | |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses | |  | 70 | |  |  | 52 | |  | 16 |  |  |  | 138 | |  |  | 131 |  |  | 269 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  | 88 | |  |  | 84 | |  | (7) | |  |  | 165 | |  |  | 32 |  |  | 197 | |  |  |
|  | Provision for income taxes | |  | 24 | |  |  | 202 | |  | — | |  |  | 226 | |  |  | 11 | |  | 237 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  | 64 | |  |  | (118) | |  | (7) | |  |  | (61) | |  |  | 21 |  |  | (40) | |  |  |
|  | Less: net income attributable to noncontrolling interests | |  | 30 | |  |  | 22 | |  | — | |  |  | 52 | |  |  | — | |  | 52 | |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **FINANCIAL, INC.’S COMMON STOCKHOLDERS** | |  | 34 | |  |  | (140) | |  | (7) | |  |  | (113) | |  |  | 21 |  |  | (92) | |  |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **GENWORTH FINANCIAL, INC.’S COMMON STOCKHOLDERS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  | 2 | |  |  | (1) | |  | — | |  |  | 1 | |  |  | — | |  | 1 | |  |  |
|  | Tax impact from potential business portfolio changes | |  | — |  |  |  | 174 | |  | — | |  |  | 174 | |  |  | — | |  | 174 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME (LOSS)** | | $ | 36 | | $ | | 33 | | $ | (7) | | $ | | 62 | | $ | | 21 |  |  | $ 83 | |  |  |
| *Effective tax rate (operating income (loss))* | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *29.4%* | |  |  | *34.8%* | |  | *-4.2%* | |  |  | *34.5%* | |  |  | *32.5%* | |  |  | |  |  |
|  |  |  |  |  |  |  |  |  | *34.0%* | |  |  |
|  |  |  |  |  |  | **International Mortgage Insurance Segment** | | | | | | | | |  |  |  | **U.S. Mortgage** | | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | **Total International** | |  |  |  |  |  |  |  |
| **Three months ended December 31, 2013** | | |  |  |  |  |  |  |  |  | **Other** | |  | **Mortgage Insurance** | | |  |  | **Insurance** | |  |  |  |  |  |
| **Canada** | | |  | **Australia** | | | **Countries** | | |  | **Segment** |  |  |  |  | **Segment** | |  | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | 137 | | $ | | 98 | | $ | 13 |  | $ | | 248 | | $ | | 142 |  |  | $ 390 | |  |  |
|  | Net investment income | |  | 41 | |  |  | 38 | |  | 1 |  |  |  | 80 | |  |  | 13 |  |  | 93 | |  |  |
|  | Net investment gains (losses) | |  | 6 | |  |  | — | |  | 3 |  |  |  | 9 | |  |  | — | |  | 9 | |  |  |
|  | Insurance and investment product fees and other | |  | — |  |  |  | 1 | |  | — | |  |  | 1 | |  |  | — | |  | 1 | |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total revenues | |  | 184 | |  |  | 137 | |  | 17 |  |  |  | 338 | |  |  | 155 |  |  | 493 | |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  | 30 | |  |  | 21 | |  | 13 |  |  |  | 64 | |  |  | 108 |  |  | 172 | |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  | 29 | |  |  | 34 | |  | 9 |  |  |  | 72 | |  |  | 35 |  |  | 107 | |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  | 8 | |  |  | 5 | |  | 1 |  |  |  | 14 | |  |  | 1 |  |  | 15 | |  |  |
|  | Interest expense | |  | 5 | |  |  | 2 | |  | — | |  |  | 7 | |  |  | — | |  | 7 | |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses | |  | 72 | |  |  | 62 | |  | 23 |  |  |  | 157 | |  |  | 144 |  |  | 301 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  | 112 | |  |  | 75 | |  | (6) | |  |  | 181 | |  |  | 11 | |  | 192 | |  |  |
|  | Provision for income taxes | |  | 28 | |  |  | 9 | |  | 2 |  |  |  | 39 | |  |  | 5 |  |  | 44 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  | 84 | |  |  | 66 | |  | (8) | |  |  | 142 | |  |  | 6 |  |  | 148 | |  |  |
|  | Less: net income attributable to noncontrolling interests | |  | 37 | |  |  | — | |  | — | |  |  | 37 | |  |  | — | |  | 37 | |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **FINANCIAL, INC.’S COMMON STOCKHOLDERS** | |  | 47 | |  |  | 66 | |  | (8) | |  |  | 105 | |  |  | 6 |  |  | 111 | |  |  |
| **ADJUSTMENT TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **GENWORTH FINANCIAL, INC.’S COMMON STOCKHOLDERS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  | (3) | |  |  | — | |  | (1) | |  |  | (4) | |  |  | — | |  | (4) | |  |  |
| **NET OPERATING INCOME (LOSS)** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 44 | | $ | | 66 | | $ | (9) | | $ | | 101 | | $ | | 6 |  |  | $ 107 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *Effective tax rate (operating income (loss))* | |  | *22.9%* | |  |  | *12.0%* | |  | *-15.3%* | |  |  | *18.8%* | |  |  | *45.0%* | |  | *20.7%* | |  |  |

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss)—Global Mortgage Insurance Division**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **International Mortgage Insurance Segment** | | | | | | | | |  |  |  | **U.S. Mortgage** | | |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **Total International** | |  |  |  |  |  |  |  |  |
| **Twelve months ended December 31, 2014** | | |  |  |  |  |  |  |  |  |  |  | **Other** | | **Mortgage Insurance** | | |  |  | **Insurance** | |  |  |  |  |  |  |
|  | **Canada** | | |  | **Australia** | | |  | **Countries** | | | **Segment** |  |  |  |  | **Segment** | |  | **Total** | | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | | 515 | | $ | | 406 |  | $ | | 29 | | $ | 950 | | $ | | 578 | |  | $ | 1,528 | |  |  |
|  | Net investment income | |  |  | 155 | |  |  | 144 |  |  |  | 4 | |  | 303 | |  |  | 59 | |  |  | 362 | |  |  |
|  | Net investment gains (losses) | |  |  | (2) | |  |  | 3 |  |  |  | — | |  | 1 | |  |  | — | |  |  | 1 | |  |  |
|  | Insurance and investment product fees and other | |  |  | 1 |  |  |  | (16) | |  |  | 1 | |  | (14) | |  |  | 2 | |  |  | (12) | |  |  |
|  | Total revenues | |  |  | 669 |  |  |  | 537 |  |  |  | 34 |  |  | 1,240 |  |  |  | 639 |  |  |  | 1,879 |  |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  |  | 102 | |  |  | 78 |  |  |  | 24 | |  | 204 | |  |  | 357 | |  |  | 561 | |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  |  | 90 | |  |  | 97 |  |  |  | 36 | |  | 223 | |  |  | 140 | |  |  | 363 | |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  |  | 38 | |  |  | 21 |  |  |  | — | |  | 59 | |  |  | 7 | |  |  | 66 | |  |  |
|  | Interest expense | |  |  | 21 |  |  |  | 10 |  |  |  | — |  |  | 31 |  |  |  | — |  |  |  | 31 |  |  |  |
|  | Total benefits and expenses | |  |  | 251 |  |  |  | 206 |  |  |  | 60 |  |  | 517 |  |  |  | 504 |  |  |  | 1,021 |  |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  |  | 418 | |  |  | 331 |  |  |  | (26) | |  | 723 | |  |  | 135 | |  |  | 858 | |  |  |
|  | Provision (benefit) for income taxes | |  |  | 111 |  |  |  | 248 |  |  |  | (1) | |  | 358 | |  |  | 44 | |  |  | 402 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  |  | 307 |  |  |  | 83 |  |  |  | (25) | |  | 365 | |  |  | 91 | |  |  | 456 | |  |  |
|  | Less: net income attributable to noncontrolling interests | |  |  | 140 | |  |  | 56 |  |  |  | — | |  | 196 | |  |  | — | |  |  | 196 | |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **FINANCIAL, INC.’S COMMON STOCKHOLDERS** | |  |  | 167 | |  |  | 27 |  |  |  | (25) | |  | 169 | |  |  | 91 | |  |  | 260 | |  |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **GENWORTH FINANCIAL, INC.’S COMMON STOCKHOLDERS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  |  | 1 | |  |  | (1) | |  |  | — | |  | — | |  |  | — | |  |  | — | |  |  |
|  | (Gains) losses on early extinguishment of debt, net | |  |  | 2 | |  |  | — | |  |  | — | |  | 2 | |  |  | — | |  |  | 2 | |  |  |
|  | Tax impact from potential business portfolio changes | |  |  | — |  |  |  | 174 |  |  |  | — |  |  | 174 |  |  |  | — |  |  |  | 174 |  |  |  |
| **NET OPERATING INCOME (LOSS)** | | | $ | | 170 | | $ | | 200 |  | $ | | (25) | | $ | 345 | | $ | | 91 | |  | $ | 436 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *Effective tax rate (operating income (loss))* | |  |  | *27.1%* | |  |  | *22.3%* | |  |  | *3.8%* | |  | *25.7%* | |  |  | *32.2%* | |  |  | *27.2%* | |  |  |
|  |  |  |  |  |  |  | **International Mortgage Insurance Segment** | | | | | | | | |  |  |  | **U.S. Mortgage** | | |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **Total International** | |  |  |  |  |  |  |  |  |
| **Twelve months ended December 31, 2013** | | |  |  |  |  |  |  |  |  |  |  | **Other** | | **Mortgage Insurance** | | |  |  | **Insurance** | |  |  |  |  |  |  |
|  | **Canada** | | |  | **Australia** | | |  | **Countries** | | | **Segment** |  |  |  |  | **Segment** | |  | **Total** | | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | | 560 | | $ | | 398 |  | $ | | 38 | | $ | 996 | | $ | | 554 | |  | $ | 1,550 | |  |  |
|  | Net investment income | |  |  | 170 | |  |  | 159 |  |  |  | 4 | |  | 333 | |  |  | 60 | |  |  | 393 | |  |  |
|  | Net investment gains (losses) | |  |  | 31 | |  |  | (2) | |  |  | 3 | |  | 32 | |  |  | — | |  |  | 32 | |  |  |
|  | Insurance and investment product fees and other | |  |  | (1) | |  |  | — | |  |  | 1 | |  | — | |  |  | 2 | |  |  | 2 | |  |  |
|  | Total revenues | |  |  | 760 |  |  |  | 555 |  |  |  | 46 |  |  | 1,361 |  |  |  | 616 |  |  |  | 1,977 |  |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  |  | 139 | |  |  | 134 |  |  |  | 44 | |  | 317 | |  |  | 412 | |  |  | 729 | |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  |  | 93 | |  |  | 110 | |  |  | 38 | |  | 241 | |  |  | 144 | |  |  | 385 | |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  |  | 37 | |  |  | 22 |  |  |  | 1 | |  | 60 | |  |  | 6 | |  |  | 66 | |  |  |
|  | Interest expense | |  |  | 22 |  |  |  | 11 |  |  |  | — |  |  | 33 |  |  |  | — |  |  |  | 33 |  |  |  |
|  | Total benefits and expenses | |  |  | 291 |  |  |  | 277 |  |  |  | 83 |  |  | 651 |  |  |  | 562 |  |  |  | 1,213 |  |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  |  | 469 | |  |  | 278 |  |  |  | (37) | |  | 710 | |  |  | 54 | |  |  | 764 | |  |  |
|  | Provision for income taxes | |  |  | 133 |  |  |  | 51 |  |  |  | — |  |  | 184 |  |  |  | 17 |  |  |  | 201 |  |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  |  | 336 | |  |  | 227 |  |  |  | (37) | |  | 526 | |  |  | 37 | |  |  | 563 | |  |  |
|  | Less: net income attributable to noncontrolling interests | |  |  | 154 | |  |  | — | |  |  | — | |  | 154 | |  |  | — | |  |  | 154 | |  |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **FINANCIAL, INC.’S COMMON STOCKHOLDERS** | |  |  | 182 | |  |  | 227 |  |  |  | (37) | |  | 372 | |  |  | 37 | |  |  | 409 | |  |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **GENWORTH FINANCIAL, INC.’S COMMON STOCKHOLDERS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  |  | (12) | |  |  | 1 |  |  |  | (1) | |  | (12) | |  |  | — | |  |  | (12) | |  |  |
|  | Expenses related to restructuring, net | |  |  | — |  |  |  | — |  |  |  | 1 |  |  | 1 |  |  |  | — |  |  |  | 1 |  |  |  |
|  | **NET OPERATING INCOME (LOSS)** | | $ | | 170 | | $ | | 228 |  | $ | | (37) | | $ | 361 | | $ | | 37 | |  | $ | 398 | |  |  |
| *Effective tax rate (operating income (loss))* | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | *29.5%* | |  |  | *18.6%* | |  |  | *3.1%* | |  | *25.3%* | |  |  | *31.6%* | |  |  |  | |  |  |
|  |  |  |  |  |  |  |  |  |  |  | *25.9%* | |  |  |

28



**International Mortgage Insurance Segment**

29

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income—International Mortgage Insurance Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | | |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | | **Total** | | |  | **4Q** | |  | **3Q** | |  |  | **2Q** | |  | **1Q** | |  | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums |  | $ | 236 | | $ | | 242 |  | $ | 237 | | $ | | 235 | | $ | 950 |  | $ 248 | | | $ | 243 | | $ | | 251 |  | $ | 254 | | $ | | 996 | |  |
|  | Net investment income |  |  | 76 | |  |  | 78 |  |  | 75 | |  |  | 74 | |  | 303 |  | 80 | | |  | 80 | |  |  | 85 |  |  | 88 | |  |  | 333 | |  |
|  | Net investment gains (losses) |  |  | (4) | |  |  | (4) | |  | 12 | |  |  | (3) | |  | 1 |  | 9 | | |  | 7 | |  |  | 13 |  |  | 3 | |  |  | 32 | |  |
|  | Insurance and investment product fees and other |  |  | (5) | |  |  | (7) | |  | (4) | |  |  | 2 | |  | (14) | | 1 | | |  | (1) | |  |  | — | |  | — | |  |  | — | |  |
|  | Total revenues |  |  | 303 |  |  |  | 309 |  |  | 320 |  |  |  | 308 |  |  | 1,240 |  |  | 338 |  |  | 329 |  |  |  | 349 |  |  | 345 |  |  |  | 1,361 |  |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 54 | |  |  | 58 |  |  | 45 | |  |  | 47 | |  | 204 |  | 64 | | |  | 73 | |  |  | 80 |  |  | 100 | |  |  | 317 | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  | 63 | |  |  | 52 |  |  | 59 | |  |  | 49 | |  | 223 |  | 72 | | |  | 56 | |  |  | 61 |  |  | 52 | |  |  | 241 | |  |
|  | Amortization of deferred acquisition costs and intangibles |  |  | 14 | |  |  | 15 |  |  | 15 | |  |  | 15 | |  | 59 |  | 14 | | |  | 13 | |  |  | 17 |  |  | 16 | |  |  | 60 | |  |
|  | Interest expense |  |  | 7 | |  |  | 8 |  |  | 8 | |  |  | 8 | |  | 31 |  | 7 | | |  | 9 | |  |  | 8 |  |  | 9 | |  |  | 33 | |  |
|  | Total benefits and expenses |  |  | 138 |  |  |  | 133 |  |  | 127 |  |  |  | 119 |  |  | 517 |  |  | 157 |  |  | 151 |  |  |  | 166 |  |  | 177 |  |  |  | 651 |  |  |
|  | **INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** |  |  | 165 | |  |  | 176 |  |  | 193 | |  |  | 189 | |  | 723 |  | 181 | | |  | 178 | |  |  | 183 |  |  | 168 | |  |  | 710 | |  |
|  | Provision for income taxes |  |  | 226 |  |  |  | 34 |  |  | 42 | |  |  | 56 | |  | 358 |  | 39 | | |  | 46 | |  |  | 51 |  |  | 48 | |  |  | 184 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** |  |  | (61) | |  |  | 142 |  |  | 151 | |  |  | 133 | |  | 365 |  | 142 | | |  | 132 | |  |  | 132 |  |  | 120 | |  |  | 526 | |  |
|  | Less: net income attributable to noncontrolling interests |  |  | 52 | |  |  | 57 |  |  | 52 | |  |  | 35 | |  | 196 |  | 37 | | |  | 40 | |  |  | 39 |  |  | 38 | |  |  | 154 | |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **FINANCIAL, INC.’S COMMON STOCKHOLDERS** |  |  | (113) | |  |  | 85 |  |  | 99 | |  |  | 98 | |  | 169 |  | 105 | | |  | 92 | |  |  | 93 |  |  | 82 | |  |  | 372 | |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **AVAILABLE TO GENWORTH FINANCIAL, INC.’S COMMON STOCKHOLDERS:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  | 1 | |  |  | 2 |  |  | (4) | |  |  | 1 | |  | — | | (4) | | |  | (2) | |  |  | (5) | |  | (1) | |  |  | (12) | |  |
|  | (Gains) losses on early extinguishment of debt, net |  |  | — | |  |  | — | |  | 2 | |  |  | — | |  | 2 |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |
|  | Tax impact from potential business portfolio changes |  |  | 174 | |  |  | — | |  | — | |  |  | — | |  | 174 |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |
|  | Expenses related to restructuring, net |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  | — |  |  | — |  |  |  | 1 |  |  | — |  |  |  | 1 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME**(1) |  | $ | 62 |  |  | $ | 87 |  | $ | 97 | | $ | | 99 | | $ | 345 |  | $ 101 | | | $ | 90 | | $ | | 89 |  | $ | 81 | | $ | | 361 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *Effective tax rate (operating income)* |  |  | *34.5%* | |  |  | *19.0%* | |  | *18.8%* | |  |  | *30.7%* | |  | *25.7%* | | *18.8%* | | |  | *25.0%* | |  |  | *27.8%* | |  | *29.9%* | |  |  | *25.3%* | |  |



1. Net operating income adjusted for foreign exchange as compared to the prior year period for the International Mortgage Insurance segment was $67 million and $378 million for the three and twelve months ended December 31, 2014, respectively.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income and Sales—International Mortgage Insurance Segment—Canada**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  | **2014** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  | **1Q** | |  | **Total** | |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  | **1Q** | |  | **Total** |  |  |
|  | **REVENUES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | | 127 | | $ | | 130 |  | $ | 128 | | $ | 130 | | $ | 515 | |  | $ | 137 |  | $ | | 138 | | $ | 141 | | $ | 144 | | $ | 560 | |  |
|  | Net investment income | |  |  | 38 | |  |  | 39 |  |  | 39 | |  | 39 | |  | 155 | |  |  | 41 |  |  |  | 43 | |  | 42 | |  | 44 | |  | 170 | |  |
|  | Net investment gains (losses) | |  |  | (7) | |  |  | (4) | |  | 12 | |  | (3) | |  | (2) | |  |  | 6 |  |  |  | 9 | |  | 12 | |  | 4 | |  | 31 | |  |
|  | Insurance and investment product fees and other | |  |  | — | |  |  | (2) | |  | 1 | |  | 2 | |  | 1 | |  |  | — | |  |  | — | |  | (1) | |  | — | |  | (1) | |  |
|  | Total revenues | |  |  | 158 |  |  |  | 163 |  |  | 180 |  |  | 168 |  |  | 669 |  |  |  | 184 |  |  |  | 190 |  |  | 194 |  |  | 192 |  |  | 760 |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  |  | 33 | |  |  | 28 |  |  | 15 | |  | 26 | |  | 102 | |  |  | 30 |  |  |  | 30 | |  | 35 | |  | 44 | |  | 139 | |  |
|  | Acquisition and operating expenses, net of deferrals | |  |  | 23 | |  |  | 18 |  |  | 28 | |  | 21 | |  | 90 | |  |  | 29 |  |  |  | 23 | |  | 22 | |  | 19 | |  | 93 | |  |
|  | Amortization of deferred acquisition costs and intangibles | |  |  | 9 | |  |  | 10 |  |  | 9 | |  | 10 | |  | 38 | |  |  | 8 |  |  |  | 9 | |  | 10 | |  | 10 | |  | 37 | |  |
|  | Interest expense | |  |  | 5 | |  |  | 5 |  |  | 6 | |  | 5 | |  | 21 | |  |  | 5 |  |  |  | 6 | |  | 5 | |  | 6 | |  | 22 | |  |
|  | Total benefits and expenses | |  |  | 70 |  |  |  | 61 |  |  | 58 |  |  | 62 |  |  | 251 |  |  |  | 72 |  |  |  | 68 |  |  | 72 |  |  | 79 |  |  | 291 |  |  |
|  | **INCOME FROM CONTINUING OPERATIONS BEFORE INCOME** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **TAXES** | |  |  | 88 | |  |  | 102 |  |  | 122 | |  | 106 | |  | 418 | |  |  | 112 | |  |  | 122 | |  | 122 | |  | 113 | |  | 469 | |  |
|  | Provision for income taxes | |  |  | 24 |  |  |  | 24 |  |  | 32 |  |  | 31 | |  | 111 | |  |  | 28 |  |  |  | 38 | |  | 35 | |  | 32 | |  | 133 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME FROM CONTINUING OPERATIONS** | |  |  | 64 |  |  |  | 78 |  |  | 90 |  |  | 75 | |  | 307 | |  |  | 84 |  |  |  | 84 | |  | 87 | |  | 81 | |  | 336 | |  |
|  | Less: net income attributable to noncontrolling interests | |  |  | 30 | |  |  | 34 |  |  | 41 | |  | 35 | |  | 140 | |  |  | 37 |  |  |  | 40 | |  | 39 | |  | 38 | |  | 154 | |  |
|  | **INCOME FROM CONTINUING OPERATIONS AVAILABLE TO** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **GENWORTH FINANCIAL, INC.’S COMMON STOCKHOLDERS** | |  |  | 34 | |  |  | 44 |  |  | 49 | |  | 40 | |  | 167 | |  |  | 47 |  |  |  | 44 | |  | 48 | |  | 43 | |  | 182 | |  |
| **ADJUSTMENTS TO INCOME FROM CONTINUING** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS AVAILABLE TO GENWORTH FINANCIAL,** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **INC.’S COMMON STOCKHOLDERS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  |  | 2 | |  |  | 2 |  |  | (4) | |  | 1 | |  | 1 | |  |  | (3) | |  |  | (3) | |  | (5) | |  | (1) | |  | (12) | |  |
|  | (Gains) losses on early extinguishment of debt, net | |  |  | — |  |  |  | — |  |  | 2 |  |  | — |  |  | 2 |  |  |  | — |  |  |  | — |  |  | — |  |  | — |  |  | — |  |  |
|  | **NET OPERATING INCOME**(1) | |  | $ | 36 |  |  | $ | 46 |  | $ | 47 |  | $ | 41 | | $ | 170 | |  | $ | 44 |  | $ | | 41 | | $ | 43 | | $ | 42 | | $ | 170 | |  |
| *Effective tax rate (operating income)* | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | |  |  | *21.2%* | |  | *26.3%* | |  | *31.6%* | |  | *27.1%* | |  |  | *22.9%* | |  |  | *35.0%* | |  | *29.3%* | |  | *30.2%* | |  | *29.5%* | |  |
|  |  | *29.4%* | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **SALES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **New Insurance Written (NIW)** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow | | $ | | 5,500 | | $ | | 6,800 | | $ | 5,000 | | $ | 2,900 | | $ | 20,200 | |  | $ | 5,000 | | $ | | 6,000 | | $ | 4,700 | | $ | 3,300 | | $ | 19,000 | |  |
|  | Bulk | |  |  | 2,300 |  |  |  | 5,600 | |  | 7,500 | |  | 2,900 | |  | 18,300 | |  |  | 2,400 | |  |  | 3,900 | |  | 6,400 | |  | 2,400 | |  | 15,100 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total Canada NIW**(2) | |  | $ | 7,800 |  |  | $ | 12,400 | | $ | 12,500 | | $ | 5,800 | | $ | 38,500 | |  | $ | 7,400 | | $ | | 9,900 | | $ | 11,100 | | $ | 5,700 | | $ | 34,100 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Net operating income for the Canadian platform adjusted for foreign exchange as compared to the prior year period was $39 million and $183 million for the three and twelve months ended December 31, 2014, respectively.
2. New insurance written for the Canadian platform adjusted for foreign exchange as compared to the prior year period was $8,300 million and $41,000 million for the three and twelve months ended December 31, 2014, respectively.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income and Sales—International Mortgage Insurance Segment—Australia**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  | **2014** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | |  | **Total** | |  |  | **4Q** | |  | **3Q** | |  |  | **2Q** | |  |  | **1Q** | |  | **Total** |  |  |
|  | **REVENUES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | | 102 | |  | $ | 105 | | $ | 102 | | $ | | 97 | | $ | 406 | | $ | | 98 | | $ | 98 |  | $ | | 101 | | $ | | 101 | | $ | 398 | |  |
|  | Net investment income | |  |  | 36 | |  |  | 38 |  |  | 36 | |  |  | 34 | |  | 144 | |  |  | 38 | |  | 36 |  |  |  | 42 | |  |  | 43 | |  | 159 | |  |
|  | Net investment gains (losses) | |  |  | 3 | |  |  | — | |  | — | |  |  | — | |  | 3 | |  |  | — | |  | (2) | |  |  | 1 | |  |  | (1) | |  | (2) | |  |
|  | Insurance and investment product fees and other | |  |  | (5) | |  |  | (7) | |  | (4) | |  |  | — | |  | (16) | |  |  | 1 | |  | (1) | |  |  | — | |  |  | — | |  | — | |  |
|  | Total revenues | |  |  | 136 |  |  |  | 136 |  |  | 134 |  |  |  | 131 |  |  | 537 |  |  |  | 137 |  |  | 131 |  |  |  | 144 |  |  |  | 143 |  |  | 555 |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  |  | 15 | |  |  | 22 |  |  | 24 | |  |  | 17 | |  | 78 | |  |  | 21 | |  | 29 |  |  |  | 36 | |  |  | 48 | |  | 134 | |  |
|  | Acquisition and operating expenses, net of deferrals | |  |  | 30 | |  |  | 25 |  |  | 23 | |  |  | 19 | |  | 97 | |  |  | 34 | |  | 25 |  |  |  | 27 | |  |  | 24 | |  | 110 | |  |
|  | Amortization of deferred acquisition costs and intangibles | |  |  | 5 | |  |  | 5 | |  | 6 | |  |  | 5 | |  | 21 | |  |  | 5 | |  | 5 | |  |  | 6 | |  |  | 6 | |  | 22 | |  |
|  | Interest expense | |  |  | 2 | |  |  | 3 | |  | 2 | |  |  | 3 | |  | 10 | |  |  | 2 | |  | 3 | |  |  | 3 | |  |  | 3 | |  | 11 | |  |
|  | Total benefits and expenses | |  |  | 52 |  |  |  | 55 |  |  | 55 |  |  |  | 44 |  |  | 206 |  |  |  | 62 |  |  | 62 |  |  |  | 72 |  |  |  | 81 |  |  | 277 |  |  |
|  | **INCOME FROM CONTINUING OPERATIONS BEFORE** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **INCOME TAXES** | |  |  | 84 | |  |  | 81 |  |  | 79 | |  |  | 87 | |  | 331 | |  |  | 75 | |  | 69 |  |  |  | 72 | |  |  | 62 | |  | 278 | |  |
|  | Provision for income taxes | |  |  | 202 | |  |  | 10 |  |  | 11 | |  |  | 25 | |  | 248 | |  |  | 9 | |  | 9 | |  |  | 17 | |  |  | 16 | |  | 51 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  |  | (118) | |  |  | 71 |  |  | 68 | |  |  | 62 | |  | 83 | |  |  | 66 | |  | 60 |  |  |  | 55 | |  |  | 46 | |  | 227 | |  |
|  | Less: net income attributable to noncontrolling interests | |  |  | 22 | |  |  | 23 |  |  | 11 | |  |  | — | |  | 56 | |  |  | — | |  | — | |  |  | — | |  |  | — | |  | — | |  |
|  | **INCOME (LOSS) FROM CONTINUING OPERATIONS** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **AVAILABLE TO GENWORTH FINANCIAL, INC.’S** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **COMMON STOCKHOLDERS** | |  |  | (140) | |  |  | 48 |  |  | 57 | |  |  | 62 | |  | 27 | |  |  | 66 | |  | 60 |  |  |  | 55 | |  |  | 46 | |  | 227 | |  |
| **ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS AVAILABLE TO GENWORTH FINANCIAL,** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **INC.’S COMMON STOCKHOLDERS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  |  | (1) | |  |  | — | |  | — | |  |  | — | |  | (1) | |  |  | — | |  | 1 | |  |  | — | |  |  | — | |  | 1 | |  |
|  | Tax impact from potential business portfolio changes | |  |  | 174 | |  |  | — | |  | — | |  |  | — | |  | 174 | |  |  | — | |  | — | |  |  | — | |  |  | — | |  | — | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME**(1) | |  | $ | 33 | |  | $ | 48 |  | $ | 57 | | $ | | 62 | | $ | 200 | | $ | | 66 | | $ | 61 |  | $ | | 55 | | $ | | 46 | | $ | 228 | |  |
| *Effective tax rate (operating income)* | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | |  |  | *14.2%* | |  | *10.4%* | |  |  | *29.0%* | |  | *22.3%* | |  |  | *12.0%* | |  | *13.7%* | |  |  | *23.5%* | |  |  | *26.7%* | |  | *18.6%* | |  |
|  |  | *34.8%* | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **SALES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **New Insurance Written (NIW)** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow | | $ | | 8,000 | |  | $ | 8,100 | | $ | 7,900 | | $ | | 7,800 | | $ | 31,800 | | $ | | 9,000 | | $ | 8,000 | | $ | | 8,700 | | $ | | 7,900 | | $ | 33,600 | |  |
|  | Bulk | |  |  | 100 | |  |  | 1,000 | |  | — | |  |  | — | |  | 1,100 | |  |  | — | |  | 100 | |  |  | 900 | |  |  | — | |  | 1,000 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total Australia NIW**(2) | |  | $ | 8,100 | |  | $ | 9,100 | | $ | 7,900 | | $ | | 7,800 | | $ | 32,900 | | $ | | 9,000 | | $ | 8,100 | | $ | | 9,600 | | $ | | 7,900 | | $ | 34,600 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Net operating income for the Australian platform adjusted for foreign exchange as compared to the prior year period was $35 million and $219 million for the three and twelve months ended December 31, 2014, respectively.
2. New insurance written for the Australian platform adjusted for foreign exchange as compared to the prior year period was $8,600 million and $35,400 million for the three and twelve months ended December 31, 2014, respectively.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Loss and Sales—International Mortgage Insurance Segment—Other Countries**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | | |  | **3Q** | | |  | **2Q** | |  |  | **1Q** | | **Total** | | |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | | | **1Q** | | |  | **Total** | |  |  |
|  | **REVENUES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | |  | $ | 7 | | $ | | 7 | | $ | 7 | | $ | | 8 | | $ | 29 | | $ | | 13 | | $ | | 7 | | $ | | 9 | | $ | 9 | | $ | | 38 | |  |
|  | Net investment income | |  |  | 2 | |  |  | 1 | |  | — | |  |  | 1 | |  | 4 | |  |  | 1 | |  |  | 1 | |  |  | 1 | |  | 1 | |  |  | 4 | |  |
|  | Net investment gains (losses) | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | 3 | |  |  | — | |  |  | — | |  | — | |  |  | 3 | |  |
|  | Insurance and investment product fees and other | |  |  | — | |  |  | 2 | |  | (1) | |  |  | — | |  | 1 | |  |  | — | |  |  | — | |  |  | 1 | |  | — | |  |  | 1 | |  |
|  | Total revenues | |  |  | 9 |  |  |  | 10 |  |  | 6 |  |  |  | 9 |  |  | 34 |  |  |  | 17 |  |  |  | 8 |  |  |  | 11 |  |  | 10 |  |  |  | 46 |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  |  | 6 | |  |  | 8 | |  | 6 | |  |  | 4 | |  | 24 | |  |  | 13 | |  |  | 14 | |  |  | 9 | |  | 8 | |  |  | 44 | |  |
|  | Acquisition and operating expenses, net of deferrals | |  |  | 10 | |  |  | 9 | |  | 8 | |  |  | 9 | |  | 36 | |  |  | 9 | |  |  | 8 | |  |  | 12 | |  | 9 | |  |  | 38 | |  |
|  | Amortization of deferred acquisition costs and intangibles | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | 1 | |  |  | (1) | |  |  | 1 | |  | — | |  |  | 1 | |  |
|  | Interest expense | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  |
|  | Total benefits and expenses | |  |  | 16 |  |  |  | 17 |  |  | 14 |  |  |  | 13 |  |  | 60 |  |  |  | 23 |  |  |  | 21 |  |  |  | 22 |  |  | 17 |  |  |  | 83 |  |  |
|  | **LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  |  | (7) | |  |  | (7) | |  | (8) | |  |  | (4) | |  | (26) | |  |  | (6) | |  |  | (13) | |  |  | (11) | |  | (7) | |  |  | (37) | |  |
|  | Provision (benefit) for income taxes | |  |  | — |  |  |  | — |  |  | (1) | |  |  | — | |  | (1) | |  |  | 2 | |  |  | (1) | |  |  | (1) | |  | — | |  |  | — | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **LOSS FROM CONTINUING OPERATIONS** | |  |  | (7) | |  |  | (7) | |  | (7) | |  |  | (4) | |  | (25) | |  |  | (8) | |  |  | (12) | |  |  | (10) | |  | (7) | |  |  | (37) | |  |
|  | Less: net income attributable to noncontrolling interests | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  |
|  | **LOSS FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **FINANCIAL, INC.’S COMMON STOCKHOLDERS** | |  |  | (7) | |  |  | (7) | |  | (7) | |  |  | (4) | |  | (25) | |  |  | (8) | |  |  | (12) | |  |  | (10) | |  | (7) | |  |  | (37) | |  |
| **ADJUSTMENTS TO LOSS FROM CONTINUING OPERATIONS AVAILABLE** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **TO GENWORTH FINANCIAL, INC.’S COMMON STOCKHOLDERS:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | (1) | |  |  | — | |  |  | — | |  | — | |  |  | (1) | |  |
|  | Expenses related to restructuring, net | |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  |  | 1 |  |  | — |  |  |  | 1 |  |  |
|  | **NET OPERATING LOSS**(1) | |  | $ | (7) | | $ | | (7) | | $ | (7) | | $ | | (4) | | $ | (25) | | $ | | (9) | | $ | | (12) | | $ | | (9) | | $ | (7) | | $ | | (37) | |  |
| *Effective tax rate (operating loss)* | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | |  |  | *-2.2%* | |  | *11.3%* | |  |  | *10.3%* | |  | *3.8%* | |  |  | *-15.3%* | |  |  | *11.2%* | |  |  | *5.7%* | |  | *4.9%* | |  |  | *3.1%* | |  |
|  |  | *-4.2%* | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **SALES:** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **New Insurance Written (NIW)** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow | |  | $ | 500 | | $ | | 400 | | $ | 500 | | $ | | 400 | | $ | 1,800 | | $ | | 500 | | $ | | 500 | | $ | | 400 | | $ | 400 | | $ | | 1,800 | |  |
|  | Bulk | |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  |  | 600 |  |  |  | — |  |  |  | — |  |  | — |  |  |  | 600 |  |  |
|  | **Total Other Countries NIW**(2) | |  | $ | 500 | | $ | | 400 | | $ | 500 | | $ | | 400 | | $ | 1,800 | | $ | | 1,100 | | $ | | 500 | | $ | | 400 | | $ | 400 | | $ | | 2,400 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Net operating loss for the Other Countries platform adjusted for foreign exchange as compared to the prior year period was $(7) million and $(24) million for the three and twelve months ended December 31, 2014, respectively.
2. New insurance written for the Other Countries platform adjusted for foreign exchange as compared to the prior year period was $600 million and $1,800 million for the three and twelve months ended December 31, 2014, respectively.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Key Performance Measures—International Mortgage Insurance Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | **2014** | | |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |  |  |
|  |  |  | **4Q** | |  | **3Q** | |  | **2Q** | |  | **1Q** | | **Total** | | |  | **4Q** | | **3Q** | | **2Q** | |  | **1Q** | | |  | **Total** | |  |  |
|  | **Net Premiums Written** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Canada |  | $160 | |  | $200 |  | $ 146 | |  | $ 77 | |  | $ | 583 | |  | $125 | | $156 | | $134 | | $ | | 84 | | $ | | 499 | |  |
|  | Australia |  | 128 | |  | 130 |  | 125 | |  | 126 | |  |  | 509 | |  | 147 | | 123 | | 132 | |  |  | 117 | |  |  | 519 | |  |
|  | Other Countries(1) |  | 6 |  |  | 6 |  |  | 1 |  |  | 6 |  |  | 19 | |  | 6 | | 6 | | 7 | |  |  | 5 | |  |  | 24 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Net Premiums Written |  | $294 |  |  | $336 |  |  | $ 272 |  | $209 | |  | $ | 1,111 | |  | $278 | | $285 | | $273 | | $ | | 206 | | $ | | 1,042 | |  |
| **Loss Ratio**(2) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Canada |  | 26% | |  | 21% | | 12% | | | 20% | | |  | 20% | |  | 22% | | 22% | | 25% | |  |  | 31% | |  |  | 25% | |  |
|  | Australia |  | 15% | |  | 21% | | 23% | | | 17% | | |  | 19% | |  | 21% | | 31% | | 35% | |  |  | 47% | |  |  | 34% | |  |
|  | Other Countries |  | 84% | |  | 105% | | 90% | | | 55% | | |  | 83% | |  | 102% | | 170% | | 110% | |  |  | 90% | |  |  | 115% | |  |
|  | Total Loss Ratio |  | 23% | |  | 24% | | 19% | | | 20% | | |  | 21% | |  | 25% | | 31% | | 32% | |  |  | 39% | |  |  | 32% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **GAAP Basis Expense Ratio**(3) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Canada(4) |  | 26% | |  | 22% | | 29% | | | 23% | | |  | 25% | |  | 27% | | 23% | | 22% | |  |  | 20% | |  |  | 23% | |  |
|  | Australia |  | 34% | |  | 28% | | 28% | | | 25% | | |  | 29% | |  | 39% | | 30% | | 32% | |  |  | 31% | |  |  | 33% | |  |
|  | Other Countries(1) |  | 115% | |  | 126% | | 131% | | | 107% | | |  | 120% | |  | 69% | | 106% | | 129% | |  |  | 113% | |  |  | 101% | |  |
|  | Total GAAP Basis Expense Ratio |  | 32% | |  | 28% | | 32% | | | 27% | | |  | 30% | |  | 34% | | 29% | | 30% | |  |  | 27% | |  |  | 30% | |  |
| **Adjusted Expense Ratio**(5) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Canada(6) |  | 20% | |  | 14% | | 26% | | | 39% | | |  | 22% | |  | 30% | | 20% | | 23% | |  |  | 35% | |  |  | 26% | |  |
|  | Australia |  | 27% | |  | 23% | | 23% | | | 20% | | |  | 23% | |  | 26% | | 24% | | 25% | |  |  | 27% | |  |  | 25% | |  |
|  | Other Countries(1) |  | 132% | |  | 150% | |  | NM(7) | | 142% | | |  | 186% | |  | 146% | | 136% | | 177% | |  |  | 174% | |  |  | 158% | |  |
|  | Total Adjusted Expense Ratio |  | 26% | |  | 20% | | 28% | | | 30% | | |  | 25% | |  | 31% | | 24% | | 28% | |  |  | 34% | |  |  | 29% | |  |

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. Includes the impact of settlements and cancelled insurance contracts, primarily with lenders in Europe. Primary flow risk in-force excludes $296 million, $290 million, $298 million, $282 million, $316 million, $285 million, $250 million and $225 million of risk in-force in Europe ceded under quota share reinsurance agreements as of December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.
2. The ratio of incurred losses and loss adjustment expense to net earned premiums. In determining the pricing of the mortgage insurance products, the company develops a pricing loss ratio which uses industry and company loss experience over a number of years, which incorporate both favorable and unfavorable economic environments, differing coverage levels and varying capital requirements. Actual results may vary from pricing loss ratios for a number of reasons, which include differing economic conditions and actual individual product and lender performance.
3. The ratio of an insurer’s general expenses to net earned premiums. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles.
4. Excluding the impact of debt early redemption payment of $6 million in the second quarter of 2014, the GAAP basis expense ratio was 24% for both the three months ended June 30, 2014 and the twelve months ended December 31, 2014.
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. Excluding the impact of debt early redemption payment of $6 million in the second quarter of 2014, the adjusted expense ratio was 21% for both the three months ended June 30, 2014 and the twelve months ended December 31, 2014.
7. “NM” is defined as not meaningful for percentages greater than 200%.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Key Performance Measures—International Mortgage Insurance Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  | **2014** | | |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |  |
|  |  |  |  |  | **4Q** |  |  |  | **3Q** |  |  | **2Q** | |  |  | **1Q** |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  | **1Q** |  |  |
|  | **Primary Insurance In-Force** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Canada(1) | |  | $ | 306,600 |  | $ | | 310,800 | $ | | 314,500 |  | $ | | 291,900 | $ | | | 298,000 | | $ | | 300,700 | | $ | 285,200 | | $ | 284,700 |  |  |
|  | Australia | |  |  | 256,000 |  |  |  | 271,100 |  |  | 288,500 |  |  |  | 281,000 |  |  |  | 267,900 | |  |  | 275,500 | |  | 266,500 | |  | 299,000 |  |  |
|  | Other Countries | |  |  | 21,900 |  |  |  | 23,900 |  |  | 26,000 |  |  |  | 26,200 |  |  |  | 26,300 | |  |  | 32,500 | |  | 31,300 | |  | 31,400 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Primary Insurance In-Force | |  | $ | 584,500 |  |  | $ | 605,800 |  | $ | 629,000 |  | $ | | 599,100 | $ | | | 592,200 | | $ | | 608,700 | | $ | 583,000 | | $ | 615,100 |  |  |
| **Primary Risk In-Force**(2) | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Canada | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow | |  | $ | 81,300 |  | $ | | 82,600 | $ | | 84,500 |  | $ | | 80,100 | $ | | | 82,300 | | $ | | 83,400 | | $ | 79,700 | | $ | 80,900 |  |  |
|  | Bulk | |  |  | 26,000 |  |  |  | 26,200 |  |  | 25,600 |  |  |  | 22,100 |  |  |  | 22,000 | |  |  | 21,900 | |  | 20,100 | |  | 18,800 |  |  |
|  | Total Canada | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 107,300 |  |  |  | 108,800 |  |  | 110,100 |  |  |  | 102,200 |  |  |  | 104,300 | |  |  | 105,300 | |  | 99,800 | |  | 99,700 |  |  |
|  | Australia | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow | |  |  | 83,400 |  |  |  | 88,100 |  |  | 93,800 |  |  |  | 91,100 |  |  |  | 86,700 | |  |  | 88,800 | |  | 85,700 | |  | 96,100 |  |  |
|  | Bulk | |  |  | 6,200 |  |  |  | 6,800 |  |  | 7,200 |  |  |  | 7,200 |  |  |  | 7,100 | |  |  | 7,600 | |  | 7,600 | |  | 8,500 |  |  |
|  | Total Australia | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 89,600 |  |  |  | 94,900 |  |  | 101,000 |  |  |  | 98,300 |  |  |  | 93,800 | |  |  | 96,400 | |  | 93,300 | |  | 104,600 |  |  |
|  | Other Countries | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow(3),(4) | |  |  | 2,200 |  |  |  | 3,000 |  |  | 3,200 |  |  |  | 3,300 |  |  |  | 3,200 | |  |  | 4,000 | |  | 3,900 | |  | 3,900 |  |  |
|  | Bulk | |  |  | 300 |  |  |  | 300 |  |  | 400 |  |  |  | 400 |  |  |  | 400 | |  |  | 300 | |  | 300 | |  | 300 |  |  |
|  | Total Other Countries | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 2,500 |  |  |  | 3,300 |  |  | 3,600 |  |  |  | 3,700 |  |  |  | 3,600 | |  |  | 4,300 | |  | 4,200 | |  | 4,200 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Primary Risk In-Force | |  | $ | 199,400 |  |  | $ | 207,000 |  | $ | 214,700 |  | $ | | 204,200 | $ | | | 201,700 | | $ | | 206,000 | | $ | 197,300 | | $ | 208,500 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. As part of an ongoing effort to improve the estimate of outstanding insurance exposure, the company surveyed its largest customers and obtained updated outstanding balances in Canada. As a result, the company estimates that the outstanding balance of insured mortgages was approximately $148.0 billion as of September 30, 2014, $152.0 billion as of June 30, 2014, $141.0 billion as of March 31, 2014, $152.0 billion as of December 31, 2013, $155.0 billion as of September 30, 2013 and $150.0 billion as of June 30, 2013 and March 31, 2013. This is based on the extrapolation of the amounts reported by lenders surveyed to the entire insured population.
2. The businesses in Australia and Canada currently provide 100% coverage on the majority of the loans the company insures in those markets. For the purpose of representing the risk in-force, the company has computed an “effective risk in-force” amount which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor that represents the highest expected average per-claim payment for any one underwriting year over the life of the businesses in Australia and Canada. This factor was 35% for all periods presented.
3. Includes the impact of settlements and cancelled insurance contracts, primarily with lenders in Europe. Primary flow risk in-force excludes $296 million, $290 million, $298 million, $282 million, $316 million, $285 million, $250 million and $225 million of risk in-force in Europe ceded under quota share reinsurance agreements as of December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.
4. Beginning in the fourth quarter of 2014, risk in-force reflects a maximum risk exposure of approximately $60 million with one lender in Ireland as a result of a settlement completed during the fourth quarter of 2014.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Key Performance Measures—International Mortgage Insurance Segment—Canada**

**(dollar amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Primary Insurance** | | | **December 31, 2014** | | **September 30, 2014** | | **June 30, 2014** | | **March 31, 2014** | | **December 31, 2013** | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Insured loans in-force(1) | | 1,673,505 |  | 1,646,223 |  | 1,602,928 |  | 1,549,650 |  | 1,527,554 |  |  |
|  | Insured delinquent loans | | 1,756 | | 1,708 | | 1,703 | | 1,860 | | 1,830 | |  |
|  | Insured delinquency rate(2) | | 0.10% | | 0.10% | | 0.11% | | 0.12% | | 0.12% | |  |
| Flow loans in-force(1) | | | 1,255,050 | | 1,236,206 | | 1,213,846 | | 1,197,083 | | 1,187,753 |  |  |
|  | Flow delinquent loans | | 1,493 | | 1,477 | | 1,493 | | 1,634 | | 1,591 | |  |
|  | Flow delinquency rate(2) | | 0.12% | | 0.12% | | 0.12% | | 0.14% | | 0.13% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bulk loans in-force(1) | | 418,455 | | 410,017 | | 389,082 | | 352,567 | | 339,801 | |  |
|  | Bulk delinquent loans | | 263 | | 231 | | 210 | | 226 | | 239 |  |  |
|  | Bulk delinquency rate(2) | | 0.06% | | 0.06% | | 0.05% | | 0.06% | | 0.07% | |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Loss Metrics** | | |  | **December 31,** | |  | **September 30,** | |  | **June 30, 2014** | | |  |  | **March 31, 2014** | |  |  | **December 31,** | |  |
|  | **2014** |  |  | **2014** |  |  |  |  |  |  | **2013** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Beginning Reserves** | | $ | 89 |  | $ | 90 |  |  | $ | 97 |  |  | $ | 102 |  |  | $ | 108 |  |  |
|  | Paid claims(3) | |  | (24) | |  | (24) | |  |  | (26) | |  |  | (27) | |  |  | (33) | |  |
|  | Increase in reserves | |  | 29 | |  | 27 | |  |  | 16 | |  |  | 26 | |  |  | 30 |  |  |
|  | Impact of changes in foreign exchange rates | |  | (3) | |  | (4) | |  |  | 3 | |  |  | (4) | |  |  | (3) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Ending Reserves** | | $ | 91 |  | $ | 89 |  |  | $ | 90 | | $ | | 97 | | $ | | 102 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **December 31, 2014** | | | | **September 30, 2014** | | | | **December 31, 2013** | | | |  |
| **Province and Territory** | | |  | **% of Primary** | | **Primary** |  | **% of Primary** | | **Primary** |  | **% of Primary** | | **Primary** |  |  |
|  | **Risk In-Force** | | **Delinquency Rate** | | **Risk In-Force** | | **Delinquency Rate** | | **Risk In-Force** | | **Delinquency Rate** | |  |
|  | Ontario | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 46% | | 0.05% | | 46% | | 0.06% | | 46% | | 0.08% |  |  |
|  | Alberta | | 17 | | | 0.10% | | 17 | | 0.09% | | 17 |  | 0.14% |  |  |
|  | British Columbia | | 14 | | | 0.14% | | 14 | | 0.15% | | 15 |  | 0.17% |  |  |
|  | Quebec | | 14 | | | 0.19% | | 14 | | 0.18% | | 14 |  | 0.17% |  |  |
|  | Nova Scotia | | 2 | | | 0.23% | | 2 | | 0.21% | | 2 |  | 0.19% |  |  |
|  | Saskatchewan | | 3 | | | 0.13% | | 3 | | 0.12% | | 2 |  | 0.08% |  |  |
|  | Manitoba | | 2 | | | 0.07% | | 2 | | 0.04% | | 2 |  | 0.09% |  |  |
|  | New Brunswick | | 1 | | | 0.20% | | 1 | | 0.22% | | 1 |  | 0.24% |  |  |
|  | All Other | |  | 1 |  | 0.12% | | 1 | | 0.11% | | 1 |  | 0.12% |  |  |
|  | Total | |  |  |  | 0.10% | |  |  | 0.10% | |  |  | 0.12% |  |  |
|  | 100% | | 100% | | 100% | |  |
| **By Policy Year** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 2006 and prior |  | 31% | | | 0.03% | | 31% | | 0.03% | | 35% | | 0.04% |  |  |
|  | 2007 |  | 9 | | | 0.16% | | 9 | | 0.17% | | 10 |  | 0.23% |  |  |
|  | 2008 |  | 7 | | | 0.21% | | 7 | | 0.21% | | 8 |  | 0.27% |  |  |
|  | 2009 |  | 5 | | | 0.22% | | 5 | | 0.23% | | 5 |  | 0.25% |  |  |
|  | 2010 |  | 8 | | | 0.23% | | 8 | | 0.25% | | 9 |  | 0.25% |  |  |
|  | 2011 |  | 7 | | | 0.25% | | 8 | | 0.25% | | 8 |  | 0.24% |  |  |
|  | 2012 |  | 10 | | | 0.19% | | 11 | | 0.16% | | 13 |  | 0.10% |  |  |
|  | 2013 |  | 11 | | | 0.09% | | 11 | | 0.06% | | 12 |  | 0.03% |  |  |
|  | 2014 |  |  | 12 |  | 0.02% | | 10 | | 0.01% | | — | | — % | |  |
|  | Total | |  |  |  | 0.10% | |  |  | 0.10% | |  |  | 0.12% |  |  |
|  | 100% | | 100% | | 100% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



1. Insured loans in-force represent the original number of loans insured for which the coverage term has not expired, and for which no policy level cancellation or termination has been received.
2. Delinquent rates are based on insured loans in-force.
3. Paid claims exclude adjustments for expected recoveries related to loss reserves.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Key Performance Measures—International Mortgage Insurance Segment—Canada**

**(Canadian dollar amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | | **Total** | |  |  | **4Q** | |  | **3Q** | |  |  | **2Q** | |  | **1Q** | |  | **Total** |  |  |
|  | **Paid Claims**(1) | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow | | | | | | $ | | 26 | | $ | | 25 |  | $ | 28 | | $ | | 28 |  | $ 107 | | $ | | 32 | | $ | 32 | | $ | | 39 |  | $ | 51 | | $ 154 | |  |  |
|  | Bulk | | | | | |  |  | 1 | |  |  | 1 |  |  | — | |  |  | 1 |  | 3 | |  |  | 2 | |  | 2 | |  |  | 1 |  |  | 2 | | 7 | |  |  |
|  | **Total Paid Claims** | | | | | |  | $ | 27 |  |  | $ | 26 |  | $ | 28 |  |  | $ | 29 |  | $ 110 |  |  | $ | 34 |  | $ | 34 |  |  | $ | 40 |  | $ | 53 |  |  | $ 161 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Average Paid Claim (in thousands)** | | | | | | $ | | 60.2 | | $ | | 63.9 | | $ | 63.4 | | $ | | 66.4 | |  |  | $ | | 72.2 | | $ | 69.4 | | $ | | 73.1 | | $ | 84.9 | |  |  |  |  |
| **Average Reserve Per Delinquency (in thousands)** | | | | | | | $ | | 60.2 | | $ | | 58.4 | | $ | 56.4 | | $ | | 57.5 | |  |  | $ | | 59.0 | | $ | 62.5 | | $ | | 66.1 | | $ | 61.3 | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Loss Metrics** |  | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Beginning Reserves** | | | | | | | $ | | 100 | | $ | | 96 |  | $ | 107 | | $ | | 108 |  |  |  | $ | | 111 | | $ | 118 | | $ | | 120 |  | $ | 129 | |  |  |  |  |
|  | Paid claims | | | | | |  |  | (27) | |  |  | (26) | |  | (28) | |  |  | (29) | |  |  |  |  | (34) | |  | (34) | |  |  | (40) | |  | (53) | |  |  |  |  |
|  | Increase in reserves | | | | | |  |  | 33 | |  |  | 30 |  |  | 17 | |  |  | 28 |  |  |  |  |  | 31 | |  | 27 | |  |  | 38 |  |  | 44 | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Ending Reserves** | | | | | | $ | | 106 | | $ | | 100 |  | $ | 96 | | $ | | 107 |  |  |  | $ | | 108 | | $ | 111 | | $ | | 118 | | $ | 120 | |  |  |  |  |
| **Loan Amount** | | | (2) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Over $550K | | | | | |  |  | 6% | |  |  | 6% | |  | 5% | |  |  | 5% | |  |  |  |  | 5% | |  | 5% | |  |  | 5% | |  | 5% | |  |  |  |  |
|  | $400K to $550K | | | | | |  |  | 11 | |  |  | 11 | |  | 11 | |  |  | 11 | |  |  |  |  | 10 | |  | 10 | |  |  | 10 |  |  | 10 | |  |  |  |  |
|  | $250K to $400K | | | | | |  |  | 33 | |  |  | 32 |  |  | 32 | |  |  | 32 |  |  |  |  |  | 32 | |  | 32 | |  |  | 32 |  |  | 31 | |  |  |  |  |
|  | $100K to $250K | | | | | |  |  | 45 | |  |  | 46 |  |  | 47 | |  |  | 47 |  |  |  |  |  | 48 | |  | 48 | |  |  | 48 |  |  | 49 | |  |  |  |  |
|  | $100K or Less | | | | | |  |  | 5 | |  |  | 5 |  |  | 5 | |  |  | 5 |  |  |  |  |  | 5 | |  | 5 | |  |  | 5 |  |  | 5 | |  |  |  |  |
|  | Total | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 100% | |  |  | 100% | |  | 100% | |  |  | 100% | |  |  |  |  | 100% | |  | 100% | |  |  | 100% | |  | 100% | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Average Primary Loan Size (in thousands)** | | | | | | $ | | 213 | | $ | | 212 |  | $ | 209 | | $ | | 208 |  |  |  | $ | | 207 | | $ | 206 | | $ | | 205 |  | $ | 203 | |  |  |  |  |
| **Average Effective Loan-To-Value Ratios By Policy Year** | | | | | (3) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2006 and prior | | | | | |  |  | 36% | |  |  | 38% | |  | 39% | |  |  | 39% | |  |  |  |  | 39% | |  | 36% | |  |  | 38% | |  | 39% | |  |  |  |  |
|  | 2007 |  |  |  |  |  |  |  | 61% | |  |  | 64% | |  | 64% | |  |  | 65% | |  |  |  |  | 65% | |  | 64% | |  |  | 66% | |  | 68% | |  |  |  |  |
|  | 2008 |  |  |  |  |  |  |  | 68% | |  |  | 71% | |  | 71% | |  |  | 71% | |  |  |  |  | 72% | |  | 69% | |  |  | 71% | |  | 72% | |  |  |  |  |
|  | 2009 |  |  |  |  |  |  |  | 66% | |  |  | 69% | |  | 70% | |  |  | 70% | |  |  |  |  | 70% | |  | 71% | |  |  | 73% | |  | 74% | |  |  |  |  |
|  | 2010 |  |  |  |  |  |  |  | 73% | |  |  | 76% | |  | 77% | |  |  | 77% | |  |  |  |  | 77% | |  | 77% | |  |  | 80% | |  | 81% | |  |  |  |  |
|  | 2011 |  |  |  |  |  |  |  | 77% | |  |  | 80% | |  | 81% | |  |  | 81% | |  |  |  |  | 82% | |  | 83% | |  |  | 86% | |  | 87% | |  |  |  |  |
|  | 2012 |  |  |  |  |  |  |  | 82% | |  |  | 86% | |  | 86% | |  |  | 87% | |  |  |  |  | 87% | |  | 87% | |  |  | 90% | |  | 91% | |  |  |  |  |
|  | 2013 |  |  |  |  |  |  |  | 87% | |  |  | 90% | |  | 91% | |  |  | 91% | |  |  |  |  | 92% | |  | 91% | |  |  | 92% | |  | — % | |  |  |  |  |
|  | 2014 |  |  |  |  |  |  |  | 92% | |  |  | 93% | |  | 93% | |  |  | — % | |  |  |  |  | — % — % — % — % | | | | | | | | | | | |  |  |  |  |
|  | Total Flow | | | | | |  |  | 56% | |  |  | 57% | |  | 57% | |  |  | 57% | |  |  |  |  | 57% | |  | 55% | |  |  | 56% | |  | 56% | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Bulk | | | | | |  |  | 42% | |  |  | 42% | |  | 41% | |  |  | 41% | |  |  |  |  | 41% | |  | 34% | |  |  | 31% | |  | 31% | |  |  |  |  |
|  | Total | | | | | |  |  | 52% | |  |  | 53% | |  | 54% | |  |  | 54% | |  |  |  |  | 53% | |  | 51% | |  |  | 50% | |  | 50% | |  |  |  |  |

All amounts presented in Canadian dollars.



1. Paid claims exclude adjustments for expected recoveries related to loss reserves.
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. Loan amounts (including capitalized premiums) reflect interest rates at time of loan origination and estimated scheduled principal repayments since loan origination. Home price estimates based on regional home price appreciation/depreciation data from the Canadian Real Estate Association. All data used in the effective loan-to-value ratio calculation reflects conditions as of the end of the previous quarter.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Key Performance Measures—International Mortgage Insurance Segment—Australia**

**(dollar amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Primary Insurance** | | | **December 31, 2014** | | **September 30, 2014** | | **June 30, 2014** | | **March 31, 2014** | | **December 31, 2013** | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Insured loans in-force | | 1,496,616 |  | 1,490,221 |  | 1,481,201 |  | 1,477,063 |  | 1,474,181 |  |  |
|  | Insured delinquent loans | | 4,953 | | 5,300 | | 5,405 | | 5,070 | | 4,980 | |  |
|  | Insured delinquency rate | | 0.33% | | 0.36% | | 0.36% | | 0.34% | | 0.34% | |  |
| Flow loans in-force | | | 1,378,584 | | 1,370,136 |  | 1,362,236 |  | 1,355,635 | | 1,350,571 |  |  |
|  | Flow delinquent loans | | 4,714 | | 5,031 | | 5,125 | | 4,813 | | 4,760 | |  |
|  | Flow delinquency rate | | 0.34% | | 0.37% | | 0.38% | | 0.36% | | 0.35% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bulk loans in-force | | 118,032 | | 120,085 | | 118,965 | | 121,428 | | 123,610 | |  |
|  | Bulk delinquent loans | | 239 | | 269 |  | 280 |  | 257 | | 220 |  |  |
|  | Bulk delinquency rate | | 0.20% | | 0.22% | | 0.24% | | 0.21% | | 0.18% | |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Loss Metrics** | | |  | **December 31,** | |  |  | **September 30,** | |  | **June 30, 2014** | | |  | **March 31, 2014** | |  |  | **December 31,** | |  |
|  | **2014** |  |  |  | **2014** |  |  |  |  |  | **2013** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Beginning Reserves** | | $ | 161 | | $ | | 171 |  | $ | | 168 |  | $ | 172 | | $ | | 198 |  |  |
|  | Paid claims | |  | (14) | |  |  | (19) | |  |  | (24) | |  | (27) | |  |  | (39) | |  |
|  | Increase in reserves | |  | 15 | |  |  | 22 |  |  |  | 24 |  |  | 17 | |  |  | 20 |  |  |
|  | Impact of changes in foreign exchange rates | |  | (10) | |  |  | (13) | |  |  | 3 |  |  | 6 | |  |  | (7) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Ending Reserves** | | $ | 152 | | $ | | 161 |  | $ | | 171 |  | $ | 168 | | $ | | 172 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **December 31, 2014** | | | | **September 30, 2014** | | | | **December 31, 2013** | | | |  |
| **State and Territory** | | | | **% of Primary** | | **Primary** |  | **% of Primary** | | **Primary** |  | **% of Primary** | | **Primary** |  |  |
| **Risk In-Force** | | **Delinquency Rate** | | **Risk In-Force** | | **Delinquency Rate** | | **Risk In-Force** | | **Delinquency Rate** | |  |
|  | New South Wales | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 29% | | 0.27% | | 29% | | 0.30% | | 30% | | 0.30% |  |  |
|  | Victoria | | | 23 | | 0.30% | | 23 |  | 0.32% | | 23 |  | 0.30% |  |  |
|  | Queensland | | | 23 | | 0.47% | | 23 |  | 0.49% | | 22 |  | 0.46% |  |  |
|  | Western Australia | | | 11 | | 0.32% | | 11 | | 0.34% | | 11 | | 0.29% |  |  |
|  | South Australia | | | 6 | | 0.44% | | 6 |  | 0.43% | | 6 |  | 0.40% |  |  |
|  | New Zealand | | | 2 | | 0.28% | | 2 |  | 0.26% | | 2 |  | 0.38% |  |  |
|  | Australian Capital Territory | | | 3 | | 0.16% | | 3 |  | 0.13% | | 3 |  | 0.10% |  |  |
|  | Tasmania | | | 2 | | 0.25% | | 2 |  | 0.31% | | 2 |  | 0.31% |  |  |
|  | Northern Territory | | | 1 | | 0.16% | | 1 |  | 0.21% | | 1 |  | 0.25% |  |  |
|  | Total | | |  |  | 0.33% | |  |  | 0.36% | |  |  | 0.34% |  |  |
|  | 100% | | 100% | | 100% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **By Policy Year** |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 2006 and prior | | | 32% | | 0.20% | | 32% | | 0.22% | | 35% | | 0.21% |  |  |
|  | 2007 |  |  | 8 | | 0.63% | | 8 |  | 0.68% | | 9 |  | 0.69% |  |  |
|  | 2008 |  |  | 7 | | 0.87% | | 8 |  | 0.93% | | 8 |  | 0.85% |  |  |
|  | 2009 |  |  | 9 | | 0.66% | | 9 |  | 0.70% | | 10 |  | 0.62% |  |  |
|  | 2010 |  |  | 6 | | 0.38% | | 7 |  | 0.38% | | 8 |  | 0.34% |  |  |
|  | 2011 |  |  | 7 | | 0.40% | | 7 |  | 0.41% | | 8 |  | 0.31% |  |  |
|  | 2012 |  |  | 9 | | 0.32% | | 10 |  | 0.33% | | 11 | | 0.19% |  |  |
|  | 2013 |  |  | 11 | | 0.18% | | 11 | | 0.15% | | 11 | | 0.02% |  |  |
|  | 2014 |  |  | 11 | | 0.02% | | 8 |  | 0.01% | | — | | — % | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total | | | 100% | | 0.33% | | 100% | | 0.36% | | 100% | | 0.34% |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Key Performance Measures—International Mortgage Insurance Segment—Australia**

**(Australian dollar amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | **4Q** | | |  | **3Q** | | |  | **2Q** | | | **1Q** | | | **Total** | |  |  | **4Q** | | |  | **3Q** | | |  | **2Q** | | **1Q** | | | **Total** | |  |  |
|  | **Paid Claims** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow | | | | | $ | | 15 | | $ | | 20 | | $ | | 25 |  | $ | 30 | | $ | 90 | $ | | | 41 | | $ | | 39 |  | $ | 44 |  | $ | 59 | | $ | 183 |  |  |
|  | Bulk | | | | |  |  | — |  |  |  | 1 | |  |  | — | |  | — | |  | 1 |  |  |  | — | |  |  | 2 |  |  | — | |  | — | |  | 2 |  |  |
|  | **Total Paid Claims** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | | 15 | | $ | | 21 | | $ | | 25 |  | $ | 30 | | $ | 91 | $ | | | 41 | | $ | | 41 |  | $ | 44 |  | $ | 59 | | $ | 185 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Average Paid Claim (in thousands)** | | | | | $ | | 49.5 | | $ | | 58.6 | | $ | | 60.5 |  | $ | 65.1 | |  |  | $ | | | 71.5 | | $ | | 79.9 |  | $ | 80.3 |  | $ | 81.4 | |  |  |  |  |
| **Average Reserve Per Delinquency (in thousands)** | | | | | | $ | | 37.6 | | $ | | 34.8 | | $ | | 33.6 |  | $ | 35.7 | |  |  | $ | | | 38.6 | | $ | | 38.8 |  | $ | 37.7 |  | $ | 38.9 | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Loss Metrics** |  | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Beginning Reserves** | | | | | $ | | 184 | | $ | | 181 | | $ | | 181 |  | $ | 192 | |  |  | $ | | | 212 | | $ | | 220 |  | $ | 228 |  | $ | 241 | |  |  |  |  |
|  | Paid claims | | | | |  |  | (15) | |  |  | (21) | |  |  | (25) | |  | (30) | |  |  |  |  |  | (41) | |  |  | (41) | |  | (44) | |  | (59) | |  |  |  |  |
|  | Increase in reserves | | | | |  |  | 17 |  |  |  | 24 | |  |  | 25 |  |  | 19 | |  |  |  |  |  | 21 | |  |  | 33 |  |  | 36 |  |  | 46 | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Ending Reserves** | | | | | $ | | 186 | | $ | | 184 | | $ | | 181 |  | $ | 181 | |  |  | $ | | | 192 | | $ | | 212 |  | $ | 220 |  | $ | 228 | |  |  |  |  |
| **Loan Amount**(1) | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Over $550K | | | | |  |  | 13% | |  |  | 13% | |  |  | 12% | |  | 12% | |  |  |  |  |  | 12% | |  |  | 12% | |  | 12% | |  | 12% | |  |  |  |  |
|  | $400K to $550K | | | | |  |  | 18 | |  |  | 18 | |  |  | 18 |  |  | 18 | |  |  |  |  |  | 17 | |  |  | 17 |  |  | 17 |  |  | 16 | |  |  |  |  |
|  | $250K to $400K | | | | |  |  | 37 | |  |  | 37 | |  |  | 37 |  |  | 37 | |  |  |  |  |  | 37 | |  |  | 37 |  |  | 37 |  |  | 37 | |  |  |  |  |
|  | $100K to $250K | | | | |  |  | 26 | |  |  | 26 | |  |  | 27 |  |  | 27 | |  |  |  |  |  | 28 | |  |  | 28 |  |  | 28 |  |  | 29 | |  |  |  |  |
|  | $100K or Less | | | | |  |  | 6 |  |  |  | 6 | |  |  | 6 |  |  | 6 | |  |  |  |  |  | 6 | |  |  | 6 |  |  | 6 |  |  | 6 | |  |  |  |  |
|  | Total | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 100% | |  |  | 100% | |  |  | 100% | |  | 100% | |  |  |  |  |  | 100% | |  |  | 100% | |  | 100% | |  | 100% | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Average Primary Loan Size (in thousands)** | | | | | $ | | 210 | | $ | | 208 | | $ | | 207 |  | $ | 205 | |  |  | $ | | | 203 | | $ | | 202 |  | $ | 200 |  | $ | 198 | |  |  |  |  |
|  | **Average Effective Loan-To-Value Ratios By Policy Year** | | | (2),(3) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 2006 and prior | | | | |  |  | 36% | |  |  | 38% | |  |  | 38% | |  | 40% | |  |  |  |  |  | 41% | |  |  | 43% | |  | 47% | |  | 48% | |  |  |  |  |
|  | 2007 |  |  |  |  |  |  | 58% | |  |  | 60% | |  |  | 61% | |  | 63% | |  |  |  |  |  | 64% | |  |  | 66% | |  | 67% | |  | 68% | |  |  |  |  |
|  | 2008 |  |  |  |  |  |  | 66% | |  |  | 67% | |  |  | 68% | |  | 70% | |  |  |  |  |  | 72% | |  |  | 74% | |  | 74% | |  | 76% | |  |  |  |  |
|  | 2009 |  |  |  |  |  |  | 68% | |  |  | 69% | |  |  | 70% | |  | 73% | |  |  |  |  |  | 75% | |  |  | 77% | |  | 77% | |  | 79% | |  |  |  |  |
|  | 2010 |  |  |  |  |  |  | 73% | |  |  | 74% | |  |  | 76% | |  | 78% | |  |  |  |  |  | 80% | |  |  | 83% | |  | 83% | |  | 85% | |  |  |  |  |
|  | 2011 |  |  |  |  |  |  | 74% | |  |  | 76% | |  |  | 77% | |  | 80% | |  |  |  |  |  | 82% | |  |  | 85% | |  | 85% | |  | 87% | |  |  |  |  |
|  | 2012 |  |  |  |  |  |  | 75% | |  |  | 77% | |  |  | 78% | |  | 80% | |  |  |  |  |  | 82% | |  |  | 85% | |  | 85% | |  | 86% | |  |  |  |  |
|  | 2013 |  |  |  |  |  |  | 79% | |  |  | 81% | |  |  | 82% | |  | 84% | |  |  |  |  |  | 85% | |  |  | 87% | |  | 87% | |  | — % | |  |  |  |  |
|  | 2014 |  |  |  |  |  |  | 86% | |  |  | 87% | |  |  | 87% | |  | — % | |  |  |  |  |  | — % | |  |  | — % | |  | — % | |  | — % | |  |  |  |  |
|  | Total Flow | | | | |  |  | 60% | |  |  | 61% | |  |  | 61% | |  | 62% | |  |  |  |  |  | 64% | |  |  | 65% | |  | 68% | |  | 69% | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Bulk | | | | |  |  | 28% | |  |  | 28% | |  |  | 29% | |  | 30% | |  |  |  |  |  | 31% | |  |  | 32% | |  | 37% | |  | 38% | |  |  |  |  |
|  | Total | | | | |  |  | 57% | |  |  | 58% | |  |  | 58% | |  | 59% | |  |  |  |  |  | 60% | |  |  | 61% | |  | 65% | |  | 66% | |  |  |  |  |

All amounts presented in Australian dollars.



1. 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.
2. Loan amounts (including capitalized premiums) reflect interest rates at time of loan origination and estimated scheduled principal repayments since loan origination. Home price estimates based on regional home price appreciation/depreciation data from RP Data. All data used in the effective loan-to-value ratio calculation reflects conditions as of the end of the previous quarter. Effective loan-to-value ratios exclude New Zealand and inward reinsurance policies.
3. Beginning in the third quarter of 2013, data from RP Data extended back to 1999. Previously, the data extended back to 2002. Previous periods were not re-presented for this change.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Key Performance Measures—International Mortgage Insurance Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk In-Force by Loan-To-Value Ratio**(1) | |  | **December 31, 2014** | | | | | |  |  |  |  | **September 30, 2014** | | | | | |  |  |  |
|  |  | **Primary** | | |  | **Flow** | |  | **Bulk** |  |  | **Primary** | | |  | **Flow** | |  | **Bulk** |  |  |
| Canada | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 95.01% and above | | $ | 37,991 | | $ | 37,991 | | $ | — | | $ | | 38,286 | | $ | 38,286 | | $ | — | |  |
| 90.01% to 95.00% | |  | 24,838 | |  | 24,836 | |  | 2 | |  |  | 25,343 | |  | 25,341 | |  | 2 | |  |
| 80.01% to 90.00% | |  | 19,630 | |  | 15,499 | |  | 4,131 | |  |  | 19,866 | |  | 15,892 | |  | 3,974 | |  |
| 80.00% and below | |  | 24,866 | |  | 3,038 |  |  | 21,828 | |  |  | 25,297 | |  | 3,094 |  |  | 22,203 | |  |
| Total Canada | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 107,325 |  | $ | 81,364 | | $ | 25,961 | | $ | | 108,792 | | $ | 82,613 | | $ | 26,179 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Australia | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 95.01% and above | | $ | 17,143 | | $ | 17,143 | | $ | — | | $ | | 18,199 | | $ | 18,199 | | $ | — | |  |
| 90.01% to 95.00% | |  | 22,207 | |  | 22,200 | |  | 7 | |  |  | 23,213 | |  | 23,206 | |  | 7 | |  |
| 80.01% to 90.00% | |  | 23,482 | |  | 23,406 | |  | 76 |  |  |  | 24,707 | |  | 24,625 | |  | 82 |  |  |
| 80.00% and below | |  | 26,758 | |  | 20,615 | |  | 6,143 | |  |  | 28,761 | |  | 22,037 | |  | 6,724 | |  |
| Total Australia | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 89,590 | | $ | 83,364 | | $ | 6,226 | | $ | | 94,880 | | $ | 88,067 | | $ | 6,813 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other Countries(2) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 95.01% and above | | $ | 534 |  | $ | 534 | | $ | — | | $ | | 566 | | $ | 566 | | $ | — | |  |
| 90.01% to 95.00% | |  | 1,217 |  |  | 1,167 |  |  | 50 |  |  |  | 1,623 | |  | 1,565 |  |  | 58 |  |  |
| 80.01% to 90.00% | |  | 617 |  |  | 397 | |  | 220 | |  |  | 946 | |  | 694 | |  | 252 | |  |
| 80.00% and below | |  | 163 |  |  | 130 | |  | 33 |  |  |  | 203 | |  | 166 | |  | 37 |  |  |
| Total Other Countries | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 2,531 |  | $ | 2,228 |  | $ | 303 | | $ | | 3,338 | | $ | 2,991 |  | $ | 347 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Amounts may not total due to rounding.



1. Loan amount in loan-to-value ratio calculation includes capitalized premiums, where applicable.
2. Other Countries flow and primary risk in-force exclude $296 million and $290 million, respectively, of risk in-force in Europe ceded under quota share reinsurance agreements as of December 31, 2014 and September 30, 2014.

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**U.S. Mortgage Insurance Segment**

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss) and Sales—U.S. Mortgage Insurance Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  | **2014** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | |  | **Total** | |  |  | **4Q** | |  |  | **3Q** | |  |  | **2Q** | |  |  | **1Q** | |  |  | **Total** |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums |  | $ | 151 | |  | $ | 146 | | $ | 144 | | $ | | 137 | | $ | 578 | | $ | | 142 | | $ | | 137 | | $ | | 141 | | $ | | 134 | | $ | | 554 | |  |
|  | Net investment income |  |  | 11 | |  |  | 19 | |  | 11 | |  |  | 18 | |  | 59 |  |  |  | 13 |  |  |  | 18 |  |  |  | 10 |  |  |  | 19 |  |  |  | 60 | |  |
|  | Net investment gains (losses) |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |
|  | Insurance and investment product fees and |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | other |  |  | 1 | |  |  | — | |  | 1 | |  |  | — | |  | 2 | |  |  | — | |  |  | 1 | |  |  | — | |  |  | 1 | |  |  | 2 | |  |
|  | Total revenues |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 163 | |  |  | 165 | |  | 156 | |  |  | 155 | |  | 639 | |  |  | 155 | |  |  | 156 | |  |  | 151 | |  |  | 154 | |  |  | 616 | |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 91 | |  |  | 141 | |  | 62 | |  |  | 63 | |  | 357 | |  |  | 108 | |  |  | 123 | |  |  | 97 |  |  |  | 84 |  |  |  | 412 | |  |
|  | Acquisition and operating expenses, net of |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | deferrals |  |  | 38 | |  |  | 35 | |  | 34 | |  |  | 33 | |  | 140 | |  |  | 35 |  |  |  | 35 |  |  |  | 35 |  |  |  | 39 |  |  |  | 144 | |  |
|  | Amortization of deferred acquisition costs |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | and intangibles |  |  | 2 | |  |  | 1 | |  | 2 | |  |  | 2 | |  | 7 | |  |  | 1 | |  |  | 2 | |  |  | 2 | |  |  | 1 | |  |  | 6 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses |  |  | 131 | |  |  | 177 | |  | 98 | |  |  | 98 | |  | 504 | |  |  | 144 | |  |  | 160 | |  |  | 134 | |  |  | 124 | |  |  | 562 | |  |
| **INCOME (LOSS) FROM CONTINUING** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS BEFORE INCOME** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **TAXES** |  |  | 32 | |  |  | (12) | |  | 58 | |  |  | 57 | |  | 135 | |  |  | 11 | |  |  | (4) | |  |  | 17 |  |  |  | 30 |  |  |  | 54 | |  |
|  | Provision (benefit) for income taxes |  |  | 11 | |  |  | (10) | |  | 19 | |  |  | 24 | |  | 44 |  |  |  | 5 | |  |  | (1) | |  |  | 4 | |  |  | 9 | |  |  | 17 | |  |
| **INCOME (LOSS) FROM CONTINUING** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS** |  |  | 21 | |  |  | (2) | |  | 39 | |  |  | 33 | |  | 91 |  |  |  | 6 | |  |  | (3) | |  |  | 13 |  |  |  | 21 |  |  |  | 37 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ADJUSTMENT TO INCOME (LOSS)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **FROM CONTINUING OPERATIONS:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |
|  | **NET OPERATING INCOME (LOSS)** |  | $ | 21 | |  | $ | (2) | | $ | 39 | | $ | | 33 | | $ | 91 |  | $ | | 6 | | $ | | (3) | | $ | | 13 |  | $ | | 21 |  | $ | | 37 | |  |
| *Effective tax rate (operating income (loss))* | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | |  |  | *80.1%* | |  | *32.4%* | |  |  | *42.0%* | |  | *32.2%* | |  |  | *45.0%* | |  |  | *14.0%* | |  |  | *22.9%* | |  |  | *30.1%* | |  |  | *31.6%* | |  |
|  |  | *32.5%* | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **SALES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **New Insurance Written (NIW)** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow |  | $ | 6,900 | |  | $ | 7,500 | | $ | 6,100 | | $ | | 3,900 | | $ | 24,400 | | $ | | 4,900 | | $ | | 6,400 | | $ | | 6,300 | | $ | | 4,700 | | $ | | 22,300 | |  |
|  | Bulk |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |
|  | **Total U.S. Mortgage Insurance NIW** |  | $ | 6,900 | |  | $ | 7,500 | | $ | 6,100 | | $ | | 3,900 | | $ | 24,400 | | $ | | 4,900 | | $ | | 6,400 | | $ | | 6,300 | | $ | | 4,700 | | $ | | 22,300 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | 42 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Flow New Insurance Written Metrics—U.S. Mortgage Insurance Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  | **2014** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  | **4Q** | | |  |  |  |  | **3Q** | | |  |  |  |  | **2Q** | | |  |  |  | **1Q** | | |  |  |  |  | **4Q** | | |  |  |  |  | **3Q** | | |  |  |  |  | **2Q** | | |  |  |  | **1Q** | |  |  |
|  |  |  | **Flow** | | |  | **Premium** |  |  | **Flow** | | |  | **Premium** |  |  | **Flow** | | |  | **Premium** |  | **Flow** | | |  | **Premium** |  |  | **Flow** | | |  | **Premium** |  |  | **Flow** | | |  | **Premium** |  |  | **Flow** | | |  | **Premium** |  | **Flow** | | |  | **Premium** |  |  |
|  |  |  | **NIW** | | |  | **Rate (bps)** | |  | **NIW** | | |  | **Rate (bps)** | |  | **NIW** | | |  | **Rate (bps)** | | **NIW** | | |  | **Rate (bps)** | |  | **NIW** | | |  | **Rate (bps)** | |  | **NIW** | | |  | **Rate (bps)** | |  | **NIW** | | |  | **Rate (bps)** | | **NIW** | | |  | **Rate (bps)** | |  |
| **Product** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | |  | | | | | | |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Monthly(1) | | $ | | 5,100 | | 60 | | | $ | | 6,100 | | 59 | |  | $ | | 5,300 | | 59 | |  | $ | 3,400 | | 58 | |  | $ | | 4,300 | | 62 | | | $ | | 5,800 | | 60 | | | $ | | 5,600 | | 58 | | | $ | 4,300 | | 56 | | |  |
| Single | |  |  | 1,800 | | 155 | | |  |  | 1,400 | | 194 | |  |  |  | 800 | | 197 | |  |  | 500 | | 200 | |  |  |  | 600 | | 207 | | |  |  | 600 | | 210 | | |  |  | 700 | | 205 | | |  | 400 |  | 201 | | |  |
| **Total Flow** | |  | $ | 6,900 |  | | | |  | $ | 7,500 |  | | | | | $ | 6,100 |  | | | | $ | 3,900 |  | | | | | $ | 4,900 |  | | | | | $ | 6,400 |  | | | | | $ | 6,300 |  | | | | $ | 4,700 |  | | | |  |
|  |  |  |  | |  |  |  |  |  |  | |  |  |  |  |  |  | |  |  |  |  |  | |  |  |  |  |  |  | |  |  |  |  |  |  | |  |  |  |  |  |  | |  |  |  |  |  | |  |  |  |  |  |
|  |  |  | **Flow** | | |  | **% of Flow** | |  | **Flow** | | |  | **% of Flow** | |  | **Flow** | | |  | **% of Flow** | | **Flow** | | |  | **% of Flow** | |  | **Flow** | | |  | **% of Flow** | |  | **Flow** | | |  | **% of Flow** | |  | **Flow** | | |  | **% of Flow** | | **Flow** | | |  | **% of Flow** | |  |
|  |  |  | **NIW** | | |  | **NIW** | |  | **NIW** | | |  | **NIW** | |  | **NIW** | | |  | **NIW** | | **NIW** | | |  | **NIW** | |  | **NIW** | | |  | **NIW** | |  | **NIW** | | |  | **NIW** | |  | **NIW** | | |  | **NIW** | | **NIW** | | |  | **NIW** | |  |
| **FICO Scores** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Over 735 | | $ | | 4,100 | | 59% | | | $ | | 4,400 | | 59% | | | $ | | 3,600 | | 59% | | | $ | 2,400 | | 61% | | | $ | | 3,100 | | 63% | | | $ | | 4,400 | | 69% | | | $ | | 4,500 | | 72% | | | $ | 3,400 | | 72% | | |  |
| 680 - 735 | |  |  | 2,200 | | 32 | | |  |  | 2,400 | | 32 | |  |  |  | 2,000 | | 33 | |  |  | 1,200 | | 31 | |  |  |  | 1,500 | | 31 | | |  |  | 1,900 | | 29 | | |  |  | 1,600 | | 25 | | |  | 1,200 | | 26 | | |  |
| 660 - 679(2) | |  |  | 300 | | 5 | | |  |  | 400 | | 5 | |  |  |  | 300 | | 5 | |  |  | 200 | | 5 | |  |  |  | 200 | | 4 | | |  |  | 100 | | 2 | | |  |  | 200 | | 3 | | |  | 100 |  | 2 | | |  |
| 620 - 659 | |  |  | 300 | | 4 | | |  |  | 300 | | 4 | |  |  |  | 200 | | 3 | |  |  | 100 | | 3 | |  |  |  | 100 | | 2 | | |  |  | — | |  | — | |  |  | — | |  | — | |  | — | |  | — | |  |
| <620 | |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  | — |  |  | — |  |  | — |  |  |
|  | **Total Flow** | $ | | 6,900 | | 100% | | | $ | | 7,500 | | 100% $ | | | | | 6,100 | | 100% $ | | | | 3,900 | | 100% $ | | | | | 4,900 | | 100% $ | | | | | 6,400 | | 100% $ | | | | | 6,300 | | 100% $ | | | | 4,700 | | 100% | | |  |
| **Loan-To-Value** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Ratio** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 95.01% and | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| above | | $ | | 100 | | 2% | | | $ | | 200 | | 3% $ | | | | | 100 | | 2% $ | | | | 100 | | 3% $ | | | | | 200 | | 4% $ | | | | | 200 | | 3% $ | | | | | 200 | | 3% $ | | | | 100 |  | 2% | | |  |
| 90.01% to | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 95.00% | |  |  | 3,500 | | 51 | | |  |  | 3,900 | | 52 | |  |  |  | 3,300 | | 54 | |  |  | 1,900 | | 49 | |  |  |  | 2,300 | | 47 | | |  |  | 3,000 | | 47 | | |  |  | 2,700 | | 43 | | |  | 1,900 | | 41 | | |  |
| 85.01% to | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 90.00% | |  |  | 2,300 | | 33 | | |  |  | 2,400 | | 32 | |  |  |  | 1,900 | | 31 | |  |  | 1,300 | | 33 | |  |  |  | 1,600 | | 33 | | |  |  | 2,200 | | 34 | | |  |  | 2,300 | | 37 | | |  | 1,700 | | 36 | | |  |
| 85.00% and | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| below | |  |  | 1,000 | | 14 | | |  |  | 1,000 | | 13 | |  |  |  | 800 | | 13 | |  |  | 600 | | 15 | |  |  |  | 800 | | 16 | | |  |  | 1,000 | | 16 | | |  |  | 1,100 | | 17 | | |  | 1,000 | | 21 | | |  |
|  | |  | | | | | | |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | **Total Flow** | $ | | 6,900 | | 100% | | | $ | | 7,500 | | 100% $ | | | | | 6,100 | | 100% $ | | | | 3,900 | | 100% $ | | | | | 4,900 | | 100% $ | | | | | 6,400 | | 100% $ | | | | | 6,300 | | 100% $ | | | | 4,700 | | 100% | | |  |
| **Origination** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchase | | $ | | 5,300 | | 77% | | | $ | | 6,400 | | 85% | | | $ | | 5,100 | | 84% | | | $ | 3,000 | | 77% | | | $ | | 3,800 | | 78% | | | $ | | 4,600 | | 72% | | | $ | | 3,800 | | 60% | | | $ | 2,200 | | 47% | | |  |
| Refinance | |  |  | 1,600 | | 23 | | |  |  | 1,100 | | 15 | |  |  |  | 1,000 | | 16 | |  |  | 900 | | 23 | |  |  |  | 1,100 | | 22 | | |  |  | 1,800 | | 28 | | |  |  | 2,500 | | 40 | | |  | 2,500 | | 53 | | |  |
|  | |  | | | | | | |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | **Total Flow** | $ | | 6,900 | | 100% | | | $ | | 7,500 | | 100% $ | | | | | 6,100 | | 100% $ | | | | 3,900 | | 100% $ | | | | | 4,900 | | 100% $ | | | | | 6,400 | | 100% $ | | | | | 6,300 | | 100% $ | | | | 4,700 | | 100% | | |  |
|  | |  |  | |  | |  |  |  |  | |  | |  |  | |  | |  | |  |  |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  |  | |  | |  |  |  |
|  | |  | | | | | | |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |

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

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Other Metrics—U.S. Mortgage Insurance Segment**

**(dollar amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | |  | **Total** | | |  |  | **4Q** | |  | **3Q** | |  | **2Q** | |  | **1Q** | |  | **Total** | |  |  |
|  | **Net Premiums Written** |  | $ | 171 |  |  | $ | 162 |  | $ | 151 |  |  | $ | 144 |  |  | $ | 628 |  |  | $ | 148 |  | $ | 140 |  | $ | 144 |  | $ | 135 |  |  | $ | 567 |  |  |
| **New Risk Written** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow |  | $ | 1,703 | |  | $ | 1,878 | | $ | 1,521 | | $ | | 960 | | $ | | 6,062 | | $ | | 1,196 | | $ | 1,577 | | $ | 1,478 | | $ | 1,091 | | $ | | 5,342 | |  |
|  | Bulk |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  | — |  |  | — |  |  | — |  |  |  | — |  |  |
|  | Total Primary |  |  | 1,703 | |  |  | 1,878 | |  | 1,521 | |  |  | 960 | |  |  | 6,062 | |  |  | 1,196 | |  | 1,577 | |  | 1,478 | |  | 1,091 | |  |  | 5,342 | |  |
|  | Pool |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  | — |  |  | — |  |  | — |  |  |  | — |  |  |
|  | **Total New Risk Written** |  | $ | 1,703 | |  | $ | 1,878 | | $ | 1,521 | | $ | | 960 | | $ | | 6,062 | | $ | | 1,196 | | $ | 1,577 | | $ | 1,478 | | $ | 1,091 | | $ | | 5,342 | |  |
| **Primary Insurance In-Force** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 114,400 | |  | $ | 112,400 | | $ | 110,500 | | $ | | 109,100 | |  |  |  |  | $ | | 109,300 | | $ | 109,000 | | $ | 108,800 | | $ | 109,300 | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Risk In-Force** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow |  | $ | 28,112 | |  | $ | 27,507 | | $ | 26,880 | | $ | | 26,405 | |  |  |  |  | $ | | 26,327 | | $ | 26,194 | | $ | 25,957 | | $ | 25,626 | |  |  |  |  |  |
|  | Bulk(1) |  |  | 402 |  |  |  | 419 |  |  | 434 | |  |  | 442 | |  |  |  |  |  |  | 448 | |  | 456 |  |  | 463 |  |  | 485 | |  |  |  |  |  |
|  | Total Primary |  |  | 28,514 |  |  |  | 27,926 |  |  | 27,314 |  |  |  | 26,847 |  |  |  |  |  |  |  | 26,775 |  |  | 26,650 |  |  | 26,420 |  |  | 26,111 |  |  |  |  |  |  |
|  | Pool |  |  | 151 |  |  |  | 159 |  |  | 163 | |  |  | 171 | |  |  |  |  |  |  | 177 | |  | 187 |  |  | 196 |  |  | 205 | |  |  |  |  |  |
|  | **Total Risk In-Force** |  | $ | 28,665 |  |  | $ | 28,085 |  | $ | 27,477 |  |  | $ | 27,018 |  |  |  |  |  |  | $ | 26,952 |  | $ | 26,837 |  | $ | 26,616 |  | $ | 26,316 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Primary Risk In-Force Subject To Captives** |  |  | 6% | |  |  | 7% | |  | 7% | |  |  | 8% | |  |  |  |  |  |  | 9% | |  | 10% | |  | 11% | |  | 12% | |  |  |  |  |  |
| **Primary Risk In-Force That Is GSE Conforming** | |  |  | 97% | |  |  | 97% | |  | 97% | |  |  | 97% | |  |  |  |  |  |  | 97% | |  | 97% | |  | 97% | |  | 97% | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **GAAP Basis Expense Ratio**(2) |  |  | 26% | |  |  | 25% | |  | 25% | |  |  | 25% | |  |  | 25% | |  |  | 26% | |  | 26% | |  | 26% | |  | 30% | |  |  | 27% | |  |
| **Adjusted Expense Ratio**(3) | |  |  | 23% | |  |  | 23% | |  | 23% | |  |  | 24% | |  |  | 23% | |  |  | 25% | |  | 26% | |  | 25% | |  | 30% | |  |  | 27% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Flow Persistency** |  |  | 83% | |  |  | 80% | |  | 83% | |  |  | 85% | |  |  |  |  |  |  | 83% | |  | 79% | |  | 81% | |  | 80% | |  |  |  |  |  |
| **Gross Written Premiums Ceded To Captives/Total Direct** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Written Premiums** |  |  | 2% | |  |  | 2% | |  | 3% | |  |  | 3% | |  |  |  |  |  |  | 3% | |  | 4% | |  | 4% | |  | 4% | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Risk To Capital Ratio**(4) |  |  | 14:5:1 | |  |  | 15:4:1 | |  | 14.6:1 | |  |  | 18.7:1 | |  |  |  |  |  |  | 19.5:1 | |  | 22.4:1 | |  | 22.4:1 | |  | 24.2:1 | |  |  |  |  |  |
| **Average Primary Loan Size (in thousands)** | |  | $ | 181 |  |  | $ | 180 |  | $ | 178 | | $ | | 176 | |  |  |  |  | $ | | 175 | | $ | 174 |  | $ | 172 |  | $ | 168 | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Estimated Savings For Loss Mitigation Activities**(5) |  | $ | 59 |  |  | $ | 67 |  | $ | 102 | | $ | | 114 | | $ | | 342 | | $ | | 124 | | $ | 136 |  | $ | 144 |  | $ | 159 | | $ | | 563 | |  |

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. As of December 31, 2014, 83% of our bulk risk in-force was related to loans financed by lenders who participated in the mortgage programs sponsored by the Federal Home Loan Banks.
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 written premiums. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles.
4. Certain states limit a private mortgage insurer’s risk in-force to 25 times the total of the insurer’s policyholders’ surplus plus the statutory contingency reserve, commonly known as the “risk to capital” requirement. The current period risk to capital ratio is an estimate due to the timing of the filing of statutory statements and is prepared consistent with the presentation of the statutory financial statements in the combined annual statement of the U.S. mortgage insurance business.
5. Loss mitigation activities are defined as rescissions, cancellations, borrower loan modifications, repayment plans, lender- and borrower-titled pre-sales, claims administration and other loan workouts. Estimated savings related to rescissions are the reduction in carried loss reserves, net of premium refunds and reinstatement of prior rescissions. Estimated savings related to loan modifications and other cure related loss mitigation actions represent the reduction in carried loss reserves. Estimated savings related to claims mitigation activities represent amounts deducted or “curtailed” from claims due to acts or omissions by the servicer with respect to the servicing of an insured loan that is not in compliance with obligations under our master policy. For non-cure related actions, including pre-sales, the estimated savings represent the difference between the full claim obligation and the actual amount paid. Loans subject to our loss mitigation actions, the results of which have been included in our reported estimated loss mitigations savings, are subject to re-default and may result in a potential claim in future periods as well as potential future loss mitigation savings depending on the resolution of the re-defaulted loan.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Loss Metrics—U.S. Mortgage Insurance Segment**

**(dollar amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  | **3Q** | |  | **2Q** | |  | **1Q** | | **Total** | | |  | **4Q** | |  | **3Q** | |  | **2Q** | |  | **1Q** | | **Total** | |  |  |
|  | **Paid Claims** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Direct | $ | | 142 | | $ | 148 | | $ | 148 | | $ | 178 | | $ | 616 | | $ | 198 | | $ | 216 | | $ | 197 | | $ | 253 | | $ | 864 | |  |
|  | Assumed(1) |  |  | 3 | |  | 4 | |  | 6 | |  | 6 | |  | 19 | |  | 8 | |  | 9 | |  | 12 | |  | 13 |  |  | 42 | |  |
|  | Ceded |  |  | (4) | |  | (3) | |  | (4) | |  | (15) | |  | (26) | |  | (8) | |  | (9) | |  | (11) | |  | (17) | |  | (45) | |  |
|  | Loss adjustment expenses |  |  | 4 | |  | 4 | |  | 4 | |  | 5 | |  | 17 | |  | 6 | |  | 6 | |  | 6 | |  | 6 | |  | 24 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Flow |  |  | 145 | |  | 153 | |  | 154 | |  | 174 | |  | 626 | |  | 204 | |  | 222 | |  | 204 | |  | 255 | |  | 885 | |  |
|  | Bulk |  |  | 2 | |  | 2 | |  | 2 | |  | 2 | |  | 8 | |  | 2 | |  | 3 | |  | 6 | |  | 3 | |  | 14 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Primary |  |  | 147 | |  | 155 | |  | 156 | |  | 176 | |  | 634 | |  | 206 | |  | 225 | |  | 210 | |  | 258 | |  | 899 | |  |
|  | Pool |  |  | 2 | |  | 1 | |  | 1 | |  | 1 | |  | 5 | |  | 1 | |  | 1 | |  | 2 | |  | 1 | |  | 5 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Total Paid Claims** |  | $ | 149 | | $ | 156 | | $ | 157 | | $ | 177 | | $ | 639 | | $ | 207 | | $ | 226 | | $ | 212 | | $ | 259 | | $ | 904 | |  |
| **Average Paid Claim (in thousands)** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | | 46.6 | | $ | 47.6 | | $ | 47.2 | | $ | 43.6 | |  |  |  | $ | 45.3 | | $ | 45.3 | | $ | 45.0 | | $ | 44.2 | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Average Direct Paid Claim (in thousands)**(2) | $ | | 48.6 | | $ | 46.0 | | $ | 45.6 | | $ | 44.5 | |  |  |  | $ | 43.5 | | $ | 43.5 | | $ | 42.3 | | $ | 43.5 | |  |  |  |  |
| **Average Reserve Per Delinquency (in thousands)** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow | $ | | 30.2 | | $ | 30.7 | | $ | 30.0 | | $ | 30.3 | |  |  |  | $ | 29.4 | | $ | 29.6 | | $ | 30.0 | | $ | 29.8 | |  |  |  |  |
|  | Bulk loans with established reserve |  |  | 20.4 | |  | 20.5 | |  | 22.5 | |  | 19.2 | |  |  |  |  | 19.7 | |  | 20.0 | |  | 20.8 | |  | 21.9 | |  |  |  |  |
|  | Bulk loans with no reserve(3) |  |  | — | |  | — | |  | — | |  | — | |  |  |  |  | — | |  | — | |  | — | |  | — | |  |  |  |  |
| **Reserves:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow direct case | $ | | 1,065 | | $ | 1,122 | | $ | 1,083 | | $ | 1,172 |  |  |  |  | $ | 1,277 | | $ | 1,377 | | $ | 1,471 | | $ | 1,566 |  |  |  |  |  |
|  | Bulk direct case |  |  | 21 | |  | 22 |  |  | 24 | |  | 25 |  |  |  |  |  | 27 | |  | 28 |  |  | 29 | |  | 33 |  |  |  |  |  |
|  | Assumed(1) |  |  | 21 | |  | 21 |  |  | 24 | |  | 29 |  |  |  |  |  | 35 | |  | 39 |  |  | 51 | |  | 57 |  |  |  |  |  |
|  | All other(4) |  |  | 73 | |  | 74 |  |  | 125 | |  | 129 | |  |  |  |  | 143 | |  | 143 | |  | 145 | |  | 164 | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total Reserves** |  | $ | 1,180 | | $ | 1,239 | | $ | 1,256 | | $ | 1,355 |  |  |  |  | $ | 1,482 | | $ | 1,587 | | $ | 1,696 | | $ | 1,820 |  |  |  |  |  |
| **Beginning Reserves** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |
| $ | | 1,239 | | $ | 1,256 | | $ | 1,355 | | $ | 1,482 |  | $ | 1,482 | | $ | 1,587 | | $ | 1,696 | | $ | 1,820 | | $ | 2,009 |  | $ | 2,009 | |  |
|  | Paid claims |  |  | (153) | |  | (158) | |  | (162) | |  | (192) | |  | (665) | |  | (215) | |  | (235) | |  | (223) | |  | (276) | |  | (949) | |  |
|  | Increase in reserves |  |  | 94 | |  | 141 | |  | 63 | |  | 65 |  |  | 363 | |  | 110 | |  | 126 | |  | 99 | |  | 87 |  |  | 422 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Ending Reserves** |  | $ | 1,180 | | $ | 1,239 | | $ | 1,256 | | $ | 1,355 |  | $ | 1,180 | | $ | 1,482 | | $ | 1,587 | | $ | 1,696 | | $ | 1,820 |  | $ | 1,482 | |  |
| **Beginning Reinsurance Recoverable**(5) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | | 25 | | $ | 27 |  | $ | 31 | | $ | 44 |  | $ | 44 | | $ | 50 | | $ | 56 |  | $ | 66 | | $ | 80 |  | $ | 80 | |  |
|  | Ceded paid claims |  |  | (4) | |  | (2) | |  | (5) | |  | (15) | |  | (26) | |  | (8) | |  | (9) | |  | (11) | |  | (17) | |  | (45) | |  |
|  | Increase in recoverable |  |  | 3 | |  | — | |  | 1 | |  | 2 | |  | 6 | |  | 2 | |  | 3 | |  | 1 | |  | 3 | |  | 9 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Ending Reinsurance Recoverable** |  | $ | 24 | | $ | 25 |  | $ | 27 | | $ | 31 |  | $ | 24 | | $ | 44 | | $ | 50 |  | $ | 56 | | $ | 66 |  | $ | 44 | |  |
| **Loss Ratio**(6) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 61% | |  | 97% | |  | 43% | |  | 46% | |  | 62% | |  | 76% | |  | 90% | |  | 70% | |  | 62% | |  | 74% | |  |

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. Average direct paid claim excludes loss adjustment expenses, the impact of reinsurance and a negotiated servicer settlement.
3. Reserves were not established on loans where the company was in a secondary loss position due to an existing deductible and the company believes currently have no risk for claim.
4. Other includes loss adjustment expenses, pool and incurred but not reported reserves.
5. Reinsurance recoverable excludes ceded unearned premium recoveries and amounts for which cash proceeds have not yet been received.
6. The ratio of incurred losses to net earned premiums. Lender settlements of $53 million in the third quarter of 2014 increased the loss ratio by 37 percentage points and 9 percentage points for the three months ended September 30, 2014 and the twelve months ended December 31, 2014, respectively.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Delinquency Metrics—U.S. Mortgage Insurance Segment**

**(dollar amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  | **2013** |  |  |  |  |  |  |
|  |  |  | **4Q** | |  |  | **3Q** | |  |  | **2Q** | | **1Q** | | **Total** | |  | **4Q** | | **3Q** | | **2Q** | | **1Q** | | **Total** |  |  |
|  | **Number of Primary Delinquencies** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Flow | | 38,177 |  |  |  | 39,485 |  |  |  | 40,897 |  | 43,733 | |  |  |  | 49,255 |  | 52,509 |  | 55,413 | | 59,789 | |  |  |  |
|  | Bulk loans with an established reserve | | 1,109 |  |  |  | 1,147 |  |  |  | 1,147 |  | 1,434 | |  |  |  | 1,491 |  | 1,509 |  | 1,526 | | 1,603 | |  |  |  |
|  | Bulk loans with no reserve(1) | | 500 |  |  |  | 515 |  |  |  | 561 |  | 694 | |  |  |  | 713 |  | 726 |  | 1,260 | | 1,412 | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Number of Primary Delinquencies | | 39,786 |  |  |  | 41,147 |  |  |  | 42,605 |  | 45,861 | |  |  |  | 51,459 |  | 54,744 |  | 58,199 | | 62,804 | |  |  |  |
| **Beginning Number of Primary Delinquencies** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 41,147 |  |  |  | 42,605 |  |  |  | 45,861 |  | 51,459 | | 51,459 | |  | 54,744 |  | 58,199 |  | 62,804 | | 69,239 | | 69,239 |  |  |
|  | New delinquencies | | 10,826 |  |  |  | 11,574 |  |  |  | 10,568 |  | 12,100 | | 45,068 | |  | 13,205 |  | 14,105 |  | 13,192 | | 15,060 | | 55,562 |  |  |
|  | Delinquency cures | | (9,030) | |  |  | (9,790) | |  |  | (10,545) | | (13,678) | | (43,043) | |  | (11,974) | | (12,603) | | (13,127) | | (15,677) | | (53,381) | |  |
|  | Paid claims | | (3,157) | |  |  | (3,242) | |  |  | (3,279) | | (4,020) | | (13,698) | |  | (4,516) | | (4,957) | | (4,670) | | (5,818) | | (19,961) | |  |
| **Ending Number of Primary Delinquencies** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 39,786 |  |  |  | 41,147 |  |  |  | 42,605 |  | 45,861 | | 39,786 | |  | 51,459 |  | 54,744 |  | 58,199 | | 62,804 | | 51,459 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Composition of Cures** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Reported delinquent and cured-intraquarter | | 1,434 |  |  |  | 2,093 |  |  |  | 1,993 |  | 3,141 | |  |  |  | 2,107 |  | 2,488 |  | 2,447 | | 3,519 | |  |  |  |
|  | Number of missed payments delinquent prior to cure: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 3 payments or less | | 5,340 |  |  |  | 5,202 |  |  |  | 5,335 |  | 7,252 | |  |  |  | 6,253 |  | 6,291 |  | 6,748 | | 8,125 | |  |  |  |
|  | 4 - 11 payments | | 1,613 |  |  |  | 1,772 |  |  |  | 2,253 |  | 2,391 | |  |  |  | 2,385 |  | 2,387 |  | 2,737 | | 2,856 | |  |  |  |
|  | 12 payments or more | | 643 |  |  |  | 723 |  |  |  | 964 |  | 894 | |  |  |  | 1,229 |  | 1,437 |  | 1,195 | | 1,177 | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total** | | 9,030 |  |  |  | 9,790 |  |  |  | 10,545 |  | 13,678 | |  |  |  | 11,974 |  | 12,603 |  | 13,127 | | 15,677 | |  |  |  |
| **Primary Delinquencies by Missed Payment Status** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 3 payments or less | | 11,318 | |  |  | 11,478 |  |  |  | 11,228 | | 11,351 | |  |  |  | 13,992 |  | 14,078 |  | 13,871 | | 14,674 | |  |  |  |
|  | 4 - 11 payments | | 9,684 |  |  |  | 9,610 |  |  |  | 9,913 |  | 11,463 | |  |  |  | 12,410 |  | 13,134 |  | 14,503 | | 16,804 | |  |  |  |
|  | 12 payments or more | | 18,784 |  |  |  | 20,059 |  |  |  | 21,464 |  | 23,047 | |  |  |  | 25,057 |  | 27,532 |  | 29,825 | | 31,326 | |  |  |  |
| **Primary Delinquencies** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 39,786 |  |  |  | 41,147 |  |  |  | 42,605 |  | 45,861 | |  |  |  | 51,459 |  | 54,744 |  | 58,199 | | 62,804 | |  |  |  |
|  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Flow Delinquencies and Percentage** | | |  |  |  |  | **December 31, 2014** | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | **Direct Case** | | |  |  |  |  | **Reserves as % of** | | | | |  |  |  |  |  |  |  |  |  |  |  |
|  | **Reserved by Payment Status** |  | **Delinquencies** | |  | **Reserves**(2) | | |  | **Risk In-Force** | | | **Risk In-Force** | | | | |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 3 payments or less in default | | 10,849 |  |  | $ | 76 |  |  | $ | 426 |  |  |  | 18% |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 4 - 11 payments in default | | 9,368 |  |  |  | 238 |  |  |  | 383 |  |  |  | 62% |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 12 payments or more in default | | 17,960 |  |  |  | 751 |  |  |  | 895 |  |  |  | 84% |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total** | | | 38,177 |  |  | $ | 1,065 |  |  | $ | 1,704 |  |  |  | 63% |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Flow Delinquencies and Percentage** | | |  |  |  |  | **December 31, 2013** | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | **Direct Case** | | |  |  |  |  | **Reserves as % of** | | | | |  |  |  |  |  |  |  |  |  |  |  |
|  | **Reserved by Payment Status** |  | **Delinquencies** | |  | **Reserves**(2) | | |  | **Risk In-Force** | | | **Risk In-Force** | | | | |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 3 payments or less in default | | 13,436 |  |  | $ | 121 |  |  | $ | 523 |  |  |  | 23% |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 4 - 11 payments in default | | 11,854 | |  |  | 305 |  |  |  | 486 |  |  |  | 63% |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 12 payments or more in default | | 23,965 |  |  |  | 851 |  |  |  | 1,178 |  |  |  | 72% |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total** | | | 49,255 |  | $ | | 1,277 |  | $ | | 2,187 |  |  |  | 58% |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



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 currently have no risk for claim.
2. Direct flow case reserves exclude loss adjustment expenses, incurred but not reported and reinsurance reserves.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Portfolio Quality Metrics—U.S. Mortgage Insurance Segment**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | **2014** | | | |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |
|  |  |  |  |  |  | **4Q** | |  | **3Q** | | | **2Q** | | **1Q** | |  | **4Q** | | **3Q** | | | **2Q** | | **1Q** |  |  |
|  | **Risk In-Force by Credit Quality**(1) | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Primary by FICO Scores >679 | | | | 82% | | | 81% | | |  | 81% | | 80% | |  | 79% | | 79% | |  | 78% | | 76% | |  |
|  | Primary by FICO Scores 620-679 | | | | 15% | | | 15% | | |  | 15% | | 16% | |  | 17% | | 17% | |  | 18% | | 19% | |  |
|  | Primary by FICO Scores 575-619 | | | | 2% | | | 3% | | |  | 3% | | 3% | |  | 3% | | 3% | |  | 3% | | 4% | |  |
|  | Primary by FICO Scores <575 | | | | 1% | | | 1% | | |  | 1% | | 1% | |  | 1% | | 1% | |  | 1% | | 1% | |  |
| Flow by FICO Scores >679 | | | | | 82% | | | 81% | | |  | 81% | | 80% | |  | 79% | | 79% | |  | 77% | | 76% | |  |
|  | Flow by FICO Scores 620-679 | | | | 15% | | | 15% | | |  | 15% | | 16% | |  | 17% | | 17% | |  | 19% | | 19% | |  |
|  | Flow by FICO Scores 575-619 | | | | 2% | | | 3% | | |  | 3% | | 3% | |  | 3% | | 3% | |  | 3% | | 4% | |  |
|  | Flow by FICO Scores <575 | | | | 1% | | | 1% | | |  | 1% | | 1% | |  | 1% | | 1% | |  | 1% | | 1% | |  |
| Bulk by FICO Scores >679 | | | | | 89% | | | 89% | | |  | 89% | | 89% | |  | 89% | | 89% | |  | 89% | | 89% | |  |
|  | Bulk by FICO Scores 620-679 | | | | 9% | | | 9% | | |  | 9% | | 9% | |  | 9% | | 9% | |  | 9% | | 9% | |  |
|  | Bulk by FICO Scores 575-619 | | | | 1% | | | 1% | | |  | 1% | | 1% | |  | 1% | | 1% | |  | 1% | | 1% | |  |
|  | Bulk by FICO Scores <575 | | | | 1% | | | 1% | | |  | 1% | | 1% | |  | 1% | | 1% | |  | 1% | | 1% | |  |
| Primary A minus | | | | | 2% | | | 2% | | |  | 3% | | 3% | |  | 3% | | 3% | |  | 3% | | 4% | |  |
|  | (2) | | |  | 2% | | | 2% | | |  | 2% | | 2% | |  | 2% | | 2% | |  | 3% | | 3% | |  |
|  | Primary sub-prime | | | |  |  |  |  |
| **Primary Loans** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Primary loans in-force | | | | 630,852 | | | 624,850 | | |  | 620,415 | | 618,442 | |  | 624,236 | | 627,536 | |  | 633,685 | | 649,570 | |  |
|  | Primary delinquent loans | | | | 39,786 | | | 41,147 | | |  | 42,605 | | 45,861 | |  | 51,459 | | 54,744 | |  | 58,199 | | 62,804 | |  |
|  | Primary delinquency rate | | | | 6.31% | | | 6.59% | | |  | 6.87% | | 7.42% | |  | 8.24% | | 8.72% | |  | 9.18% | | 9.67% | |  |
| Flow loans in-force | | | | | 599,206 | | | 591,823 | | |  | 585,719 | | 582,553 | |  | 586,546 | | 589,703 | |  | 590,949 | | 590,051 | |  |
|  | Flow delinquent loans | | | | 38,177 | | | 39,485 | | |  | 40,897 | | 43,733 | |  | 49,255 | | 52,509 | |  | 55,413 | | 59,789 | |  |
|  | Flow delinquency rate | | | | 6.37% | | | 6.67% | | |  | 6.98% | | 7.51% | |  | 8.40% | | 8.90% | |  | 9.38% | | 10.13% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bulk loans in-force | | | | 31,646 | | | 33,027 | | |  | 34,696 | | 35,889 | |  | 37,690 | | 37,833 | |  | 42,736 | | 59,519 | |  |
|  | Bulk delinquent loans | | | | 1,609 | | | 1,662 | | |  | 1,708 | | 2,128 | |  | 2,204 | | 2,235 | |  | 2,786 | | 3,015 | |  |
|  | Bulk delinquency rate | | | | 5.08% | | | 5.03% | | |  | 4.92% | | 5.93% | |  | 5.85% | | 5.91% | |  | 6.52% | | 5.07% | |  |
| A minus and sub-prime loans in-force | | | | | 33,529 | | | 34,825 | | |  | 36,219 | | 37,714 | |  | 39,307 | | 41,081 | |  | 42,993 | | 44,873 | |  |
|  | A minus and sub-prime delinquent loans | | | | 7,851 | | | 8,017 | | |  | 8,238 | | 8,789 | |  | 10,023 | | 10,548 | |  | 10,803 | | 11,484 | |  |
|  | A minus and sub-prime delinquency rate | | | | 23.42% | | | 23.02% | | |  | 22.74% | | 23.30% | |  | 25.50% | | 25.68% | |  | 25.13% | | 25.59% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Pool Loans** |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Pool loans in-force | | | | 8,282 | | | 10,125 | | |  | 10,336 | | 10,710 | |  | 11,354 | | 11,657 | |  | 12,063 | | 12,558 | |  |
|  | Pool delinquent loans | | | | 521 | | | 549 | |  |  | 546 | | 575 |  |  | 628 | | 670 | |  | 634 |  | 674 | |  |
|  | Pool delinquency rate | | | | 6.29% | | | 5.42% | | |  | 5.28% | | 5.37% | |  | 5.53% | | 5.75% | |  | 5.26% | | 5.37% | |  |



1. Loans with unknown FICO scores are included in the 620-679 category.
2. Excludes loans classified as A minus.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Portfolio Quality Metrics—U.S. Mortgage Insurance Segment**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **December 31, 2014** | | |  |  |  |  | **September 30, 2014** | | |  |  |  |  | **December 31, 2013** | | |  |  |  |
|  |  |  | **% of Total** | |  | **% of Primary** | | **Primary** |  | **% of Total** | |  | **% of Primary** | | **Primary** |  | **% of Total** | |  | **% of Primary** | | **Primary** |  |  |
|  |  |  |  | **Delinquency** | |  | **Delinquency** | |  | **Delinquency** | |  |
|  |  |  | **Reserves**(1) | |  | **Risk In-Force** | | **Rate** | | **Reserves**(1) | |  | **Risk In-Force** | | **Rate** | | **Reserves**(1) | |  | **Risk In-Force** | | **Rate** | |  |
| **By Region** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Southeast(2) | | | 28% | | 20% | | | 7.89% | | 29% | | 20% | | | 8.46% | | 32% | | 20% | | | 11.02% | |  |
| South Central(3) | | | 8 | | 16 | |  | 4.50% | | 8 | | 16 | | | 4.63% | | 8 | | 16 | | | 5.85% | |  |
| Northeast(4) | | | 27 | | 15 | |  | 10.83% | | 26 | | 15 | | | 11.03% | | 20 | | 15 | | | 12.30% | |  |
| Pacific(5) | | | 10 | | 12 | |  | 4.51% | | 10 | | 12 | | | 4.87% | | 11 | | 12 | | | 6.47% | |  |
| North Central(6) | | | 10 | | 12 | |  | 5.35% | | 9 | | 12 | | | 5.64% | | 11 | | 11 | | | 7.39% | |  |
| Great Lakes(7) | | | 5 | | 10 | |  | 4.48% | | 6 | | 10 | | | 4.64% | | 6 | | 10 | | | 6.03% | |  |
| New England(8) | | | 5 | | 6 | | | 6.34% | | 5 | | 6 | | | 6.47% | | 4 | | 6 | | | 7.74% | |  |
| Mid-Atlantic(9) | | | 5 | | 5 | | | 6.32% | | 5 | | 5 | | | 6.50% | | 5 | | 5 | | | 8.18% | |  |
| Plains(10) | | | 2 |  |  | 4 |  | 4.39% | | 2 |  |  | 4 | | 4.44% | | 3 | | 5 | | | 5.46% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total | | | 100% | | 100% | | | 6.31% | | 100% | | 100% | | | 6.59% | | 100% | | 100% | | | 8.24% | |  |
| **By State** |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| California | | | 4% | | 7% | | | 3.09% | | 4% | | 7% | | | 3.29% | | 4% | | 7% | | | 4.27% | |  |
| Texas | | | 3% | | 7% | | | 4.55% | | 3% | | 7% | | | 4.57% | | 3% | | 7% | | | 5.68% | |  |
| New York | | | 12% | | 6% | | | 10.88% | | 12% | | 6% | | | 11.14% | | 9% | | 7% | | | 11.90% | |  |
| Florida | | | 19% | | 6% | | | 12.61% | | 20% | | 6% | | | 14.03% | | 22% | | 6% | | | 19.50% | |  |
| Illinois | | | 6% | | 5% | | | 6.76% | | 6% | | 5% | | | 7.20% | | 7% | | 5% | | | 9.67% | |  |
| New Jersey | | | 11% | | 4% | | | 15.15% | | 10% | | 4% | | | 15.12% | | 8% | | 4% | | | 16.76% | |  |
| Pennsylvania | | | 4% | | 4% | | | 7.78% | | 4% | | 4% | | | 8.02% | | 3% | | 4% | | | 9.73% | |  |
| Ohio | | | 2% | | 4% | | | 5.06% | | 2% | | 4% | | | 5.20% | | 2% | | 4% | | | 6.69% | |  |
| Georgia | | | 3% | | 4% | | | 6.39% | | 3% | | 4% | | | 6.67% | | 3% | | 4% | | | 8.48% | |  |
| North Carolina | | | 2% | | 3% | | | 5.59% | | 2% | | 4% | | | 5.97% | | 2% | | 4% | | | 7.43% | |  |



1. Total reserves were $1,180 million, $1,239 million and $1,482 million as of December 31, 2014, September 30, 2014, and December 31, 2013, respectively.
2. Alabama, Arkansas, Florida, Georgia, Mississippi, North Carolina, South Carolina and Tennessee.
3. Arizona, Colorado, Louisiana, New Mexico, Oklahoma, Texas and Utah.
4. New Jersey, New York and Pennsylvania.
5. Alaska, California, Hawaii, Nevada, Oregon and Washington.
6. Illinois, Minnesota, Missouri and Wisconsin.
7. Indiana, Kentucky, Michigan and Ohio.
8. Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.
9. Delaware, Maryland, Virginia, Washington D.C. and West Virginia.
10. Idaho, Iowa, Kansas, Montana, Nebraska, North Dakota, South Dakota and Wyoming.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Portfolio Quality Metrics—U.S. Mortgage Insurance Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **December 31, 2014** | | | |  |  | **September 30, 2014** | | | |  |  | **December 31, 2013** | | | |  |
|  |  | **Primary Risk** | | | **Primary** |  |  | **Primary Risk** | | | **Primary** |  |  | **Primary Risk** | | | **Primary** |  |  |
|  |  | **Delinquency** | |  | **Delinquency** | |  | **Delinquency** | |  |
|  |  |  | **In-Force** |  | **Rate** |  |  |  | **In-Force** |  | **Rate** |  |  |  | **In-Force** |  | **Rate** |  |  |
| Lender concentration (by original applicant) |  | $ | 28,514 |  | 6.31% | |  | $ | 27,926 |  | 6.59% | |  | $ | 26,775 |  | 8.24% | |  |
| Top 10 lenders |  |  | 12,306 | | 7.65% | |  |  | 12,337 | | 7.79% | |  |  | 12,603 | | 9.36% | |  |
| Top 20 lenders |  |  | 14,322 | | 7.47% | |  |  | 14,309 | | 7.63% | |  |  | 14,447 | | 9.26% | |  |
| Loan-to-value ratio |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 95.01% and above | $ | | 6,763 | | 9.07% | | $ | | 6,912 | | 9.02% | | $ | | 7,377 | | 10.40% | |  |
| 90.01% to 95.00% |  |  | 12,008 | | 4.99% | |  |  | 11,412 | | 5.36% | |  |  | 9,966 | | 7.41% | |  |
| 80.01% to 90.00% |  |  | 9,383 | | 6.03% | |  |  | 9,230 | | 6.40% | |  |  | 9,032 | | 7.96% | |  |
| 80.00% and below |  |  | 360 |  | 3.55% | |  |  | 372 |  | 3.51% | |  |  | 400 |  | 3.69% | |  |
| Total | $ | | 28,514 | | 6.31% | | $ | | 27,926 | | 6.59% | | $ | | 26,775 | | 8.24% | |  |
| Loan grade |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Prime | $ | | 27,262 | | 5.35% | | $ | | 26,627 | | 5.62% | | $ | | 25,320 | | 7.08% | |  |
| A minus and sub-prime |  |  | 1,252 | | 23.42% | |  |  | 1,299 | | 23.02% | |  |  | 1,455 | | 25.50% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total | $ | | 28,514 | | 6.31% | | $ | | 27,926 | | 6.59% | | $ | | 26,775 | | 8.24% | |  |
| Loan type(1) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| First mortgages |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Fixed rate mortgage |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Flow | $ | | 27,845 | | 6.20% | | $ | | 27,228 | | 6.49% | | $ | | 25,996 | | 8.18% | |  |
| Bulk |  |  | 388 |  | 4.87% | |  |  | 404 |  | 4.80% | |  |  | 432 |  | 5.58% | |  |
| Adjustable rate mortgage |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Flow |  |  | 267 |  | 27.58% | |  |  | 279 |  | 27.78% | |  |  | 331 |  | 29.08% | |  |
| Bulk |  |  | 14 |  | 11.53% | |  |  | 15 |  | 12.11% | |  |  | 16 |  | 14.37% | |  |
| Second mortgages |  |  | — |  | — % | |  |  | — |  | — % | |  |  | — |  | — % | |  |
| Total | $ | | 28,514 | | 6.31% | | $ | | 27,926 | | 6.59% | | $ | | 26,775 | | 8.24% | |  |
| Type of documentation |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Alt-A |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Flow | $ | | 392 |  | 28.71% | | $ | | 410 |  | 29.79% | | $ | | 475 |  | 30.82% | |  |
| Bulk |  |  | 29 |  | 11.25% | |  |  | 30 |  | 12.17% | |  |  | 30 |  | 12.44% | |  |
| Standard(2) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Flow |  |  | 27,720 | | 6.08% | |  |  | 27,097 | | 6.35% | |  |  | 25,852 | | 8.03% | |  |
| Bulk |  |  | 373 |  | 4.74% | |  |  | 389 |  | 4.64% | |  |  | 418 |  | 5.45% | |  |
| Total | $ | | 28,514 | | 6.31% | | $ | | 27,926 | | 6.59% | | $ | | 26,775 | | 8.24% | |  |
| Mortgage term |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 15 years and under | $ | | 1,072 | | 0.87% | | $ | | 1,099 | | 0.82% | | $ | | 1,111 | | 0.86% | |  |
| More than 15 years |  |  | 27,442 | | 6.68% | |  |  | 26,827 | | 7.00% | |  |  | 25,664 | | 8.79% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total | $ | | 28,514 | | 6.31% | | $ | | 27,926 | | 6.59% | | $ | | 26,775 | | 8.24% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



1. For loan type in this table, any loan with an interest rate that is fixed for an initial term of five years or more is categorized as a fixed rate mortgage.
2. Standard also includes loans with reduced or different documentation requirements that meet specifications of GSE approved underwriting systems with historical and expected delinquency rates consistent with our standard portfolio.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Portfolio Quality Metrics—U.S. Mortgage Insurance Segment**

**(dollar amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  | **December 31, 2014** | | | |  |  |  |  |  |  |  |  |
| **Policy Year** |  | | **Average** | | **% of Total** | |  |  | **Primary** | | **% of Total** | |  | **Primary** | | **% of Total** | | **Deliquency** |  |  |
| **Rate**(1) | | **Reserves**(2) | |  | **Insurance In-Force** | | | **Risk In-Force** | | | **Rate** | |  |
| 2003 and prior | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 6.31% | | 7.2% | | $ | 3,237 | 2.8% | | $ | 723 | 2.5% | | 16.59% | |  |
| 2004 |  |  | 5.73% | | 4.9 |  |  |  | 2,245 | | 2.0 | |  | 527 | | 1.8 |  | 12.76% | |  |
| 2005 |  |  | 5.68% | | 12.0 | |  |  | 4,616 | | 4.0 | |  | 1,231 | | 4.3 |  | 14.36% | |  |
| 2006 |  |  | 5.92% | | 17.6 | |  |  | 7,202 | | 6.3 | |  | 1,833 | | 6.4 |  | 14.14% | |  |
| 2007 |  |  | 5.84% | | 37.5 | |  |  | 17,356 | | 15.2 | |  | 4,355 | | 15.3 | | 13.31% | |  |
| 2008 |  |  | 5.37% | | 18.1 | |  |  | 15,297 | | 13.4 | |  | 3,868 | | 13.6 | | 7.55% | |  |
| 2009 |  |  | 4.98% | | 0.7 |  |  |  | 2,571 | | 2.2 | |  | 588 | | 2.1 |  | 2.00% | |  |
| 2010 |  |  | 4.69% | | 0.6 |  |  |  | 3,384 | | 2.9 | |  | 805 | | 2.8 |  | 1.42% | |  |
| 2011 |  |  | 4.50% | | 0.5 |  |  |  | 4,570 | | 4.0 | |  | 1,141 | | 4.0 |  | 1.04% | |  |
| 2012 |  |  | 3.79% | | 0.4 |  |  |  | 11,315 | | 9.9 | |  | 2,843 | | 10.0 | | 0.43% | |  |
| 2013 |  |  | 3.96% | | 0.4 |  |  |  | 19,086 | | 16.7 | |  | 4,726 | | 16.6 | | 0.31% | |  |
| 2014 |  |  | 4.39% | | 0.1 |  |  |  | 23,566 |  | 20.6 |  |  | 5,874 |  | 20.6 | | 0.10% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total | | | 4.98% | | 100.0% | | $ | | 114,445 | | 100.0% | | $ | 28,514 | | 100.0% | | 6.31% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | **December 31, 2014** | | | |  |  | **September 30, 2014** | | | |  |  |  |  |  |  |  |  |
| **Occupancy and Property Type** | |  | **% of Primary** | | **Deliquency** |  |  | **% of Primary Risk** | | | **Deliquency** |  |  |  |  |  |  |  |  |  |
| **Risk In-Force** | | **Rate** | |  |  | **In-Force** | | **Rate** | |  |  |  |  |  |  |  |  |
| Occupancy Status | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Primary residence | | | 95.1% | | 6.24% | |  |  | 95.0% | | 6.51% | |  |  |  |  |  |  |  |  |
| Second home | | | 2.6 | | 6.57% | |  |  | 2.6 | | 7.00% | |  |  |  |  |  |  |  |  |
| Non-owner occupied | | | 2.3 | | 7.95% | |  |  | 2.4 | | 8.13% | |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total | | 100.0% | | 6.31% | |  |  | 100.0% | | 6.59% | |  |  |  |  |  |  |  |  |
| Property Type | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Single family detached | | | 88.9% | | 6.09% | |  |  | 88.8% | | 6.35% | |  |  |  |  |  |  |  |  |
| Condominium and co-operative | | | 9.6 | | 7.06% | |  |  | 9.7 | | 7.39% | |  |  |  |  |  |  |  |  |
| Multi-family and other | | | 1.5 | | 13.10% | |  |  | 1.5 | | 13.69% | |  |  |  |  |  |  |  |  |
|  | Total | |  |  | 6.31% | |  |  |  |  | 6.59% | |  |  |  |  |  |  |  |  |
|  | 100.0% | |  |  | 100.0% | |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



1. Average Annual Mortgage Interest Rate.
2. Total reserves were $1,180 million as of December 31, 2014.

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**Corporate and Other Division**

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Loss—Corporate and Other Division**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **2014** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  |  | **2Q** | |  | **1Q** | |  |  | **Total** | |  |  | **4Q** | |  | **3Q** | |  |  | **2Q** | |  |  | **1Q** | |  | **Total** |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | $ | | 172 | | $ | | 186 | | $ | | 200 | | $ | 176 | | $ | | 734 | | $ | | 159 | | $ | 160 | | $ | | 156 | | $ | | 166 | | $ | 641 | |  |
|  | Net investment income |  |  | 56 | |  |  | 50 |  |  |  | 56 | |  | 53 |  |  |  | 215 | |  |  | 67 | |  | 53 |  |  |  | 68 | |  |  | 69 | |  | 257 | |  |
|  | Net investment gains (losses) |  |  | (18) | |  |  | (24) | |  |  | (3) | |  | (17) | |  |  | (62) | |  |  | 19 | |  | (24) | |  |  | (9) | |  |  | (52) | |  | (66) | |  |
|  | Insurance and investment product fees and other |  |  | 53 | |  |  | 52 |  |  |  | 53 | |  | 54 |  |  |  | 212 | |  |  | 55 | |  | 56 |  |  |  | 53 | |  |  | 100 | |  | 264 | |  |
|  | Total revenues |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 263 | |  |  | 264 | |  |  | 306 | |  | 266 | |  |  | 1,099 | |  |  | 300 | |  | 245 | |  |  | 268 | |  |  | 283 | |  | 1,096 | |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 58 | |  |  | 65 |  |  |  | 62 | |  | 54 |  |  |  | 239 | |  |  | 48 | |  | 49 |  |  |  | 51 | |  |  | 43 | |  | 191 | |  |
|  | Interest credited |  |  | 31 | |  |  | 30 |  |  |  | 29 | |  | 29 |  |  |  | 119 | |  |  | 30 | |  | 28 |  |  |  | 29 | |  |  | 32 | |  | 119 | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  | 136 | |  |  | 138 | |  |  | 155 | |  | 135 | |  |  | 564 | |  |  | 135 | |  | 162 | |  |  | 140 | |  |  | 179 | |  | 616 | |  |
|  | Amortization of deferred acquisition costs and |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | intangibles |  |  | 42 | |  |  | 36 |  |  |  | 40 | |  | 42 |  |  |  | 160 | |  |  | 35 | |  | 28 |  |  |  | 38 | |  |  | 18 | |  | 119 | |  |
|  | Interest expense |  |  | 88 | |  |  | 84 |  |  |  | 91 | |  | 98 |  |  |  | 361 | |  |  | 89 | |  | 90 |  |  |  | 89 | |  |  | 94 | |  | 362 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses |  |  | 355 | |  |  | 353 | |  |  | 377 | |  | 358 | |  |  | 1,443 | |  |  | 337 | |  | 357 | |  |  | 347 | |  |  | 366 | |  | 1,407 | |  |
| **LOSS FROM CONTINUING OPERATIONS** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **BEFORE INCOME TAXES** |  |  | (92) | |  |  | (89) | |  |  | (71) | |  | (92) | |  |  | (344) | |  |  | (37) | |  | (112) | |  |  | (79) | |  |  | (83) | |  | (311) | |  |
|  | Provision (benefit) for income taxes |  |  | (174) | |  |  | 2 | |  |  | (23) | |  | (50) | |  |  | (245) | |  |  | (14) | |  | (22) | |  |  | (28) | |  |  | (26) | |  | (90) | |  |
| **INCOME (LOSS) FROM CONTINUING** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS** |  |  | 82 | |  |  | (91) | |  |  | (48) | |  | (42) | |  |  | (99) | |  |  | (23) | |  | (90) | |  |  | (51) | |  |  | (57) | |  | (221) | |  |
|  | Income (loss) from discontinued operations, net of |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | taxes |  |  | — |  |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  | 2 |  |  |  | 6 | |  |  | (20) | |  | (12) | |  |
| **NET INCOME (LOSS)** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 82 | |  |  | (91) | |  |  | (48) | |  | (42) | |  |  | (99) | |  |  | (23) | |  | (88) | |  |  | (45) | |  |  | (77) | |  | (233) | |  |
|  | **ADJUSTMENTS TO NET INCOME (LOSS):** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  | 9 | |  |  | 11 | |  |  | 1 | |  | 10 |  |  |  | 31 |  |  |  | (10) | |  | 11 |  |  |  | — | |  |  | 21 | |  | 22 | |  |
|  | (Gains) losses on early extinguishment of debt, net |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | |  | 20 |  |  |  | — | |  |  | — | |  | 20 | |  |
|  | Tax impact from potential business portfolio changes |  |  | (108) | |  |  | — | |  |  | — | |  | — | |  |  | (108) | |  |  | — | |  | — | |  |  | — | |  |  | — | |  | — | |  |
|  | Expenses related to restructuring, net |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | |  | — | |  |  | 3 | |  |  | — | |  | 3 | |  |
|  | (Income) loss from discontinued operations, net of |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | taxes |  |  | — |  |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  |  | — |  |  | (2) | |  |  | (6) | |  |  | 20 | |  | 12 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING LOSS** |  | $ | (17) | | $ | | (80) | | $ | | (47) | | $ | (32) | | $ | | (176) | | $ | | (33) | | $ | (59) | | $ | | (48) | | $ | | (36) | | $ | (176) | |  |
| *Effective tax rate (operating loss)* | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | |  |  | *-10.5%* | |  |  | *33.0%* | |  | *57.5%* | |  |  | *40.5%* | |  |  | *37.5%* | |  | *8.1%* | |  |  | *35.9%* | |  |  | *28.2%* | |  | *27.4%* | |  |
|  |  | *79.0%* | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | 52 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss)—Corporate and Other Division**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Three months ended December 31, 2014** | | |  | **International** | |  |  |  |  |  |  |  |  |  |  |  |  |
| **Protection Segment** | | | **Runoff Segment** | | | **Corporate and Other**(1) | | |  | **Total** | | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | 172 |  | $ | — | | $ | — | |  | $ 172 | |  |  |  |
|  | Net investment income | |  | 22 |  |  | 32 |  |  | 2 |  |  |  | 56 |  |  |  |
|  | Net investment gains (losses) | |  | (1) | |  | (23) | |  | 6 |  |  |  | (18) | |  |  |
|  | Insurance and investment product fees and other | |  | — | |  | 51 |  |  | 2 |  |  |  | 53 |  |  |  |
|  | Total revenues | |  | 193 |  |  | 60 |  |  | 10 |  |  |  | 263 |  |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  | 48 |  |  | 10 |  |  | — | |  |  | 58 |  |  |  |
|  | Interest credited | |  | — | |  | 31 |  |  | — | |  |  | 31 |  |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  | 110 |  |  | 22 |  |  | 4 |  |  |  | 136 |  |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  | 28 |  |  | 13 |  |  | 1 |  |  |  | 42 |  |  |  |
|  | Interest expense | |  | 12 |  |  | — | |  | 76 |  |  |  | 88 |  |  |  |
|  | Total benefits and expenses | |  | 198 |  |  | 76 |  |  | 81 |  |  |  | 355 |  |  |  |
| **LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | | |  | (5) | |  | (16) | |  | (71) | |  |  | (92) | |  |  |
|  | Benefit for income taxes | |  | (109) | |  | (19) | |  | (46) | |  |  | (174) | |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 104 |  |  | 3 |  |  | (25) | |  |  | 82 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET INCOME (LOSS)** | |  | 104 |  |  | 3 |  |  | (25) | |  |  | 82 |  |  |  |
| **ADJUSTMENTS TO NET INCOME (LOSS):** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  | — | |  | 13 |  |  | (4) | |  |  | 9 |  |  |  |
|  | Tax impact from potential business portfolio changes | |  | (108) | |  | — | |  | — | |  |  | (108) | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME (LOSS)** | | $ | (4) | | $ | 16 |  | $ | (29) | |  | $ | (17) | |  |  |
| *Effective tax rate (operating income (loss))* | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *21.7%* | |  | *NM(2)* | |  | *61.7%* | |  |  |  | |  |  |
|  |  |  |  |  | *79.0%* | |  |  |
| **Three months ended December 31, 2013** | | |  | **International** | |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Protection Segment** | | | **Runoff Segment** | | | **Corporate and Other**(1) | | |  | **Total** | | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | 158 |  | $ | 1 |  | $ | — | |  | $ 159 | |  |  |  |
|  | Net investment income | |  | 29 |  |  | 38 |  |  | — | |  |  | 67 |  |  |  |
|  | Net investment gains (losses) | |  | 4 |  |  | 24 |  |  | (9) | |  |  | 19 |  |  |  |
|  | Insurance and investment product fees and other | |  | 1 |  |  | 54 |  |  | — |  |  |  | 55 |  |  |  |
|  | Total revenues | |  | 192 |  |  | 117 |  |  | (9) | |  |  | 300 |  |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  | 39 |  |  | 9 |  |  | — | |  |  | 48 |  |  |  |
|  | Interest credited | |  | — | |  | 30 |  |  | — | |  |  | 30 |  |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  | 107 |  |  | 21 |  |  | 7 |  |  |  | 135 |  |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  | 27 |  |  | 9 |  |  | (1) | |  |  | 35 |  |  |  |
|  | Interest expense | |  | 8 |  |  | 1 |  |  | 80 |  |  |  | 89 |  |  |  |
|  | Total benefits and expenses | |  | 181 |  |  | 70 |  |  | 86 |  |  |  | 337 |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | | |  | 11 |  |  | 47 |  |  | (95) | |  |  | (37) | |  |  |
|  | Provision (benefit) for income taxes | |  | (5) | |  | 15 |  |  | (24) | |  |  | (14) | |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 16 |  |  | 32 |  |  | (71) | |  |  | (23) | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET INCOME (LOSS)** | |  | 16 |  |  | 32 |  |  | (71) | |  |  | (23) | |  |  |
| **ADJUSTMENT TO NET INCOME (LOSS):** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  | (3) | |  | (13) | |  | 6 |  |  |  | (10) | |  |  |
| **NET OPERATING INCOME (LOSS)** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 13 |  | $ | 19 |  | $ | (65) | |  | $ | (33) | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *Effective tax rate (operating income (loss))* | |  | *-95.6%* | |  | *28.1%* | |  | *24.8%* | |  |  | *37.5%* | |  |  |



(1) Includes inter-segment eliminations and non-core products.

(2) “NM” is defined as not meaningful for percentages greater than 200%.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss)—Corporate and Other Division**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Twelve months ended December 31, 2014** | | |  | **International** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Protection Segment** | | |  | **Runoff Segment** | | |  | **Corporate and Other**(1) | | |  | **Total** | | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | 731 |  | $ | | 3 | | $ | | — | |  | $ | 734 |  |  |  |
|  | Net investment income | |  | 101 |  |  |  | 129 | |  |  | (15) | |  |  | 215 |  |  |  |
|  | Net investment gains (losses) | |  | — | |  |  | (66) | |  |  | 4 | |  |  | (62) | |  |  |
|  | Insurance and investment product fees and other | |  | 5 |  |  |  | 209 | |  |  | (2) | |  |  | 212 |  |  |  |
|  | Total revenues | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 837 |  |  |  | 275 | |  |  | (13) | |  |  | 1,099 |  |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  | 202 |  |  |  | 37 | |  |  | — | |  |  | 239 |  |  |  |
|  | Interest credited | |  | — | |  |  | 119 | |  |  | — | |  |  | 119 |  |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  | 462 |  |  |  | 84 | |  |  | 18 | |  |  | 564 |  |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  | 118 |  |  |  | 39 | |  |  | 3 | |  |  | 160 |  |  |  |
|  | Interest expense | |  | 46 |  |  |  | 1 | |  |  | 314 | |  |  | 361 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses | |  | 828 |  |  |  | 280 | |  |  | 335 | |  |  | 1,443 |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 9 |  |  |  | (5) | |  |  | (348) | |  |  | (344) | |  |  |
|  | Benefit for income taxes | |  | (107) | |  |  | (19) | |  |  | (119) | |  |  | (245) | |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 116 |  |  |  | 14 | |  |  | (229) | |  |  | (99) | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET INCOME (LOSS)** | |  | 116 |  |  |  | 14 | |  |  | (229) | |  |  | (99) | |  |  |
| **ADJUSTMENTS TO NET INCOME (LOSS):** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  | — | |  |  | 34 | |  |  | (3) | |  |  | 31 |  |  |  |
|  | Tax impact from potential business portfolio changes | |  | (108) | |  |  | — | |  |  | — | |  |  | (108) | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME (LOSS)** | | $ | 8 |  |  | $ | 48 | | $ | | (232) | |  | $ (176) | | |  |  |
| *Effective tax rate (operating income (loss))* | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *5.8%* | |  |  | *-1.0%* | |  |  | *34.0%* | |  |  |  | |  |  |
|  |  |  |  |  |  |  | *40.5%* | |  |  |
| **Twelve months ended December 31, 2013** | | |  | **International** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Protection Segment** | | |  | **Runoff Segment** | | |  | **Corporate and Other**(1) | | |  | **Total** | | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | | $ | 636 |  | $ | | 5 | | $ | | — | |  | $ | 641 |  |  |  |
|  | Net investment income | |  | 119 |  |  |  | 139 | |  |  | (1) | |  |  | 257 |  |  |  |
|  | Net investment gains (losses) | |  | 27 |  |  |  | (58) | |  |  | (35) | |  |  | (66) | |  |  |
|  | Insurance and investment product fees and other | |  | 4 |  |  |  | 216 | |  |  | 44 | |  |  | 264 |  |  |  |
|  | Total revenues | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 786 |  |  |  | 302 | |  |  | 8 | |  |  | 1,096 |  |  |  |
|  | **BENEFITS AND EXPENSES:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves | |  | 159 |  |  |  | 32 | |  |  | — | |  |  | 191 |  |  |  |
|  | Interest credited | |  | — | |  |  | 119 | |  |  | — | |  |  | 119 |  |  |  |
|  | Acquisition and operating expenses, net of deferrals | |  | 433 |  |  |  | 81 | |  |  | 102 | |  |  | 616 |  |  |  |
|  | Amortization of deferred acquisition costs and intangibles | |  | 106 |  |  |  | 6 | |  |  | 7 | |  |  | 119 |  |  |  |
|  | Interest expense | |  | 42 |  |  |  | 2 | |  |  | 318 | |  |  | 362 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses | |  | 740 |  |  |  | 240 | |  |  | 427 | |  |  | 1,407 |  |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 46 |  |  |  | 62 | |  |  | (419) | |  |  | (311) | |  |  |
|  | Provision (benefit) for income taxes | |  | 7 |  |  |  | 13 | |  |  | (110) | |  |  | (90) | |  |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 39 |  |  |  | 49 | |  |  | (309) | |  |  | (221) | |  |  |
|  | Income (loss) from discontinued operations, net of taxes | |  | — |  |  |  | — |  |  |  | (12) | |  |  | (12) | |  |  |
| **NET INCOME (LOSS)** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 39 |  |  |  | 49 | |  |  | (321) | |  |  | (233) | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ADJUSTMENTS TO NET INCOME (LOSS):** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net | |  | (18) | |  |  | 17 | |  |  | 23 | |  |  | 22 |  |  |  |
|  | (Gains) losses on early extinguishment of debt, net | |  | — | |  |  | — | |  |  | 20 | |  |  | 20 |  |  |  |
|  | Expenses related to restructuring, net | |  | 3 |  |  |  | — | |  |  | — | |  |  | 3 |  |  |  |
|  | (Income) loss from discontinued operations, net of taxes | |  | — |  |  |  | — |  |  |  | 12 | |  |  | 12 |  |  |  |
| **NET OPERATING INCOME (LOSS)** | | |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |
| $ | 24 |  |  | $ | 66 | | $ | | (266) | |  | $ (176) | | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | *Effective tax rate (operating income (loss))* | |  | *-5.1%* | |  |  | *25.5%* | |  |  | *24.9%* | |  |  | *27.4%* | |  |  |



(1) Includes inter-segment eliminations and non-core products.

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**International Protection Segment**

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss) and Sales—International Protection Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **2014** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | | **2Q** | | |  |  | **1Q** | |  | **Total** | | |  |  | **4Q** | |  | **3Q** | |  |  | **2Q** | |  |  | **1Q** | | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | $ | | 172 |  | $ | | 185 |  | $ | 199 | | $ | | 175 | | $ | | 731 |  |  | $ | 158 |  | $ | 159 | | $ | | 154 | | $ | | 165 |  | $ | 636 | |  |
|  | Net investment income |  |  | 22 |  |  |  | 27 |  |  | 22 | |  |  | 30 | |  |  | 101 |  |  |  | 29 |  |  | 26 | |  |  | 31 | |  |  | 33 |  |  | 119 | |  |
|  | Net investment gains (losses) |  |  | (1) | |  |  | — | |  | — | |  |  | 1 | |  |  | — | | |  | 4 |  |  | 1 | |  |  | 16 | |  |  | 6 |  |  | 27 | |  |
|  | Insurance and investment product fees and other |  |  | — | |  |  | 2 |  |  | 2 | |  |  | 1 | |  |  | 5 |  |  |  | 1 |  |  | 1 | |  |  | 1 | |  |  | 1 |  |  | 4 | |  |
|  | Total revenues |  |  | 193 |  |  |  | 214 |  |  | 223 |  |  |  | 207 |  |  |  | 837 |  |  |  | 192 |  |  | 187 |  |  |  | 202 |  |  |  | 205 |  |  | 786 |  |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 48 |  |  |  | 52 |  |  | 56 | |  |  | 46 | |  |  | 202 |  |  |  | 39 |  |  | 40 | |  |  | 41 | |  |  | 39 |  |  | 159 | |  |
|  | Interest credited |  |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | | |  | — | |  | — | |  |  | — | |  |  | — | |  | — | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  | 110 | |  |  | 117 | |  | 126 | |  |  | 109 | |  |  | 462 |  |  |  | 107 |  |  | 106 | |  |  | 110 | |  |  | 110 | |  | 433 | |  |
|  | Amortization of deferred acquisition costs and intangibles |  |  | 28 |  |  |  | 30 |  |  | 30 | |  |  | 30 | |  |  | 118 | |  |  | 27 |  |  | 25 | |  |  | 26 | |  |  | 28 |  |  | 106 | |  |
|  | Interest expense |  |  | 12 |  |  |  | 10 |  |  | 9 |  |  |  | 15 | |  |  | 46 |  |  |  | 8 |  |  | 9 | |  |  | 11 | |  |  | 14 |  |  | 42 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses |  |  | 198 |  |  |  | 209 |  |  | 221 |  |  |  | 200 | |  |  | 828 |  |  |  | 181 |  |  | 180 | |  |  | 188 | |  |  | 191 |  |  | 740 | |  |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | (5) | |  |  | 5 |  |  | 2 |  |  | 7 |  |  | 9 |  |  |  | 11 |  | 7 |  |  | 14 |  |  | 14 |  |  | 46 |  |
|  | Provision (benefit) for income taxes |  |  | (109) | |  |  | 3 |  |  | — | |  |  | (1) | |  |  | (107) | |  |  | (5) | |  | 3 | |  |  | 5 | |  |  | 4 |  |  | 7 | |  |
| **INCOME FROM CONTINUING OPERATIONS** | |  |  | 104 |  |  |  | 2 |  |  | 2 |  |  |  | 8 |  |  |  | 116 |  |  |  | 16 |  |  | 4 |  |  |  | 9 |  |  |  | 10 |  |  | 39 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ADJUSTMENTS TO INCOME FROM CONTINUING OPERATIONS:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  | — | |  |  | 1 |  |  | — | |  |  | (1) | |  |  | — | | |  | (3) | |  | — | |  |  | (11) | |  |  | (4) | |  | (18) | |  |
|  | Tax impact from potential business portfolio changes |  |  | (108) | |  |  | — | |  | — | |  |  | — | |  |  | (108) | |  |  | — | |  | — | |  |  | — | |  |  | — | |  | — | |  |
|  | Expenses related to restructuring, net |  |  | — |  |  |  | — |  |  | — |  |  |  | — |  |  |  | — |  | |  | — |  |  | — |  |  |  | 3 | |  |  | — | |  | 3 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME (LOSS)**(1) |  | $ | (4) | | $ | | 3 |  | $ | 2 | | $ | | 7 | | $ | | 8 |  |  | $ | 13 |  | $ | 4 | | $ | | 1 | | $ | | 6 |  | $ | 24 | |  |
|  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  | |  |  |  | |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  | |  |  |  | |  |  |  | |  |  | |  |
| *Effective tax rate (operating income (loss))* | |  |  | *21.7%* | |  |  | *47.7%* | |  | *6.8%* | |  |  | *-22.3%* | |  |  | *5.8%* | |  |  | *-95.6%* | |  | *36.7%* | |  |  | *38.7%* | |  |  | *26.1%* | |  | *-5.1%* | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net Premiums Written** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Northern Europe | $ | | 85 |  | $ | | 94 |  | $ | 104 | | $ | | 115 | | $ | | 398 |  |  | $ | 104 |  | $ | 113 | | $ | | 106 | | $ | | 106 |  | $ | 429 | |  |
|  | Southern Europe |  |  | 71 |  |  |  | 76 |  |  | 86 | |  |  | 108 | |  |  | 341 |  |  |  | 72 |  |  | 71 | |  |  | 74 | |  |  | 78 |  |  | 295 | |  |
|  | Structured Deals(2) |  |  | 8 |  |  |  | 5 |  |  | — | |  |  | 1 | |  |  | 14 |  |  |  | 7 |  |  | 8 | |  |  | (10) | |  |  | 28 |  |  | 33 | |  |
|  | New Markets |  |  | 8 |  |  |  | 7 |  |  | 15 | |  |  | 11 | |  |  | 41 |  |  |  | 9 |  |  | 9 | |  |  | 14 | |  |  | 21 |  |  | 53 | |  |
| **Pre-Deposit Accounting Basis**(3) | |  |  | 172 |  |  |  | 182 |  |  | 205 |  |  |  | 235 |  |  |  | 794 |  |  |  | 192 |  |  | 201 |  |  |  | 184 |  |  |  | 233 |  |  | 810 |  |  |
|  | Deposit Accounting Adjustments |  |  | 23 |  |  |  | 17 |  |  | 6 | |  |  | 39 | |  |  | 85 |  |  |  | 40 |  |  | 47 | |  |  | 35 | |  |  | 80 |  |  | 202 | |  |
| **Total**(4) | |  | $ | 149 |  |  | $ | 165 |  | $ | 199 |  |  | $ | 196 |  |  | $ | 709 |  |  | $ | 152 |  | $ | 154 |  |  | $ | 149 |  |  | $ | 153 |  | $ | 608 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Loss Ratio** |  |  | 28% | |  |  | 28% | |  | 28% | |  |  | 26% | |  |  | 28% | |  |  | 25% | |  | 25% | |  |  | 26% | |  |  | 24% | |  | 25% | |  |

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. Net operating income (loss) adjusted for foreign exchange as compared to the prior year period for the International Protection segment was $(3) million and $9 million for the three and twelve months ended December 31, 2014, respectively.
2. Structured deals represent in-force blocks of business acquired through reinsurance arrangements and ongoing reciprocal arrangements in place with certain clients.
3. This business has reinsurance agreements that do not qualify for risk transfer under GAAP. This analysis shows the net premiums written activity as if these reinsurance agreements, except for the reciprocal arrangements, were accounted for as reinsurance accounting (“pre-deposit accounting basis”) and not as deposit accounting. While this is a non-GAAP measure, management believes that “net premiums written on a pre-deposit accounting basis” represent an economic view of written premiums and enhances the understanding of the underlying performance of the business. However, net premiums written on a pre-deposit accounting basis is not a substitute for net premiums written determined in accordance with GAAP.
4. Net premiums written adjusted for foreign exchange as compared to the prior year period for the International Protection segment were $159 million and $701 million for the three and twelve months ended December 31, 2014, respectively.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Loss) (Pre-Deposit Accounting Basis)—International Protection Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **4Q 2014** | |  |  |  |  |  |  |  |  |  | **3Q 2014** | |  |  |  |  |  |  |  |  | **2Q 2014** | |  |  |  |  |  |  |  |  |  |  | **1Q 2014** | |  |  |  |  |  |  |  |  |  | **Total 2014** | |  |  |  |  |
| **Pre-** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  |  |  |  |  |  |  | **Deposit** | |  | **Pre-Deposit** | | |  |  |  |  |  | **Deposit** | | **Pre-Deposit** | | |  |  |  |  |  | **Deposit** | |  |  | **Deposit** | |  |  |  |  |  |  | **Deposit** | |  | **Pre-Deposit** | | |  |  |  |  |  | **Deposit** | | **Pre-Deposit** | | |  |
|  |  |  |  |  |  | **Accounting** | | |  | **Accounting** | | |  |  |  |  | **Accounting** | | | **Accounting** | | |  |  |  |  | **Accounting** | | |  | **Accounting** | | |  |  |  |  |  | **Accounting** | | |  | **Accounting** | | |  |  |  |  | **Accounting** | | | **Accounting** | | |  |
|  |  | **Reported** | | |  | **Adjustments** | | |  |  | **Basis** | | **Reported** | | |  | **Adjustments** | | |  | **Basis** | | **Reported** | | | | **Adjustments** | | |  |  | **Basis** | | **Reported** | | | |  | **Adjustments** | | |  |  | **Basis** | | **Reported** | | |  | **Adjustments** | | |  | **Basis** | |  |
|  | **REVENUES:** |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
|  | Premiums | $ | 172 | | $ | | 30 | | $ | | 202 | | $ | 185 | | $ | | 34 | | $ | 219 | | $ | | 199 | | $ | 41 |  | $ | | 240 | | $ | | 175 | | $ | | 43 | | $ | | 218 | | $ | 731 | | $ | | 148 | | $ | 879 | |  |
|  | Net investment income |  | 22 |  |  |  | (7) | |  |  | 15 | |  | 27 |  |  |  | (10) | |  | 17 | |  |  | 22 | |  | (7) | |  |  | 15 |  |  |  | 30 | |  |  | (10) | |  |  | 20 | |  | 101 | |  |  | (34) | |  | 67 | |  |
|  | Net investment gains (losses) |  | (1) | |  |  | — | |  |  | (1) | |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |  | 1 | |  |  | — | |  |  | 1 | |  | — | |  |  | — | |  | — | |  |
| Insurance and investment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | product fees and other |  | — | |  |  | — | |  |  | — | |  | 2 | |  |  | — | |  | 2 | |  |  | 2 | |  | — | |  |  | 2 | |  |  | 1 | |  |  | — | |  |  | 1 | |  | 5 | |  |  | — | |  | 5 | |  |
| Total revenues | | 193 | |  | | 23 | |  | | 216 | |  | 214 | |  | | 24 | |  | 238 | |  | | 223 | |  | 34 | |  | | 257 | |  | | 207 | |  | | 33 | |  | | 240 | |  | 837 | |  | | 114 | |  | 951 | |  |  |
| **BENEFITS AND** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **EXPENSES:** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Benefits and other changes in | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | policy reserves |  | 48 |  |  |  | 14 | |  |  | 62 | |  | 52 |  |  |  | 9 | |  | 61 | |  |  | 56 | |  | 20 |  |  |  | 76 |  |  |  | 46 | |  |  | 20 | |  |  | 66 | |  | 202 | |  |  | 63 | |  | 265 | |  |
|  | Interest credited |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |
| Acquisition and operating | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | expenses, net of deferrals |  | 110 | |  |  | 8 | |  |  | 118 | |  | 117 | |  |  | 9 | |  | 126 | |  |  | 126 | |  | 8 | |  |  | 134 | |  |  | 109 | |  |  | 9 | |  |  | 118 | |  | 462 | |  |  | 34 | |  | 496 | |  |
| Amortization of deferred | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| acquisition costs and | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | intangibles |  | 28 |  |  |  | 7 | |  |  | 35 | |  | 30 |  |  |  | 8 | |  | 38 | |  |  | 30 | |  | 9 | |  |  | 39 |  |  |  | 30 | |  |  | 10 | |  |  | 40 | |  | 118 | |  |  | 34 | |  | 152 | |  |
|  | Interest expense |  | 12 |  |  |  | (6) | |  |  | 6 | |  | 10 |  |  |  | (2) | |  | 8 | |  |  | 9 | |  | (3) | |  |  | 6 | |  |  | 15 | |  |  | (6) | |  |  | 9 | |  | 46 |  |  |  | (17) | |  | 29 | |  |
| Total benefits and | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
|  | expenses |  | 198 | |  |  | 23 | |  |  | 221 | |  | 209 | |  |  | 24 | |  | 233 | |  |  | 221 | |  | 34 |  |  |  | 255 | |  |  | 200 | |  |  | 33 | |  |  | 233 | |  | 828 | |  |  | 114 | |  | 942 | |  |
| **INCOME (LOSS) FROM** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **CONTINUING** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **OPERATIONS BEFORE** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | **INCOME TAXES** |  | (5) | |  |  | — | |  |  | (5) | |  | 5 | |  |  | — | |  | 5 | |  |  | 2 | |  | — | |  |  | 2 | |  |  | 7 | |  |  | — | |  |  | 7 | |  | 9 | |  |  | — | |  | 9 | |  |
| Provision (benefit) for | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | income taxes |  | (109) | |  |  | — | |  |  | (109) | |  | 3 | |  |  | — | |  | 3 | |  |  | — | |  | — | |  |  | — | |  |  | (1) | |  |  | — | |  |  | (1) | |  | (107) | |  |  | — | |  | (107) | |  |
| **INCOME (LOSS) FROM** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **CONTINUING** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | **OPERATIONS** |  | 104 | |  |  | — | |  |  | 104 | |  | 2 | |  |  | — | |  | 2 | |  |  | 2 | |  | — | |  |  | 2 | |  |  | 8 | |  |  | — | |  |  | 8 | |  | 116 | |  |  | **—** | |  | 116 | |  |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **ADJUSTMENTS TO** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **INCOME (LOSS) FROM** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **CONTINUING** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **OPERATIONS:** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Net investment (gains) losses, | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | net |  | — | |  |  | — | |  |  | — | |  | 1 | |  |  | — | |  | 1 | |  |  | — | |  | — | |  |  | — | |  |  | (1) | |  |  | — | |  |  | (1) | |  | — | |  |  | — | |  | — | |  |
| Tax impact from potential | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | business portfolio changes |  | (108) | |  |  | — | |  |  | (108) | |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  | (108) | |  |  | — | |  | (108) | |  |
| **NET OPERATING** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **INCOME (LOSS)**(1) | $ | (4) | | $ | | — | | $ | | (4) | | $ | 3 | | $ | | — | | $ | 3 | | $ | | 2 | | $ | — | | $ | | 2 | | $ | | 7 | | $ | | — | | $ | | 7 | | $ | 8 | | $ | | — | | $ | 8 | |  |
|  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
| *Effective tax rate (operating* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | *income (loss))* |  | *21.7%* | |  |  |  |  |  |  | *21.7%* | |  | *47.7%* | |  |  |  |  |  | *47.7%* | |  |  | *6.8%* | |  |  |  |  |  | *6.8%* | |  |  | *-22.3%* | |  |  |  |  |  |  | *-22.3%* | |  | *5.8%* | |  |  |  |  |  | *5.8%* | |  |
| **Other Metrics:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | $ | 172 | | $ | | 30 | | $ | | 202 | | $ | 185 | | $ | | 34 | | $ | 219 | | $ | | 199 | | $ | 41 |  | $ | | 240 | | $ | | 175 | | $ | | 43 | | $ | | 218 | | $ | 731 | | $ | | 148 | | $ | 879 | |  |
| Benefits and other changes in | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | policy reserves |  | 48 |  |  |  | 14 | |  |  | 62 | |  | 52 |  |  |  | 9 | |  | 61 | |  |  | 56 | |  | 20 |  |  |  | 76 |  |  |  | 46 | |  |  | 20 | |  |  | 66 | |  | 202 | |  |  | 63 | |  | 265 | |  |
|  | Commissions(2) |  | 80 |  |  |  | 5 | |  |  | 85 | |  | 87 |  |  |  | 6 | |  | 93 | |  |  | 96 | |  | 8 | |  |  | 104 | |  |  | 81 | |  |  | 9 | |  |  | 90 | |  | 344 | |  |  | 28 | |  | 372 | |  |
| Margin before profit | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
|  | sharing |  | 44 |  |  |  | 11 | |  |  | 55 | |  | 46 |  |  |  | 19 | |  | 65 | |  |  | 47 | |  | 13 |  |  |  | 60 |  |  |  | 48 | |  |  | 14 | |  |  | 62 | |  | 185 | |  |  | 57 | |  | 242 | |  |
|  | Profit share(2) |  | 18 |  |  |  | 10 | |  |  | 28 | |  | 22 |  |  |  | 10 | |  | 32 | |  |  | 18 | |  | 10 |  |  |  | 28 |  |  |  | 19 | |  |  | 9 | |  |  | 28 | |  | 77 |  |  |  | 39 | |  | 116 | |  |
| Underwriting profit(3) | | $ | 26 |  |  | $ | 1 |  |  | $ | 27 |  | $ | 24 |  |  | $ | 9 |  | $ | 33 |  |  | $ | 29 |  | $ | 3 |  |  | $ | 32 |  |  | $ | 29 |  |  | $ | 5 |  |  | $ | 34 |  | $ | 108 |  |  | $ | 18 |  | $ | 126 |  |  |
|  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **Loss Ratio** |  | 28% | |  |  |  |  |  |  | 31% | |  | 28% | |  |  |  |  |  | 28% | |  |  | 28% | |  |  |  |  |  | 32% | |  |  | 26% | |  |  |  |  |  |  | 30% | |  | 28% | |  |  |  |  |  | 30% | |  |
| **Underwriting Margin**(3) | |  | 15% | |  |  |  |  |  |  | 13% | |  | 13% | |  |  |  |  |  | 15% | |  |  | 15% | |  |  |  |  |  | 13% | |  |  | 17% | |  |  |  |  |  |  | 16% | |  | 15% | |  |  |  |  |  | 14% | |  |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **Combined Ratio**(4) |  | 108% | |  |  |  |  |  |  | 106% | |  | 108% | |  |  |  |  |  | 103% | |  |  | 107% | |  |  |  |  |  | 104% | |  |  | 106% | |  |  |  |  |  |  | 103% | |  | 107% | |  |  |  |  |  | 104% | |  |

This page is provided as supplemental analysis related to the lifestyle protection insurance business. This business has reinsurance agreements that do not qualify for risk transfer under GAAP. This analysis shows the income statement activity as if these reinsurance agreements, except for the reciprocal arrangements, were accounted for as reinsurance accounting (“pre-deposit accounting basis”) and not as deposit accounting. There is no impact on net income (loss) available to Genworth Financial, Inc.’s common stockholders or to segment net operating income (loss). While “pre-deposit accounting basis” is a non-GAAP measure, management believes that it represents an economic view of the underlying performance of the business. However, pre-deposit accounting basis is not a substitute for income statement activity determined in accordance with GAAP.

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



1. Net operating income (loss) adjusted for foreign exchange as compared to the prior year period for the International Protection segment was $(3) million and $9 million for the three and twelve months ended December 31, 2014, respectively.
2. Commissions include commissions which are included above in acquisition and operating expenses, net of deferrals, and amortization of DAC.
3. The underwriting margin is calculated as underwriting profit divided by net earned premiums.
4. The combined ratio is calculated as benefits and other changes in policy reserves, commissions (including amortization of DAC), profit share and other operating expenses divided by net earned premiums.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income (Pre-Deposit Accounting Basis)—International Protection Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | **4Q 2013** | |  |  |  |  |  |  |  |  |  | **3Q 2013** | |  |  |  |  |  |  |  |  | **2Q 2013** | |  |  |  |  |  |  |  |  |  | **1Q 2013** | |  |  |  |  |  |  |  |  |  | **Total 2013** | |  |  |  |  |
|  |  |  |  |  |  |  |  | **Deposit** | |  | **Pre-Deposit** | |  |  |  |  |  |  | **Deposit** | | **Pre-Deposit** | |  |  |  |  |  |  | **Deposit** | | **Pre-Deposit** | |  |  |  |  |  |  |  | **Deposit** | |  | **Pre-Deposit** | |  |  |  |  |  |  | **Deposit** | | **Pre-Deposit** | |  |  |
|  |  |  |  |  |  |  | **Accounting** | | |  | **Accounting** | | |  |  |  |  | **Accounting** | | | **Accounting** | | |  |  |  |  | **Accounting** | | | **Accounting** | | |  |  |  |  |  | **Accounting** | | |  | **Accounting** | | |  |  |  |  | **Accounting** | | | **Accounting** | | |  |
|  |  | **Reported** | | | |  | **Adjustments** | | |  |  | **Basis** | | **Reported** | | |  | **Adjustments** | | |  | **Basis** | | **Reported** | | | | **Adjustments** | | |  | **Basis** | | **Reported** | | | |  | **Adjustments** | | |  |  | **Basis** | | **Reported** | | |  | **Adjustments** | | |  | **Basis** | |  |
|  | **REVENUES:** | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
|  | Premiums | $ | | 158 | | $ | | 43 | | $ | | 201 | | $ | 159 | | $ | | 47 | | $ | 206 | | $ | | 154 | | $ | 52 |  | $ | 206 | | $ | | 165 | | $ | | 62 | | $ | | 227 | | $ | 636 | | $ | | 204 | | $ | 840 | |  |
|  | Net investment income |  |  | 29 | |  |  | (8) | |  |  | 21 | |  | 26 |  |  |  | (6) | |  | 20 | |  |  | 31 | |  | (9) | |  | 22 |  |  |  | 33 | |  |  | (11) | |  |  | 22 | |  | 119 | |  |  | (34) | |  | 85 | |  |
|  | Net investment gains (losses) |  |  | 4 | |  |  | — | |  |  | 4 | |  | 1 | |  |  | — | |  | 1 | |  |  | 16 | |  | — | |  | 16 |  |  |  | 6 | |  |  | — | |  |  | 6 | |  | 27 |  |  |  | — | |  | 27 | |  |
| Insurance and investment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | product fees and other |  |  | 1 | |  |  | — | |  |  | 1 | |  | 1 | |  |  | — | |  | 1 | |  |  | 1 | |  | — | |  | 1 | |  |  | 1 | |  |  | — | |  |  | 1 | |  | 4 | |  |  | — | |  | 4 | |  |
| Total revenues | | | 192 | |  | | 35 | |  | | 227 | |  | 187 | |  | | 41 | |  | 228 | |  | | 202 | |  | 43 | |  | 245 | |  | | 205 | |  | | 51 | |  | | 256 | |  | 786 | |  | | 170 | |  | 956 | |  |  |
| **BENEFITS AND** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **EXPENSES:** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Benefits and other changes in | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | policy reserves |  |  | 39 | |  |  | 15 | |  |  | 54 | |  | 40 |  |  |  | 22 | |  | 62 | |  |  | 41 | |  | 21 |  |  | 62 |  |  |  | 39 | |  |  | 33 | |  |  | 72 | |  | 159 | |  |  | 91 | |  | 250 | |  |
|  | Interest credited |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  | — | |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |
| Acquisition and operating | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | expenses, net of deferrals |  |  | 107 | |  |  | 11 | |  |  | 118 | |  | 106 | |  |  | 6 | |  | 112 | |  |  | 110 | |  | 13 |  |  | 123 | |  |  | 110 | |  |  | 9 | |  |  | 119 | |  | 433 | |  |  | 39 | |  | 472 | |  |
| Amortization of deferred | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| acquisition costs and | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | intangibles |  |  | 27 | |  |  | 8 | |  |  | 35 | |  | 25 |  |  |  | 13 | |  | 38 | |  |  | 26 | |  | 11 | |  | 37 |  |  |  | 28 | |  |  | 14 | |  |  | 42 | |  | 106 | |  |  | 46 | |  | 152 | |  |
|  | Interest expense |  |  | 8 | |  |  | 1 | |  |  | 9 | |  | 9 | |  |  | — | |  | 9 | |  |  | 11 | |  | (2) | |  | 9 | |  |  | 14 | |  |  | (5) | |  |  | 9 | |  | 42 |  |  |  | (6) | |  | 36 | |  |
| Total benefits and | | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
|  | expenses |  |  | 181 | |  |  | 35 | |  |  | 216 | |  | 180 | |  |  | 41 | |  | 221 | |  |  | 188 | |  | 43 |  |  | 231 | |  |  | 191 | |  |  | 51 | |  |  | 242 | |  | 740 | |  |  | 170 | |  | 910 | |  |
| **INCOME FROM** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **CONTINUING** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **OPERATIONS BEFORE** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | **INCOME TAXES** |  |  | 11 | |  |  | — | |  |  | 11 | |  | 7 | |  |  | — | |  | 7 | |  |  | 14 | |  | — | |  | 14 |  |  |  | 14 | |  |  | — | |  |  | 14 | |  | 46 |  |  |  | — | |  | 46 | |  |
| Provision (benefit) for | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | income taxes |  |  | (5) | |  |  | — | |  |  | (5) | |  | 3 | |  |  | — | |  | 3 | |  |  | 5 | |  | — | |  | 5 | |  |  | 4 | |  |  | — | |  |  | 4 | |  | 7 | |  |  | — | |  | 7 | |  |
| **INCOME FROM** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **CONTINUING** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | **OPERATIONS** |  |  | 16 | |  |  | — | |  |  | 16 | |  | 4 | |  |  | — | |  | 4 | |  |  | 9 | |  | — | |  | 9 | |  |  | 10 | |  |  | — | |  |  | 10 | |  | 39 |  |  |  | — | |  | 39 | |  |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **ADJUSTMENTS TO** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **INCOME FROM** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **CONTINUING** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **OPERATIONS:** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Net investment (gains) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | losses, net |  |  | (3) | |  |  | — | |  |  | (3) | |  | — | |  |  | — | |  | — | |  |  | (11) | |  | — | |  | (11) | |  |  | (4) | |  |  | — | |  |  | (4) | |  | (18) | |  |  | — | |  | (18) | |  |
| Expenses related to | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | restructuring, net |  |  | — | |  |  | — | |  |  | — | |  | — | |  |  | — | |  | — | |  |  | 3 | |  | — | |  | 3 | |  |  | — | |  |  | — | |  |  | — | |  | 3 | |  |  | — | |  | 3 | |  |
| **NET OPERATING** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **INCOME** | $ | | 13 | | $ | | — | | $ | | 13 | | $ | 4 | | $ | | — | | $ | 4 | | $ | | 1 | | $ | — | | $ | 1 | | $ | | 6 | | $ | | — | | $ | | 6 | | $ | 24 |  | $ | | — | | $ | 24 | |  |
|  | | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
| *Effective tax rate (operating* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | *income)* |  |  | *-95.6%* | |  |  |  |  |  |  | *-95.6%* | |  | *36.7%* | |  |  |  |  |  | *36.7%* | |  |  | *38.7%* | |  |  |  |  | *38.7%* | |  |  | *26.1%* | |  |  |  |  |  |  | *26.1%* | |  | *-5.1%* | |  |  |  |  |  | *-5.1%* | |  |
| **Other Metrics:** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums | $ | | 158 | | $ | | 43 | | $ | | 201 | | $ | 159 | | $ | | 47 | | $ | 206 | | $ | | 154 | | $ | 52 |  | $ | 206 | | $ | | 165 | | $ | | 62 | | $ | | 227 | | $ | 636 | | $ | | 204 | | $ | 840 | |  |
| Benefits and other changes in | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | policy reserves |  |  | 39 | |  |  | 15 | |  |  | 54 | |  | 40 |  |  |  | 22 | |  | 62 | |  |  | 41 | |  | 21 |  |  | 62 |  |  |  | 39 | |  |  | 33 | |  |  | 72 | |  | 159 | |  |  | 91 | |  | 250 | |  |
|  | Commissions(1) |  |  | 74 | |  |  | 10 | |  |  | 84 | |  | 75 |  |  |  | 12 | |  | 87 | |  |  | 75 | |  | 11 | |  | 86 |  |  |  | 80 | |  |  | 12 | |  |  | 92 | |  | 304 | |  |  | 45 | |  | 349 | |  |
| Margin before profit | | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
|  | sharing |  |  | 45 | |  |  | 18 | |  |  | 63 | |  | 44 |  |  |  | 13 | |  | 57 | |  |  | 38 | |  | 20 |  |  | 58 |  |  |  | 46 | |  |  | 17 | |  |  | 63 | |  | 173 | |  |  | 68 | |  | 241 | |  |
|  | Profit share(1) |  |  | 20 | |  |  | 10 | |  |  | 30 | |  | 18 |  |  |  | 8 | |  | 26 | |  |  | 18 | |  | 13 |  |  | 31 |  |  |  | 18 | |  |  | 11 | |  |  | 29 | |  | 74 |  |  |  | 42 | |  | 116 | |  |
| Underwriting profit(2) | |  | $ | 25 |  |  | $ | 8 |  |  | $ | 33 |  | $ | 26 |  |  | $ | 5 |  | $ | 31 |  |  | $ | 20 |  | $ | 7 |  | $ | 27 |  |  | $ | 28 |  |  | $ | 6 |  |  | $ | 34 |  | $ | 99 |  |  | $ | 26 |  | $ | 125 |  |  |
|  | | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  | |  | |  |  | |  |  | |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  |  | |  |  |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **Loss Ratio** |  |  | 25% | |  |  |  |  |  |  | 27% | |  | 25% | |  |  |  |  |  | 30% | |  |  | 26% | |  |  |  |  | 30% | |  |  | 24% | |  |  |  |  |  |  | 32% | |  | 25% | |  |  |  |  |  | 30% | |  |
| **Underwriting Margin**(2) | |  |  | 16% | |  |  |  |  |  |  | 16% | |  | 16% | |  |  |  |  |  | 15% | |  |  | 13% | |  |  |  |  | 13% | |  |  | 17% | |  |  |  |  |  |  | 15% | |  | 16% | |  |  |  |  |  | 15% | |  |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| **Combined Ratio**(3) |  |  | 109% | |  |  |  |  |  |  | 103% | |  | 108% | |  |  |  |  |  | 103% | |  |  | 115% | |  |  |  |  | 108% | |  |  | 107% | |  |  |  |  |  |  | 103% | |  | 110% | |  |  |  |  |  | 104% | |  |

This page is provided as supplemental analysis related to the lifestyle protection insurance business. This business has reinsurance agreements that do not qualify for risk transfer under GAAP. This analysis shows the income statement activity as if these reinsurance agreements, except for the reciprocal arrangements, were accounted for as reinsurance accounting (“pre-deposit accounting basis”) and not as deposit accounting. There is no impact on net income available to Genworth Financial, Inc.’s common stockholders or to segment net operating income. While “pre-deposit accounting basis” is a non-GAAP measure, management believes that it represents an economic view of the underlying performance of the business. However, pre-deposit accounting basis is not a substitute for income statement activity determined in accordance with GAAP.

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



1. Commissions include commissions which are included above in acquisition and operating expenses, net of deferrals, and amortization of DAC.
2. The underwriting margin is calculated as underwriting profit divided by net earned premiums.
3. The combined ratio is calculated as benefits and other changes in policy reserves, commissions (including amortization of DAC), profit share and other operating expenses divided by net earned premiums.

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**Runoff Segment**

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Income—Runoff Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  | **1Q** | |  | **Total** | | |  |  | **4Q** | |  |  | **3Q** | |  | **2Q** | |  |  | **1Q** | |  | **Total** | |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums |  | $ | — | | $ | | 1 | | $ | 1 | | $ | 1 | | $ | | 3 | |  | $ | 1 | | $ | | 1 | | $ | 2 | | $ | | 1 | | $ | | 5 | |  |
|  | Net investment income |  |  | 32 | |  |  | 32 | |  | 33 |  |  | 32 | |  |  | 129 | |  |  | 38 |  |  |  | 33 | |  | 34 |  |  |  | 34 | |  |  | 139 | |  |
|  | Net investment gains (losses) |  |  | (23) | |  |  | (33) | |  | 3 | |  | (13) | |  |  | (66) | |  |  | 24 |  |  |  | (14) | |  | (20) | |  |  | (48) | |  |  | (58) | |  |
|  | Insurance and investment product fees and other |  |  | 51 | |  |  | 53 | |  | 52 |  |  | 53 | |  |  | 209 | |  |  | 54 |  |  |  | 53 | |  | 53 |  |  |  | 56 | |  |  | 216 | |  |
|  | Total revenues |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 60 | |  |  | 53 | |  | 89 |  |  | 73 | |  |  | 275 | |  |  | 117 | |  |  | 73 | |  | 69 |  |  |  | 43 | |  |  | 302 | |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  | 10 | |  |  | 13 | |  | 6 | |  | 8 | |  |  | 37 | |  |  | 9 | |  |  | 9 | |  | 10 |  |  |  | 4 | |  |  | 32 | |  |
|  | Interest credited |  |  | 31 | |  |  | 30 | |  | 29 |  |  | 29 | |  |  | 119 | |  |  | 30 |  |  |  | 28 | |  | 29 |  |  |  | 32 | |  |  | 119 | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  | 22 | |  |  | 22 | |  | 20 |  |  | 20 | |  |  | 84 | |  |  | 21 |  |  |  | 18 | |  | 22 |  |  |  | 20 | |  |  | 81 | |  |
|  | Amortization of deferred acquisition costs and |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | intangibles |  |  | 13 | |  |  | 5 | |  | 10 |  |  | 11 | |  |  | 39 | |  |  | 9 | |  |  | 2 | |  | 8 | |  |  | (13) | |  |  | 6 | |  |
|  | Interest expense |  |  | — |  |  |  | — |  |  | 1 |  |  | — |  |  |  | 1 |  |  |  | 1 | |  |  | — | |  | 1 | |  |  | — | |  |  | 2 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses |  |  | 76 | |  |  | 70 | |  | 66 |  |  | 68 | |  |  | 280 | |  |  | 70 |  |  |  | 57 | |  | 70 |  |  |  | 43 | |  |  | 240 | |  |
| **INCOME (LOSS) FROM CONTINUING** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS BEFORE INCOME TAXES** |  |  | (16) | |  |  | (17) | |  | 23 |  |  | 5 | |  |  | (5) | |  |  | 47 |  |  |  | 16 | |  | (1) | |  |  | — | |  |  | 62 | |  |
|  | Provision (benefit) for income taxes |  |  | (19) | |  |  | (5) | |  | 5 | |  | — | |  |  | (19) | |  |  | 15 |  |  |  | (5) | |  | — | |  |  | 3 | |  |  | 13 | |  |
| **INCOME (LOSS) FROM CONTINUING** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **OPERATIONS** |  |  | 3 | |  |  | (12) | |  | 18 |  |  | 5 | |  |  | 14 | |  |  | 32 |  |  |  | 21 | |  | (1) | |  |  | (3) | |  |  | 49 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ADJUSTMENT TO INCOME (LOSS) FROM** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **CONTINUING OPERATIONS:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  | 13 | |  |  | 17 | |  | (3) | |  | 7 | |  |  | 34 | |  |  | (13) | |  |  | 4 | |  | 7 | |  |  | 19 | |  |  | 17 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING INCOME** |  | $ | 16 | | $ | | 5 | | $ | 15 |  | $ | 12 | | $ | | 48 | |  | $ | 19 |  | $ | | 25 | | $ | 6 | | $ | | 16 | | $ | | 66 | |  |
| *Effective tax rate (operating income)* | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | |  |  |  | |  |  | |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  | |  |  |  | |  |  |  | |  |
|  |  | *NM* | *(1)* |  |  | *48.2%* | |  | *16.1%* | |  | *25.1%* | |  |  | *-1.0%* | |  |  | *28.1%* | |  |  | *-6.9%* | |  | *40.9%* | |  |  | *44.8%* | |  |  | *25.5%* | |  |



1. “NM” is defined as not meaningful for percentages greater than 200%.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Selected Operating Performance Measures—Runoff Segment**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  | **2014** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | |  |  | **3Q** | |  |  | **2Q** | |  |  | **1Q** | |  | **Total** | |  |  | **4Q** | |  | **3Q** | |  | **2Q** | | **1Q** | |  | **Total** |  |  |
|  | **Variable Annuities—Income Distribution Series** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Account value, beginning of the period |  | $ | 5,763 | |  | $ | 5,984 | | $ | | 5,990 | | $ | | 6,061 | | $ | 6,061 | |  | $ | 6,044 | | $5,983 | | | $6,202 | | | $6,141 | | $ | 6,141 | |  |
|  | Deposits |  |  | 9 | |  |  | 12 | |  |  | 13 |  |  |  | 16 |  |  | 50 | |  |  | 19 | | 19 | | | 18 | |  | 20 | |  | 76 |  |  |
|  | Surrenders, benefits and product charges |  |  | (208) | |  |  | (204) | |  |  | (210) | |  |  | (198) | |  | (820) | |  |  | (212) | | (186) | | | (183) | | | (173) | |  | (754) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net flows |  |  | (199) | |  |  | (192) | |  |  | (197) | |  |  | (182) | |  | (770) | |  |  | (193) | | (167) | | | (165) | | | (153) | |  | (678) | |  |
|  | Interest credited and investment performance |  |  | 102 | |  |  | (29) | |  |  | 191 | |  |  | 111 |  |  | 375 | |  |  | 210 | | 228 | | | (54) | | | 214 | |  | 598 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Account value, end of the period |  |  | 5,666 | |  |  | 5,763 | |  |  | 5,984 | |  |  | 5,990 | |  | 5,666 | |  |  | 6,061 | | 6,044 | | | 5,983 | | | 6,202 | |  | 6,061 | |  |
| **Traditional Variable Annuities** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Account value, net of reinsurance, beginning of the period |  |  | 1,492 | |  |  | 1,583 | |  |  | 1,598 | |  |  | 1,643 | |  | 1,643 | |  |  | 1,620 | | 1,601 | | | 1,674 | | | 1,662 | |  | 1,662 | |  |
|  | Deposits |  |  | 1 | |  |  | 2 | |  |  | 4 | |  |  | 3 | |  | 10 | |  |  | 4 | | 4 | | | 2 | | | 3 | |  | 13 |  |  |
|  | Surrenders, benefits and product charges |  |  | (70) | |  |  | (81) | |  |  | (80) | |  |  | (78) | |  | (309) | |  |  | (71) | | (67) | | | (80) | | | (81) | |  | (299) | |  |
|  | Net flows |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | (69) | |  |  | (79) | |  |  | (76) | |  |  | (75) | |  | (299) | |  |  | (67) | | (63) | | | (78) | | | (78) | |  | (286) | |  |
|  | Interest credited and investment performance |  |  | 32 | |  |  | (12) | |  |  | 61 |  |  |  | 30 |  |  | 111 | |  |  | 90 | | 82 | | | 5 | | | 90 | |  | 267 | |  |
|  | Account value, net of reinsurance, end of the period |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 1,455 | |  |  | 1,492 | |  |  | 1,583 | |  |  | 1,598 | |  | 1,455 | |  |  | 1,643 | | 1,620 | | | 1,601 | | | 1,674 | |  | 1,643 | |  |
|  | **Variable Life Insurance** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Account value, beginning of the period |  |  | 311 | |  |  | 317 | |  |  | 313 | |  |  | 316 | |  | 316 | |  |  | 302 | | 293 | | | 301 | | | 292 | |  | 292 | |  |
|  | Deposits |  |  | 2 | |  |  | 2 | |  |  | 2 | |  |  | 2 | |  | 8 | |  |  | 3 | | 2 | | | 2 | | | 2 | |  | 9 | |  |
|  | Surrenders, benefits and product charges |  |  | (9) | |  |  | (10) | |  |  | (8) | |  |  | (11) | |  | (38) | |  |  | (9) | | (10) | | | (11) | | | (9) | |  | (39) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net flows |  |  | (7) | |  |  | (8) | |  |  | (6) | |  |  | (9) | |  | (30) | |  |  | (6) | | (8) | | | (9) | | | (7) | |  | (30) | |  |
|  | Interest credited and investment performance |  |  | 9 | |  |  | 2 | |  |  | 10 |  |  |  | 6 | |  | 27 | |  |  | 20 | | 17 | | | 1 | | | 16 | |  | 54 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Account value, end of the period |  |  | 313 | |  |  | 311 | |  |  | 317 | |  |  | 313 | |  | 313 | |  |  | 316 | | 302 | | | 293 | | | 301 | |  | 316 | |  |
| **Total** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 7,434 | |  | $ | 7,566 | | $ | | 7,884 | | $ | | 7,901 | | $ | 7,434 | |  | $ | 8,020 | | $7,966 | | | $7,877 | | | $8,177 | | $ | 8,020 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Guaranteed Investment Contracts, Funding Agreements** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Backing Notes and Funding Agreements** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Account value, beginning of the period |  | $ | 526 | |  | $ | 667 | | $ | | 891 | | $ | | 896 | | $ | 896 | |  | $ | 1,036 | | $1,077 | | | $1,970 | | | $2,153 | | $ | 2,153 | |  |
|  | Surrenders and benefits |  |  | (34) | |  |  | (142) | |  |  | (225) | |  |  | (7) | |  | (408) | |  |  | (142) | | (43) | | | (900) | | | (167) | |  | (1,252) | |  |
|  | Net flows |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | (34) | |  |  | (142) | |  |  | (225) | |  |  | (7) | |  | (408) | |  |  | (142) | | (43) | | | (900) | | | (167) | |  | (1,252) | |  |
|  | Interest credited |  |  | 1 | |  |  | 1 | |  |  | 1 | |  |  | 2 | |  | 5 | |  |  | 2 | | 2 | | | 7 | | | 15 | |  | 26 |  |  |
|  | Foreign currency translation |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  | — |  | |  | — |  |  | — |  |  | — |  | (31) | |  | (31) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Account value, end of the period |  | $ | 493 | |  | $ | 526 | | $ | | 667 | | $ | | 891 | | $ | 493 | |  | $ | 896 | | $1,036 | | | $1,077 | | | $1,970 | | $ | 896 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | 61 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



**Corporate and Other**

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Operating Loss—Corporate and Other**(1)

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **2014** | | |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **4Q** | |  | **3Q** | |  | **2Q** | |  | **1Q** | | **Total** | |  |  | **4Q** | |  | **3Q** | |  | **2Q** | |  | **1Q** | |  | **Total** |  |  |
|  | **REVENUES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Premiums |  |  | $ | — | |  | $ — | | $ | — | | $ | — | | $ — | | | $ | — | | $ | — | | $ | — | | $ | — | | $ — | | |  |
|  | Net investment income |  |  |  | 2 | |  | (9) | |  | 1 | |  | (9) | | (15) | |  |  | — | |  | (6) | |  | 3 | |  | 2 | | (1) | | |  |
|  | Net investment gains (losses) |  |  |  | 6 | |  | 9 | |  | (6) | |  | (5) | | 4 | |  |  | (9) | |  | (11) | |  | (5) | |  | (10) | | (35) | | |  |
|  | Insurance and investment product fees and other |  |  |  | 2 | |  | (3) | |  | (1) | |  | — | | (2) | |  |  | — | |  | 2 | |  | (1) | |  | 43 | | 44 | | |  |
|  | Total revenues |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 10 |  |  | (3) | |  | (6) | |  | (14) | (13) |  | (9) | |  | (15) |  | (3) | |  | 35 | 8 |  |
|  | **BENEFITS AND EXPENSES:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Benefits and other changes in policy reserves |  |  |  | — | |  | — | |  | — | |  | — | | — | | |  | — | |  | — | |  | — | |  | — | |  | — | |  |
|  | Interest credited |  |  |  | — | |  | — | |  | — | |  | — | | — | | |  | — | |  | — | |  | — | |  | — | |  | — | |  |
|  | Acquisition and operating expenses, net of deferrals |  |  |  | 4 | |  | (1) | |  | 9 | |  | 6 | | 18 |  |  |  | 7 | |  | 38 |  |  | 8 | |  | 49 | | 102 | | |  |
|  | Amortization of deferred acquisition costs and intangibles |  |  |  | 1 | |  | 1 | |  | — | |  | 1 | | 3 | |  |  | (1) | |  | 1 | |  | 4 | |  | 3 | | 7 | | |  |
|  | Interest expense |  |  |  | 76 |  |  | 74 | |  | 81 | |  | 83 |  | 314 | |  |  | 80 | |  | 81 |  |  | 77 |  |  | 80 | | 318 | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total benefits and expenses |  |  |  | 81 |  |  | 74 | |  | 90 | |  | 90 |  | 335 | |  |  | 86 | |  | 120 | |  | 89 |  |  | 132 | | 427 | | |  |
| **LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | |  |  |  | (71) |  |  | (77) |  |  | (96) |  |  | (104) |  | (348) |  |  |  | (95) |  |  | (135) |  |  | (92) |  |  | (97) |  |  | (419) |  |  |
|  | Provision (benefit) for income taxes |  |  |  | (46) | |  | 4 | |  | (28) | |  | (49) | | (119) | |  |  | (24) | |  | (20) | |  | (33) | |  | (33) | | (110) | | |  |
| **LOSS FROM CONTINUING OPERATIONS** | |  |  |  | (25) |  |  | (81) |  |  | (68) |  |  | (55) |  | (229) |  |  |  | (71) |  |  | (115) |  |  | (59) |  |  | (64) |  |  | (309) |  |  |
|  | Income (loss) from discontinued operations, net of taxes(2) |  |  |  | — | |  | — | |  | — | |  | — | | — | | |  | — | |  | 2 | |  | 6 | |  | (20) | | (12) | | |  |
| **NET LOSS** | |  |  |  | (25) |  |  | (81) |  |  | (68) |  |  | (55) |  | (229) |  |  |  | (71) |  |  | (113) |  |  | (53) |  |  | (84) |  |  | (321) |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ADJUSTMENTS TO NET LOSS:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net investment (gains) losses, net |  |  |  | (4) | |  | (7) | |  | 4 | |  | 4 | | (3) | |  |  | 6 | |  | 7 | |  | 4 | |  | 6 | | 23 | | |  |
|  | (Gains) losses on early extinguishment of debt, net |  |  |  | — | |  | — | |  | — | |  | — | | — | | |  | — | |  | 20 |  |  | — | |  | — | | 20 | | |  |
|  | (Income) loss from discontinued operations, net of taxes |  |  |  | — |  |  | — |  |  | — |  |  | — |  | — |  | |  | — |  |  | (2) | |  | (6) | |  | 20 | | 12 | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **NET OPERATING LOSS** |  |  | $ | (29) | |  | $ (88) | | $ | (64) | | $ | (51) | | $ (232) | |  | $ | (65) | | $ | (88) | | $ | (55) | | $ | (58) | | $ (266) | | |  |
| *Effective tax rate (operating loss)* | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | |  | *-0.9%* | |  | *28.8%* | |  | *47.8%* | | *34.0%* | |  |  | *24.8%* | |  | *6.3%* | |  | *36.7%* | |  | *33.5%* | | *24.9%* | | |  |
|  |  | *61.7%* | |  |  |  |  |  |  |  |  |  |



1. Includes inter-segment eliminations and non-core products.
2. Operating results associated with discontinued operations related to the wealth management business prior to the sale on August 30, 2013.

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**Additional Financial Data**

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Investments Summary**

**(amounts in millions)**

**Composition of Investment Portfolio**

Fixed maturity securities:

Investment grade:

Public fixed maturity securities

Private fixed maturity securities

Residential mortgage-backed securities(1)

Commercial mortgage-backed securities

Other asset-backed securities

Tax-exempt

Non-investment grade fixed maturity securities

Equity securities:

Common stocks and mutual funds

Preferred stocks

Commercial mortgage loans

Restricted commercial mortgage loans related to securitization entities

Policy loans

Cash, cash equivalents and short-term investments

Securities lending

Other invested assets: Limited partnerships

Derivatives:

Long-term care (LTC) forward starting swap—cash flow

Other cash flow

Fair value

Equity index options—non-qualified

Other non-qualified

Trading portfolio

Counterparty collateral

Restricted other invested assets related to securitization entities

Other

Total invested assets and cash

**Public Fixed Maturity Securities—Credit Quality:**

**NRSRO**(2) **Designation**

AAA

AA

A

BBB

BB

B

CCC and lower

Total public fixed maturity securities

**Private Fixed Maturity Securities—Credit Quality:**

**NRSRO**(2) **Designation**

AAA

AA

A

BBB

BB

B

CCC and lower

Total private fixed maturity securities



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **December 31, 2014** | | | | |  | **September 30, 2014** | | | |  | **June 30, 2014** | | | |  | **March 31, 2014** | | | | **December 31, 2013** | | | | |
|  | **Carrying** | | | **% of** |  |  | **Carrying** | | **% of** |  | **Carrying** | | | **% of** |  |  | **Carrying** | | **% of** |  | **Carrying** | | | **% of** |  |
|  |  | **Amount** |  | **Total** |  |  | **Amount** |  | **Total** |  | **Amount** | |  | **Total** | |  | **Amount** | | **Total** | |  | **Amount** | | **Total** | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 36,684 |  | 47% | | $ | 36,587 | | 48% | | $ | 36,726 | | 48% | | $ | 35,526 | | 48% | | $ | 34,666 | | 48% | |
|  |  | 11,630 |  | 15 | |  | 11,493 | | 15 |  |  | 11,608 | | 15 | |  | 11,125 | | 15 | |  | 10,563 | | 15 | |
|  |  | 5,094 |  | 7 | |  | 5,003 | | 7 |  |  | 5,057 | | 7 | |  | 4,945 | | 7 | |  | 5,069 | | 7 | |
|  |  | 2,491 |  | 3 | |  | 2,517 | | 3 |  |  | 2,630 | | 3 | |  | 2,656 | | 4 | |  | 2,639 | | 4 | |
|  |  | 3,669 |  | 5 | |  | 3,770 | | 5 |  |  | 3,700 | | 5 | |  | 3,343 | | 4 | |  | 3,119 | | 4 | |
|  |  | 361 |  | — | |  | 356 |  | — | |  | 353 |  | — | |  | 317 | | — | |  | 295 |  | — | |
|  |  | 2,518 |  | 3 | |  | 2,591 | | 4 |  |  | 2,286 | | 3 | |  | 2,332 | | 3 | |  | 2,278 | | 3 | |
|  |  | 194 |  | — | |  | 221 |  | — | |  | 227 |  | — | |  | 260 | | — | |  | 258 |  | — | |
|  |  | 88 |  | — | |  | 92 |  | — | |  | 93 |  | — | |  | 89 | | — | |  | 83 |  | — | |
|  |  | 6,100 |  | 8 | |  | 6,077 | | 8 |  |  | 5,986 | | 8 | |  | 5,894 | | 8 | |  | 5,899 | | 8 | |
|  |  | 201 |  | — | |  | 209 |  | — | |  | 217 |  | — | |  | 227 | | — | |  | 233 |  | — | |
|  |  | 1,501 |  | 2 | |  | 1,512 | | 2 |  |  | 1,514 | | 2 | |  | 1,438 | | 2 | |  | 1,434 | | 2 | |
|  |  | 5,218 |  | 7 | |  | 3,655 | | 5 |  |  | 4,220 | | 5 | |  | 4,492 | | 6 | |  | 4,434 | | 6 | |
|  |  | 289 |  | 1 | |  | 339 |  | — | |  | 277 |  | — | |  | 261 | | — | |  | 187 |  | — | |
|  |  | 252 |  | — | |  | 262 |  | — | |  | 263 |  | 1 | |  | 267 | | — | |  | 282 |  | 1 | |
|  |  | 639 |  | 1 | |  | 252 |  | — | |  | 197 |  | — | |  | 137 | | — | |  | 79 |  | — | |
|  |  | 6 |  | — | |  | 10 |  | — | |  | 20 |  | — | |  | 30 | | — | |  | 46 |  | — | |
|  |  | — | | — | |  | — | | — | |  | — | | — | |  | — | | — | |  | 1 |  | — | |
|  |  | 17 |  | — | |  | 11 | | — | |  | 4 |  | — | |  | 11 | | — | |  | 13 |  | — | |
|  |  | 470 |  | — | |  | 391 |  | 1 |  |  | 395 |  | 1 | |  | 352 | | 1 | |  | 332 |  | 1 | |
|  |  | 241 |  | — | |  | 226 |  | — | |  | 226 |  | — | |  | 247 | | — | |  | 239 |  | — | |
|  |  | — | | — | |  | 521 |  | 1 |  |  | 417 |  | 1 | |  | 355 | | 1 | |  | 199 |  | — | |
|  |  | 411 |  | 1 | |  | 404 |  | 1 |  |  | 404 |  | 1 | |  | 398 | | 1 | |  | 391 |  | 1 | |
|  |  | 82 |  | — |  |  | 91 |  | — |  |  | 82 |  | — |  |  | 83 | | — | |  | 88 |  | — | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 78,156 |  | 100% | | $ | 76,590 | | 100% | | $ | 76,902 | | 100% | | $ | 74,785 | | 100% | | $ | 72,827 | | 100% | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 15,743 |  | 34% | | $ | 15,459 | | 33% | | $ | 15,552 | | 33% | | $ | 15,338 | | 34% | | $ | 15,148 | | 34% | |
|  |  | 4,844 |  | 10 | |  | 4,957 | | 11 | |  | 5,056 | | 11 | |  | 4,759 | | 10 | |  | 4,627 | | 11 | |
|  |  | 13,887 |  | 30 | |  | 13,823 | | 30 |  |  | 13,470 | | 29 | |  | 12,920 | | 29 | |  | 12,488 | | 28 | |
|  |  | 10,612 |  | 23 | |  | 10,753 | | 23 |  |  | 11,162 | | 24 | |  | 10,847 | | 24 | |  | 10,720 | | 24 | |
|  |  | 1,362 |  | 3 | |  | 1,388 | | 3 |  |  | 1,232 | | 3 | |  | 1,251 | | 3 | |  | 1,148 | | 3 | |
|  |  | 76 |  | — | |  | 78 |  | — | |  | 82 |  | — | |  | 87 | | — | |  | 132 |  | — | |
|  |  | 112 |  | — |  |  | 113 | | — | |  | 113 | | — | |  | 114 | | — | |  | 112 | | — | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 46,636 |  | 100% | | $ | 46,571 | | 100% | | $ | 46,667 | | 100% | | $ | 45,316 | | 100% | | $ | 44,375 | | 100% | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 1,597 |  | 10% | | $ | 1,585 | | 10% | | $ | 1,636 | | 10% | | $ | 1,554 | | 10% | | $ | 1,483 | | 11% | |
|  |  | 2,104 |  | 14 | |  | 1,902 | | 12 |  |  | 1,800 | | 12 | |  | 1,661 | | 11 | |  | 1,570 | | 11 | |
|  |  | 4,928 |  | 31 | |  | 5,034 | | 32 |  |  | 5,027 | | 32 | |  | 4,593 | | 31 | |  | 4,331 | | 30 | |
|  |  | 6,214 |  | 39 | |  | 6,213 | | 39 |  |  | 6,371 | | 40 | |  | 6,240 | | 42 | |  | 5,984 | | 42 | |
|  |  | 794 |  | 5 | |  | 838 |  | 5 |  |  | 723 |  | 5 | |  | 740 | | 5 | |  | 736 |  | 5 | |
|  |  | 95 |  | 1 | |  | 95 |  | 1 |  |  | 57 |  | — | |  | 57 | | — | |  | 56 |  | — | |
|  |  | 79 |  | — |  |  | 79 |  | 1 |  |  | 79 |  | 1 | |  | 83 | | 1 | |  | 94 |  | 1 | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 15,811 |  | 100% | | $ | 15,746 | | 100% | | $ | 15,693 | | 100% | | $ | 14,928 | | 100% | | $ | 14,254 | | 100% | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



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

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Fixed Maturity Securities Summary**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | **December 31, 2014** | | | | |  |  | **September 30, 2014** | | | | |  |  | **June 30, 2014** | | | | |  | **March 31, 2014** | | | | |  | **December 31, 2013** | | | | |  |
|  |  |  |  |  |  |  | **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 | | | |  | $ | 6,000 | | 10% | | | $ | | 5,642 | | 9% | | | $ | | 5,483 | | 9% | | | $ | 5,214 | | 9% | | | $ | 4,810 | | 8% | | |  |
|  |  | Tax-exempt | | | |  |  | 362 | | 1 | |  |  |  | 356 | | 1 | | |  |  | 353 | | 1 | | |  | 317 | |  | — | |  | 295 | |  | — | |  |
|  |  | Foreign government | | | |  |  | 2,106 | | 3 | |  |  |  | 2,035 | | 3 | | |  |  | 2,132 | | 3 | | |  | 2,153 | | 4 | | |  | 2,146 | | 4 | | |  |
|  |  | U.S. corporate | | | |  |  | 27,200 | | 44 | |  |  |  | 26,956 | | 43 | | |  |  | 26,847 | | 43 | | |  | 26,060 | | 43 | | |  | 25,035 | | 43 | | |  |
|  |  | Foreign corporate | | | |  |  | 15,132 | | 24 | |  |  |  | 15,637 | | 25 | | |  |  | 15,749 | | 25 | | |  | 15,141 | | 25 | | |  | 15,071 | | 26 | | |  |
|  |  | Residential mortgage-backed securities | | | |  |  | 5,240 | | 8 | |  |  |  | 5,155 | | 8 | | |  |  | 5,212 | | 8 | | |  | 5,102 | | 8 | | |  | 5,225 | | 9 | | |  |
|  |  | Commercial mortgage-backed securities | | | |  |  | 2,702 | | 4 | |  |  |  | 2,728 | | 5 | | |  |  | 2,845 | | 5 | | |  | 2,881 | | 5 | | |  | 2,898 | | 5 | | |  |
|  |  | Other asset-backed securities | | | |  |  | 3,705 |  |  | 6 |  |  |  | 3,808 | | 6 | | |  |  | 3,739 | | 6 | | |  | 3,376 | | 6 | | |  | 3,149 | | 5 | | |  |
|  |  |  | Total fixed maturity securities | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 62,447 | 100% | | $ | 62,317 | 100% | | $ | 62,360 | 100% | | $ | 60,244 | 100% | | $ | 58,629 | 100% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Corporate Bond Holdings—Industry Sector:** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Investment Grade: | | |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Finance and insurance | | | |  | $ | 7,687 | | 19% | | | $ | | 7,771 | | 19% | | | $ | | 7,908 | | 19% | | | $ | 7,506 | | 19% | | | $ | 7,382 | | 19% | | |  |
|  |  | Utilities and energy | | | |  |  | 9,931 | | 25 | |  |  |  | 9,901 | | 25 | | |  |  | 9,890 | | 24 | | |  | 9,494 | | 24 | | |  | 9,213 | | 24 | | |  |
|  |  | Consumer—non-cyclical | | | |  |  | 4,773 | | 12 | |  |  |  | 4,778 | | 12 | | |  |  | 4,825 | | 12 | | |  | 4,837 | | 12 | | |  | 4,669 | | 12 | | |  |
|  |  | Consumer—cyclical | | | |  |  | 2,427 | | 6 | |  |  |  | 2,425 | | 6 | | |  |  | 2,408 | | 6 | | |  | 2,337 | | 6 | | |  | 2,282 | | 6 | | |  |
|  |  | Capital goods | | | |  |  | 2,402 | | 6 | |  |  |  | 2,364 | | 6 | | |  |  | 2,402 | | 6 | | |  | 2,335 | | 6 | | |  | 2,238 | | 6 | | |  |
|  |  | Industrial | | | |  |  | 2,906 | | 7 | |  |  |  | 2,948 | | 7 | | |  |  | 2,885 | | 7 | | |  | 2,734 | | 7 | | |  | 2,595 | | 7 | | |  |
|  |  | Technology and communications | | | |  |  | 3,113 | | 8 | |  |  |  | 3,142 | | 8 | | |  |  | 3,066 | | 8 | | |  | 2,978 | | 8 | | |  | 2,867 | | 8 | | |  |
|  |  | Transportation | | | |  |  | 1,687 | | 4 | |  |  |  | 1,729 | | 4 | | |  |  | 1,702 | | 4 | | |  | 1,653 | | 4 | | |  | 1,595 | | 4 | | |  |
|  |  | Other | | | |  |  | 5,347 |  |  | 13 |  |  |  | 5,411 | | 13 | | |  |  | 5,699 | | 14 | | |  | 5,469 | | 14 | | |  | 5,471 | | 14 | | |  |
|  |  |  | Subtotal | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 40,273 | 100% | |  |  | 40,469 | 100% | |  |  | 40,785 | 100% | |  | 39,343 | 100% | |  | 38,312 | 100% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Non-Investment Grade: | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Finance and insurance | | | |  |  | 465 | | 23% | | |  |  | 483 | | 23% | | |  |  | 306 | | 17% | | |  | 332 | | 18% | | |  | 337 | | 19% | | |  |
|  |  | Utilities and energy | | | |  |  | 339 | | 17 | |  |  |  | 389 | | 18 | | |  |  | 338 | | 19 | | |  | 335 | | 18 | | |  | 297 | | 16 | | |  |
|  |  | Consumer—non-cyclical | | | |  |  | 229 | | 11 | | |  |  | 211 | | 10 | | |  |  | 217 | | 12 | | |  | 229 | | 12 | | |  | 194 | | 11 | | |  |
|  |  | Consumer—cyclical | | | |  |  | 83 | | 4 | |  |  |  | 64 | | 3 | | |  |  | 55 | | 3 | | |  | 60 | | 3 | | |  | 71 | | 4 | | |  |
|  |  | Capital goods | | | |  |  | 232 | | 11 | | |  |  | 291 | | 14 | | |  |  | 297 | | 16 | | |  | 291 | | 15 | | |  | 295 | | 16 | | |  |
|  |  | Industrial | | | |  |  | 296 | | 14 | |  |  |  | 265 | | 12 | | |  |  | 252 | | 14 | | |  | 254 | | 14 | | |  | 267 | | 15 | | |  |
|  |  | Technology and communications | | | |  |  | 336 | | 16 | |  |  |  | 358 | | 17 | | |  |  | 318 | | 17 | | |  | 330 | | 18 | | |  | 316 | | 18 | | |  |
|  |  | Transportation | | | |  |  | 19 | | 1 | |  |  |  | 20 | | 1 | | |  |  | 16 | | 1 | | |  | 15 | | 1 | | |  | 5 | |  | — | |  |
|  |  | Other | | | |  |  | 60 |  |  | 3 |  |  |  | 43 | | 2 | | |  |  | 12 | | 1 | | |  | 12 | | 1 | | |  | 12 | | 1 | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | Subtotal | | |  |  | 2,059 |  |  | 100% | |  |  | 2,124 | | 100% | | |  |  | 1,811 | | 100% | | |  | 1,858 | | 100% | | |  | 1,794 | | 100% | | |  |
|  |  |  | Total | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | $ | 42,332 |  |  | 100% | |  | $ | 42,593 |  |  | 100% | |  | $ | 42,596 |  |  | 100% | | $ | 41,201 |  |  | 100% | | $ | 40,106 |  |  | 100% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Fixed Maturity Securities—Contractual Maturity** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | **Dates:** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Due in one year or less | | | |  | $ | 2,326 | | 4% | | | $ | | 2,640 | | 4% | | | $ | | 2,784 | | 4% | | | $ | 3,118 | | 5% | | | $ | 2,974 | | 5% | | |  |
|  |  | Due after one year through five years | | | |  |  | 11,410 | | 19 | |  |  |  | 11,009 | | 18 | | |  |  | 10,701 | | 17 | | |  | 10,257 | | 17 | | |  | 10,187 | | 17 | | |  |
|  |  | Due after five years through ten years | | | |  |  | 12,496 | | 20 | |  |  |  | 13,113 | | 21 | | |  |  | 13,401 | | 22 | | |  | 12,915 | | 21 | | |  | 12,526 | | 22 | | |  |
|  |  | Due after ten years | | | |  |  | 24,568 | | 39 | |  |  |  | 23,864 | | 38 | | |  |  | 23,678 | | 38 | | |  | 22,595 | | 38 | | |  | 21,670 | | 37 | | |  |
|  |  |  | Subtotal | | |  |  | 50,800 |  |  | 82 |  |  |  | 50,626 |  |  | 81 |  |  |  | 50,564 |  |  | 81 |  |  | 48,885 |  |  | 81 |  |  | 47,357 |  |  | 81 |  |  |
|  |  | Mortgage and asset-backed securities | | | |  |  | 11,647 |  |  | 18 |  |  |  | 11,691 | | 19 | | |  |  | 11,796 | | 19 | | |  | 11,359 | | 19 | | |  | 11,272 | | 19 | | |  |
|  |  |  | Total fixed maturity securities | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 62,447 | 100% | | $ | 62,317 | 100% | | $ | 62,360 | 100% | | $ | 60,244 | 100% | | $ | 58,629 | 100% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Commercial Mortgage Loans Summary**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **December 31, 2014** | | | | |  | **September 30, 2014** | | | | |  |  | **June 30, 2014** | | | |  |  | **March 31, 2014** | | | |  | **December 31, 2013** | | | | |  |
|  |  |  |  |  |  |  | **Carrying** | | | **% of** |  |  | **Carrying** | | | **% of** |  |  | **Carrying** | | | **% of** |  |  | **Carrying** | | | **% of** |  |  | **Carrying** | | | **% of** |  |  |
|  |  |  |  |  |  |  | **Amount** | | | **Total** | |  | **Amount** | | | **Total** | |  | **Amount** | | | **Total** | |  | **Amount** | | | **Total** | |  | **Amount** | | | **Total** | |  |
| **Geographic Region** | | | |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | South Atlantic | | | | | $ | | 1,673 | | 27% | | $ | | 1,651 | | 27% | | $ | | 1,565 | | 26% | | $ | | 1,526 | | 26% | | $ | | 1,535 | | 26% | |  |
|  | Pacific | | | | |  |  | 1,636 | | 27 |  |  |  | 1,646 | | 27 |  |  |  | 1,607 | | 27 |  |  |  | 1,601 | | 27 |  |  |  | 1,590 | | 27 | |  |
|  | Middle Atlantic | | | | |  |  | 826 | | 14 |  |  |  | 835 | | 14 |  |  |  | 812 | | 13 |  |  |  | 823 | | 14 |  |  |  | 828 | | 14 | |  |
|  | Mountain | | | | |  |  | 536 | | 9 | |  |  | 531 | | 9 | |  |  | 514 | | 9 | |  |  | 494 | | 8 | |  |  | 478 | | 8 | |  |
|  | East North Central | | | | |  |  | 397 | | 7 | |  |  | 392 | | 6 | |  |  | 409 | | 7 | |  |  | 399 | | 7 | |  |  | 404 | | 7 | |  |
|  | West North Central | | | | |  |  | 382 | | 6 | |  |  | 374 | | 6 | |  |  | 366 | | 6 | |  |  | 370 | | 6 | |  |  | 377 | | 6 | |  |
|  | West South Central | | | | |  |  | 268 | | 4 | |  |  | 267 | | 5 | |  |  | 254 | | 4 | |  |  | 238 | | 4 | |  |  | 241 | | 4 | |  |
|  | New England | | | | |  |  | 264 | | 4 | |  |  | 265 | | 4 | |  |  | 350 | | 6 | |  |  | 335 | | 6 | |  |  | 337 | | 6 | |  |
|  | East South Central | | | | |  |  | 141 |  | 2 | |  |  | 140 | | 2 | |  |  | 136 | | 2 | |  |  | 138 | | 2 | |  |  | 142 | | 2 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Subtotal | | | |  |  | 6,123 |  | 100% | |  |  | 6,101 | | 100% | |  |  | 6,013 | | 100% | |  |  | 5,924 | | 100% | |  |  | 5,932 | | 100% | |  |
|  | Allowance for losses | | | | |  |  | (22) | |  |  |  |  | (24) | |  |  |  |  | (27) | |  |  |  |  | (30) | |  |  |  |  | (33) | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Unamortized fees and costs | | | | |  |  | (1) | |  |  |  |  | — | |  |  |  |  | — | |  |  |  |  | — | |  |  |  |  | — | |  |  |  |
|  |  | Total | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | $ | 6,100 |  |  |  |  | $ | 6,077 | |  |  | $ | | 5,986 | |  |  | $ | | 5,894 | |  |  | $ | | 5,899 | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Property Type** | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Retail | |  | | | $ | | 2,150 | | 35% | | $ | | 2,147 | | 35% | | $ | | 2,162 | | 36% | | $ | | 2,103 | | 36% | | $ | | 2,073 | | 35% | |  |
|  | Office | | | | |  |  | 1,643 | | 27 |  |  |  | 1,642 | | 27 |  |  |  | 1,533 | | 26 |  |  |  | 1,509 | | 25 |  |  |  | 1,558 | | 26 | |  |
|  | Industrial | | | | |  |  | 1,597 | | 26 |  |  |  | 1,606 | | 26 |  |  |  | 1,585 | | 26 |  |  |  | 1,580 | | 27 |  |  |  | 1,581 | | 27 | |  |
|  | Apartments | | | | |  |  | 494 | | 8 | |  |  | 499 | | 8 | |  |  | 480 | | 8 | |  |  | 493 | | 8 | |  |  | 491 | | 8 | |  |
|  | Mixed use/other | | | | |  |  | 239 |  | 4 | |  |  | 207 | | 4 | |  |  | 253 | | 4 | |  |  | 239 | | 4 | |  |  | 229 | | 4 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Subtotal | | | |  |  | 6,123 |  | 100% | |  |  | 6,101 | | 100% | |  |  | 6,013 | | 100% | |  |  | 5,924 | | 100% | |  |  | 5,932 | | 100% | |  |
|  | Allowance for losses | | | | |  |  | (22) | |  |  |  |  | (24) | |  |  |  |  | (27) | |  |  |  |  | (30) | |  |  |  |  | (33) | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Unamortized fees and costs | | | | |  |  | (1) | |  |  |  |  | — | |  |  |  |  | — | |  |  |  |  | — | |  |  |  |  | — | |  |  |  |
|  |  | Total | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | $ | 6,100 |  |  |  |  | $ | 6,077 | |  |  | $ | | 5,986 | |  |  | $ | | 5,894 | |  |  | $ | | 5,899 | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Allowance for Losses on Commercial Mortgage** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Loans** | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Beginning balance | | | | | $ | | 24 | |  |  | $ | | 27 |  |  |  | $ | | 30 | |  |  | $ | | 33 | |  |  | $ | | 36 | |  |  |  |
|  | Release | | | | |  |  | (2) | |  |  |  |  | (3) | |  |  |  |  | (3) | |  |  |  |  | (3) | |  |  |  |  | (3) | |  |  |  |
|  | Ending balance | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | $ | 22 |  |  |  |  | $ | 24 |  |  |  | $ | | 27 | |  |  | $ | | 30 | |  |  | $ | | 33 | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | 67 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Commercial Mortgage Loans Summary**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **December 31, 2014** | | | | |  | **September 30, 2014** | | | | |  | **June 30, 2014** | | | |  |  | **March 31, 2014** | | | |  | **December 31, 2013** | | | | |  |
| **Loan Size** |  |  | **Principal** | | | **% of** |  |  | **Principal** | | | **% of** |  | **Principal** | | | **% of** |  |  | **Principal** | | | **% of** |  |  | **Principal** | | | **% of** |  |  |
|  | **Balance** | | | **Total** | |  | **Balance** | | | **Total** | | **Balance** | | | **Total** | |  | **Balance** | | | **Total** | |  | **Balance** | | | **Total** | |  |
| Under $5 million | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 2,411 | 40% | | $ | 2,445 | 40% | | $ | 2,415 |  | 40% | | $ | 2,405 | 41% | | $ | 2,435 | 41% | |  |
| $5 million but less than $10 million | |  |  | 1,729 |  | 28 | |  |  | 1,704 | | 28 | |  | 1,687 |  | 28 | |  |  | 1,645 | | 28 |  |  |  | 1,638 | | 28 | |  |
| $10 million but less than $20 million | |  |  | 1,490 |  | 24 | |  |  | 1,498 | | 25 | |  | 1,380 |  | 23 | |  |  | 1,376 | | 23 |  |  |  | 1,358 | | 23 | |  |
| $20 million but less than $30 million | |  |  | 254 | | 4 | |  |  | 256 | | 4 | |  | 232 | | 4 | |  |  | 204 | | 3 | |  |  | 205 | | 3 | |  |
| $30 million and over | |  |  | 239 | | 4 | |  |  | 198 | | 3 | |  | 299 | | 5 | |  |  | 294 | | 5 | |  |  | 296 | | 5 | |  |
|  | Total |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | $ | 6,123 |  | 100% | | $ | | 6,101 | | 100% | | $ | 6,013 |  | 100% | | $ | | 5,924 | | 100% | | $ | | 5,932 | | 100% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Commercial Mortgage Loan Information by Vintage as of December 31, 2014**

**(loan amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Total** | | **Number of** | |  | **Average Balance** | | |  |  |  | **Delinquent** | | | **Number of** | |  | **Average** | |  |
| **Loan Year** |  |  | **Recorded** | |  | **Loan-To-Value**(2) | |  | **Principal** | | | **Delinquent** | |  | **Balance Per** | |  |
| **Investment**(1) | | | **Loans** | |  |  | **Per Loan** | |  |  | **Balance** | | **Loans** | | **Delinquent Loan** | | |  |
| 2004 and prior | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 722 |  | 393 | $ | 2 | 37% | | $ | — | — | $ | — |  |
| 2005 | |  | 875 |  | 225 | | $ | | 4 | | 53% | |  |  | — | | — | | $ | — | |  |
| 2006 | |  | 802 |  | 215 | | $ | | 4 | | 59% | |  |  | 2 | | 1 | | $ | 2 | |  |
| 2007 | |  | 664 |  | 148 | | $ | | 4 | | 68% | |  |  | — | | — | | $ | — | |  |
| 2008 | |  | 230 |  | 51 | | $ | | 5 | | 63% | |  |  | 6 | | 1 | | $ | 6 | |  |
| 2009 | |  | — | | — | | $ | | — | | — % | |  |  | — | | — | | $ | — | |  |
| 2010 | |  | 115 | | 54 | | $ | | 2 | | 44% | |  |  | — | | — | | $ | — | |  |
| 2011 | |  | 264 |  | 53 | | $ | | 5 | | 56% | |  |  | — | | — | | $ | — | |  |
| 2012 | |  | 647 |  | 94 | | $ | | 7 | | 60% | |  |  | — | | — | | $ | — | |  |
| 2013 | |  | 845 |  | 138 | | $ | | 6 | | 64% | |  |  | — | | — | | $ | — | |  |
| 2014 | |  | 959 |  | 150 |  | $ | | — | | 69% | |  |  | — |  | — |  | $ | — | |  |
|  | Total | $ | 6,123 |  | 1,521 | | $ | | 4 | | 59% | | $ | | 8 | | 2 | | $ | 4 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



1. Total recorded investment reflects the balance sheet carrying value gross of related allowance and the unamortized balance of loan origination fees and costs.
2. Represents weighted-average loan-to-value as of December 31, 2014.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**General Account GAAP Net Investment Income Yields**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |
|  |  | **4Q** | |  | **3Q** | |  | **2Q** | |  | **1Q** | | **Total** | |  | **4Q** | | **3Q** | | **2Q** | |  | **1Q** | |  | **Total** |  |  |
| **GAAP Net Investment Income** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Fixed maturity securities—taxable |  | $ 666 | |  | $ 651 | | $ 666 | | | $ 648 | |  | $2,631 | | $ 663 | |  | $ 651 |  | $ 672 | | $ 656 | | | $2,642 | | |  |
| Fixed maturity securities—non-taxable |  | 3 | |  | 3 | | 3 | | | 3 | |  | 12 | | 2 | |  | 3 |  | 2 | | 2 | | | 9 | | |  |
| Commercial mortgage loans |  | 87 | |  | 82 | | 81 | | | 83 | |  | 333 | | 91 | |  | 81 |  | 81 | | 82 | | | 335 | | |  |
| Restricted commercial mortgage loans related to securitization entities |  | 3 | |  | 3 | | 4 | | | 4 | |  | 14 | | 1 | |  | 8 |  | 7 | | 7 | | | 23 | | |  |
| Equity securities |  | 3 | |  | 3 | | 4 | | | 4 | |  | 14 | | 4 | |  | 3 |  | 6 | | 4 | | | 17 | | |  |
| Other invested assets |  | 37 | |  | 36 | | 26 | | | 39 | |  | 138 | | 33 | |  | 33 |  | 33 | | 46 | | | 145 | | |  |
| Limited partnerships |  | 2 | |  | 10 | | 13 | | | 11 | | | 36 | | 24 | |  | 8 |  | 6 | | 2 | | | 40 | | |  |
| Restricted other invested assets related to securitization entities |  | 2 | |  | 1 | | 1 | | | 1 | |  | 5 | | 4 | |  | — | | — | |  | — | | 4 | | |  |
| Policy loans |  | 34 | |  | 32 | | 32 | | | 31 | |  | 129 | | 32 | |  | 33 |  | 32 | | 32 | | | 129 | | |  |
| Cash, cash equivalents and short-term investments |  | 5 | |  | 7 | | 7 | | | 5 | |  | 24 | | 4 | |  | 4 |  | 5 | | 7 | | | 20 | | |  |
| Gross investment income before expenses and fees |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 842 | |  | 828 | | 837 | | | 829 | |  | 3,336 | | 858 | |  | 824 |  | 844 | | 838 | | | 3,364 | | |  |
| Expenses and fees |  | (23) | |  | (23) | | (24) | | | (24) | | | (94) | | (23) | | | (23) | | (23) | | (24) | | | (93) | | |  |
| Net investment income |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ 819 | |  | $ 805 | | $ 813 | | | $ 805 | |  | $3,242 | | $ 835 | |  | $ 801 |  | $ 821 | | $ 814 | | | $3,271 | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Annualized Yields** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Fixed maturity securities—taxable |  | 4.7% | |  | 4.6% | | 4.7% | | | 4.6% | | | 4.6% | | 4.7% | | | 4.7% | | 4.9% | | 4.7% | | | 4.8% | | |  |
| Fixed maturity securities—non-taxable |  | 3.5% | |  | 3.4% | | 3.5% | | | 3.7% | | | 3.5% | | 2.6% | | | 4.2% | | 2.9% | | 2.7% | | | 3.1% | | |  |
| Commercial mortgage loans |  | 5.7% | |  | 5.4% | | 5.5% | | | 5.6% | | | 5.6% | | 6.2% | | | 5.5% | | 5.5% | | 5.6% | | | 5.7% | | |  |
| Restricted commercial mortgage loans related to securitization entities |  | 5.8% | |  | 6.6% | | 6.7% | | | 7.0% | | | 6.6% | | 1.5% | | | 10.5% | | 8.6% | | 8.4% | | | 7.6% | | |  |
| Equity securities |  | 4.5% | |  | 4.2% | | 5.3% | | | 5.1% | | | 4.8% | | 4.7% | | | 3.2% | | 5.7% | | 3.4% | | | 4.2% | | |  |
| Other invested assets |  | 62.4% | |  | 58.6% | | 40.5% | | | 56.9% | | | 54.6% | | 44.9% | | | 42.1% | | 29.4% | | 28.3% | | | 32.8% | | |  |
| Limited partnerships(1) |  | 3.1% | |  | 15.3% | | 19.6% | | | 16.1% | | | 13.6% | | 33.2% | | | 10.4% | | 7.5% | | 2.4% | | | 12.8% | | |  |
| Restricted other invested assets related to securitization entities |  | 2.1% | |  | 1.0% | | 1.0% | | | 1.0% | | | 1.3% | | 4.2% | | | — % | | — % | |  | — % | | 1.1% | | |  |
| Policy loans |  | 9.0% | |  | 8.5% | | 8.7% | | | 8.6% | | | 8.7% | | 8.3% | | | 7.9% | | 7.8% | | 8.0% | | | 8.1% | | |  |
| Cash, cash equivalents and short-term investments |  | 0.5% | |  | 0.7% | | 0.6% | | | 0.4% | | | 0.5% | | 0.4% | | | 0.4% | | 0.5% | | 0.7% | | | 0.5% | | |  |
| Gross investment income before expenses and fees |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 4.7% | |  | 4.7% | | 4.7% | | | 4.7% | | | 4.7% | | 4.9% | | | 4.8% | | 4.9% | | 4.8% | | | 4.8% | | |  |
| Expenses and fees |  | -0.1% | |  | -0.1% -0.1% -0.1% | | | | | | | | -0.1% | | -0.1% | | | -0.1% | | -0.1% | | -0.1% | | | -0.1% | | |  |
| Net investment income |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 4.6% | |  | 4.6% | | 4.6% | | | 4.6% | | | 4.6% | | 4.8% | | | 4.7% | | 4.8% | | 4.7% | | | 4.7% | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Yields are based on net investment income as reported under 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 and equity 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 73 herein for average invested assets and cash used in the yield calculation.



1. Limited partnership investments are equity-based and do not have fixed returns by period. 69

**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Net Investment Gains (Losses), Net—Detail**(1)

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  | **2014** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | | |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **4Q** | | |  | **3Q** | | | **2Q** | | | **1Q** | | | **Total** | | |  | **4Q** | | |  | **3Q** | | |  | **2Q** | | |  | **1Q** | | |  | **Total** | |  |  |
|  | Net realized gains (losses) on available-for-sale securities: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Fixed maturity securities: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | U.S. corporate | |  | $ | 1 |  |  | $ | 5 |  | $ | (6) | | $ | (9) | | $ | (9) | |  | $ | (5) | | $ | | 1 | | $ | | 22 |  | $ | | 4 |  | $ | | 22 |  |  |
|  | U.S. government, agencies and government-sponsored enterprises | |  |  | 1 |  |  |  | — | |  | 2 | |  | — | |  | 3 | |  |  | 5 | |  |  | 2 | |  |  | 1 |  |  |  | — | |  |  | 8 |  |  |
|  | Foreign corporate | |  |  | 1 |  |  |  | 2 |  |  | 13 | |  | (2) | |  | 14 | |  |  | 1 | |  |  | — | |  |  | 8 |  |  |  | 1 |  |  |  | 10 |  |  |
|  | Foreign government | |  |  | 1 |  |  |  | — | |  | — | |  | — | |  | 1 | |  |  | 2 | |  |  | (2) | |  |  | 8 |  |  |  | 4 |  |  |  | 12 |  |  |
|  | Tax-exempt | |  |  | — | |  |  | — | |  | — | |  | (1) | |  | (1) | |  |  | — | |  |  | — | |  |  | — | |  |  | (2) | |  |  | (2) | |  |
|  | Mortgage-backed securities | |  |  | — | |  |  | (1) | |  | — | |  | — | |  | (1) | |  |  | (2) | |  |  | (9) | |  |  | (15) | |  |  | (20) | |  |  | (46) | |  |
|  | Asset-backed securities | |  |  | — | |  |  | — | |  | — | |  | — | |  | — | | |  | (6) | |  |  | (5) | |  |  | (11) | |  |  | (8) | |  |  | (30) | |  |
|  | Equity securities | |  |  | 1 |  |  |  | 2 |  |  | 6 | |  | 1 | |  | 10 | |  |  | 5 | |  |  | 6 | |  |  | 8 |  |  |  | 3 |  |  |  | 22 |  |  |
|  | Foreign exchange | |  |  | — |  |  |  | — |  |  | 1 | |  | — | |  | 1 | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |
| Total net realized gains (losses) on available-for-sale securities | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 5 |  |  |  | 8 |  |  | 16 | |  | (11) | |  | 18 | |  |  | — | |  |  | (7) | |  |  | 21 |  |  |  | (18) | |  |  | (4) | |  |
|  | Impairments: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Sub-prime residential mortgage-backed securities | |  |  | — | |  |  | — | |  | — | |  | — | |  | — | | |  | (1) | |  |  | (1) | |  |  | — | |  |  | (2) | |  |  | (4) | |  |
|  | Alt-A residential mortgage-backed securities | |  |  | — |  |  |  | (1) | |  | — | |  | — | |  | (1) | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |
|  | Total sub-prime and Alt-A residential mortgage-backed securities | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | — |  |  |  | (1) | |  | — | |  | — | |  | (1) | |  |  | (1) | |  |  | (1) | |  |  | — | |  |  | (2) | |  |  | (4) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Commercial mortgage-backed securities | |  |  | — |  |  |  | — |  |  | — |  |  | — |  |  | — |  | |  | (2) | |  |  | (1) | |  |  | (2) | |  |  | (1) | |  |  | (6) | |  |
|  | Corporate fixed maturity securities | |  |  | — | |  |  | — | |  | — | |  | — | |  | — | | |  | — | |  |  | — | |  |  | — | |  |  | (4) | |  |  | (4) | |  |
|  | Financial hybrid securities | |  |  | — | |  |  | (3) | |  | — | |  | — | |  | (3) | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |  | — | |  |
|  | Commercial mortgage loans | |  |  | — |  |  |  | — |  |  | (1) | |  | (1) | |  | (2) | |  |  | — | |  |  | (1) | |  |  | (2) | |  |  | — | |  |  | (3) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total impairments | |  |  | — |  |  |  | (4) | |  | (1) | |  | (1) | |  | (6) | |  |  | (3) | |  |  | (3) | |  |  | (4) | |  |  | (7) | |  |  | (17) | |  |
| Net unrealized gains (losses) on trading securities | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 10 |  |  |  | 3 |  |  | 5 | |  | 8 | |  | 26 | |  |  | (5) | |  |  | (5) | |  |  | (11) | |  |  | 6 |  |  |  | (15) | |  |
|  | Derivative instruments | |  |  | (24) | |  |  | (25) | |  | (4) | |  | (14) | |  | (67) | |  |  | 9 | |  |  | (12) | |  |  | (2) | |  |  | (27) | |  |  | (32) | |  |
|  | Limited partnerships | |  |  | — | |  |  | — | |  | (1) | |  | — | |  | (1) | |  |  | — | |  |  | (2) | |  |  | — | |  |  | — | |  |  | (2) | |  |
|  | Commercial mortgage loans held-for-sale market valuation allowance | |  |  | 2 |  |  |  | 2 |  |  | 2 | |  | 2 | |  | 8 | |  |  | (1) | |  |  | 2 | |  |  | 1 |  |  |  | 1 |  |  |  | 3 |  |  |
|  | Contingent purchase price valuation change | |  |  | — | |  |  | (1) | |  | — | |  | — | |  | (1) | |  |  | — | |  |  | — | |  |  | (1) | |  |  | 1 |  |  |  | — | |  |
|  | Net gains (losses) related to securitization entities | |  |  | 1 |  |  |  | (1) | |  | 6 | |  | 4 | |  | 10 | |  |  | 17 | |  |  | 13 | |  |  | 9 |  |  |  | 6 |  |  |  | 45 |  |  |
|  | Other | |  |  | — |  |  |  | — |  |  | — |  |  | — |  |  | — |  | |  | — |  |  |  | — |  |  |  | — |  |  |  | (1) | |  |  | (1) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net investment gains (losses), net of taxes | |  |  | (6) | |  |  | (18) | |  | 23 | |  | (12) | |  | (13) | |  |  | 17 | |  |  | (14) | |  |  | 13 |  |  |  | (39) | |  |  | (23) | |  |
|  | Adjustment for DAC and other intangible amortization and certain benefit reserves, net of taxes | |  |  | 1 |  |  |  | 6 |  |  | 1 | |  | 1 | |  | 9 | |  |  | — | |  |  | 4 | |  |  | 5 |  |  |  | 12 |  |  |  | 21 |  |  |
|  | Adjustment for net investment (gains) losses attributable to noncontrolling interests, net of taxes | |  |  | 1 |  |  |  | 2 |  |  | (4) | |  | 1 | |  | — | | |  | (2) | |  |  | (3) | |  |  | (3) | |  |  | (1) | |  |  | (9) | |  |
| Net investment gains (losses), net | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | (4) | |  | $ | (10) | | $ | 20 | | $ | (10) | | $ | (4) | |  | $ | 15 | | $ | | (13) | | $ | | 15 |  | $ | | (28) | | $ | | (11) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(1) All adjustments for income taxes assume a 35% tax rate.

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**Reconciliations of Non-GAAP Measures**

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Reconciliation of Operating ROE**

**(amounts in millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Twelve Month Rolling Average ROE** | | | |  |  |  |  |  | **Twelve months ended** | | | | |  |  |  |  |  |  |  |  |
|  |  |  |  | **December 31,** | | |  | **September 30,** | | | **June 30,** | | |  | **March 31,** | | | **December 31,** | |  |  |
|  |  |  |  |  | **2014** |  |  |  | **2014** |  |  | **2014** |  |  |  | **2014** |  |  | **2013** |  |  |
|  | **GAAP Basis ROE** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net income (loss) available to Genworth Financial, Inc.’s common stockholders for the twelve | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | months ended(1) | | | $ | (1,244) | | $ | | (276) | | $ | 676 | | $ | | 641 | | $ | 560 | |  |
|  | Quarterly average Genworth Financial, Inc.’s stockholders’ equity, excluding accumulated other | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | comprehensive income (loss)(2) | | | $ | 11,532 | | $ | | 11,770 | | $ 11,833 | | | $ | | 11,699 | | $ | 11,550 | |  |
|  | GAAP Basis ROE(1)/(2) | | |  | -10.8% | |  |  | -2.3% | |  | 5.7% | |  |  | 5.5% | |  | 4.8% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Operating ROE** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net operating income for the twelve months ended(1) | | | $ | (381) | | $ | | 228 | | $ | 684 | | $ | | 659 | | $ | 616 | |  |
|  | Quarterly average Genworth Financial, Inc.’s stockholders’ equity, excluding accumulated other | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | comprehensive income (loss)(2) | | | $ | 11,532 | | $ | | 11,770 | | $ 11,833 | | | $ | | 11,699 | | $ | 11,550 | |  |
|  | Operating ROE(1)/(2) | | |  | -3.3% | |  |  | 1.9% | |  | 5.8% | |  |  | 5.6% | |  | 5.3% | |  |
| **Quarterly Average ROE** | | | |  |  |  |  |  | **Three months ended** | | | | |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **December** | |  |  | **September** | | **June 30,** | | |  | **March 31,** | | |  | **December** |  |  |
|  |  |  |  |  | **31,** |  |  |  | **30,** |  |  |  | **31,** |  |  |
|  |  |  |  |  | **2014** |  |  |  | **2014** |  |  | **2014** |  |  |  | **2014** |  |  | **2013** |  |  |
|  | **GAAP Basis ROE** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net income (loss) available to Genworth Financial, Inc.’s common stockholders for the period | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | ended(3) | | | $ | (760) | | $ | | (844) | | $ | 176 | | $ | | 184 | | $ | 208 | |  |
|  | Average Genworth Financial, Inc.’s stockholders’ equity for the period, excluding accumulated | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | other comprehensive income (loss)(4) | | | $ | 10,854 | | $ | | 11,651 | | $12,051 | | | $ | | 11,942 | | $ | 11,758 | |  |
|  | Annualized GAAP Quarterly Basis ROE(3)/(4) | | |  | -28.0% | |  |  | -29.0% | |  | 5.8% | |  |  | 6.2% | |  | 7.1% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Operating ROE** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net operating income (loss) for the period ended(3) | | | $ | (416) | | $ | | (317) | | $ | 158 | | $ | | 194 | | $ | 193 | |  |
|  | Quarterly average Genworth Financial, Inc.’s stockholders’ equity for the period, excluding | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | accumulated other comprehensive income (loss)(4) | | | $ | 10,854 | | $ | | 11,651 | | $12,051 | | | $ | | 11,942 | | $ | 11,758 | |  |
|  | Annualized Operating Quarterly Basis ROE(3)/(4) | | |  | -15.3% | |  |  | -10.9% | |  | 5.2% | |  |  | 6.5% | |  | 6.6% | |  |

**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 net 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 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 net operating income (loss) from page 9 herein.
2. Quarterly average Genworth Financial, Inc.’s stockholders’ equity, excluding accumulated other comprehensive income (loss), is derived by averaging ending Genworth Financial, Inc.’s stockholders’ equity, excluding accumulated other comprehensive income (loss), but including equity related to discontinued operations for the most recent five quarters.
3. Net income (loss) available to Genworth Financial, Inc.’s common stockholders and net operating income (loss) from page 9 herein.
4. Quarterly average Genworth Financial, Inc.’s stockholders’ equity, excluding accumulated other comprehensive income (loss), is derived by averaging ending Genworth Financial, Inc.’s stockholders’ equity, excluding accumulated other comprehensive income (loss).

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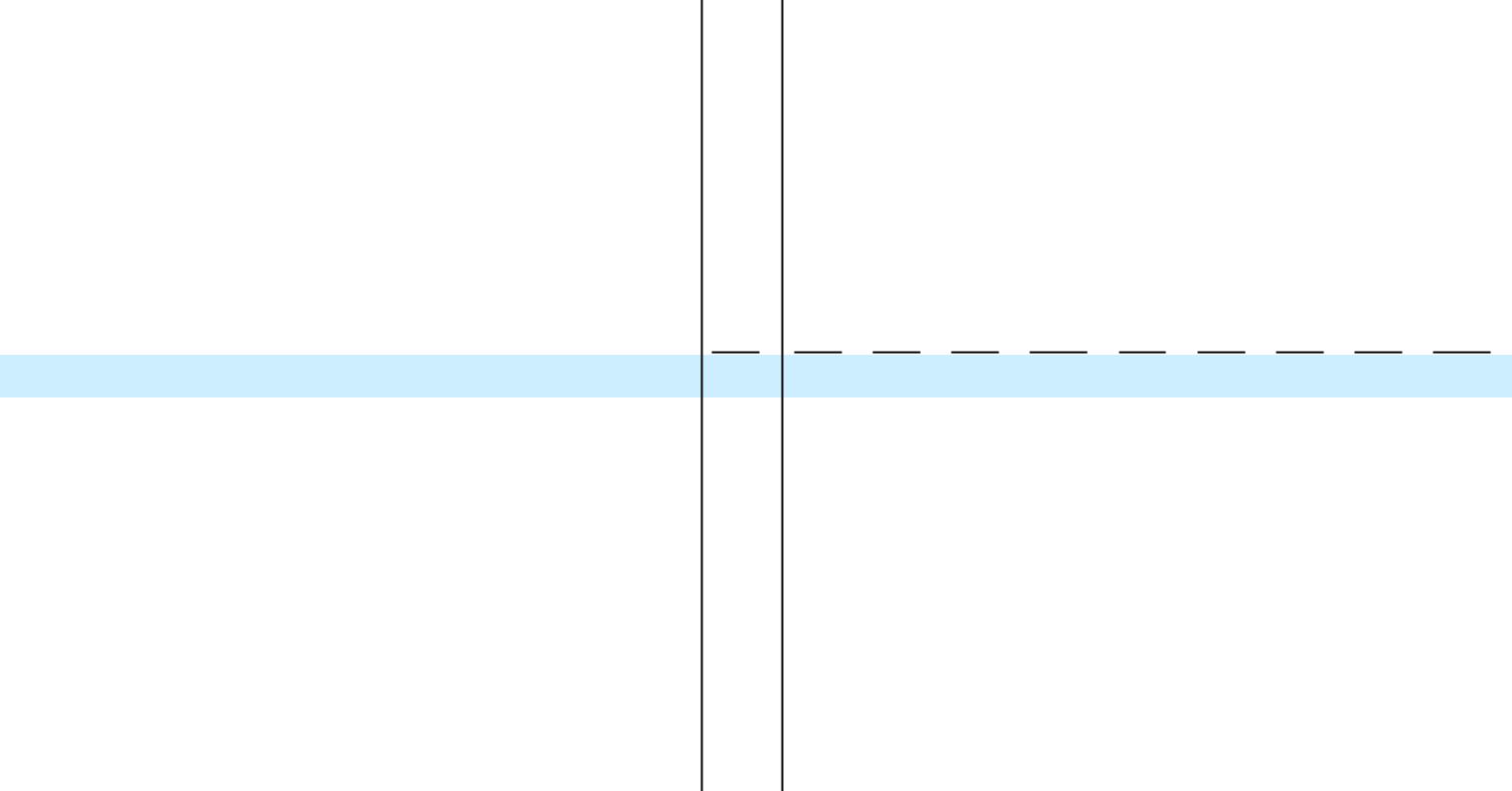
**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Reconciliation of Core Yield**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **(Assets—amounts in billions)** |  |  |  |  |  |  | **2014** |  |  |  |  |  |  |  |  |  |  |  |  |  | **2013** | |  |  |  |  |  |  |  |
|  |  | **4Q** | |  | **3Q** | | **2Q** | | **1Q** | |  | **Total** | | |  | **4Q** | |  | **3Q** | | **2Q** | | **1Q** | |  | **Total** | |  |  |
|  | **Reported—Total Invested Assets and Cash** |  | $78.2 |  |  | $76.6 |  | $76.9 |  | $74.8 |  |  | $ | 78.2 |  |  | $72.8 |  |  | $73.1 |  | $72.2 |  | $76.5 |  |  | $ | 72.8 |  |  |
|  | Subtract: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Securities lending | 0.3 | | | 0.3 | |  | 0.3 | | 0.3 | |  |  | 0.3 | | 0.2 | | | 0.2 | | | 0.2 | | 0.2 | |  |  | 0.2 | |  |
|  | Unrealized gains (losses) | 6.7 | | | 5.4 | |  | 5.6 | | 4.3 | |  |  | 6.7 | | 2.8 | | | 3.3 | | | 3.7 | | 6.7 | |  |  | 2.8 | |  |
|  | Derivative counterparty collateral |  | — | | 0.5 | |  | 0.4 | | 0.4 | |  |  | — | | 0.2 | | | 0.3 | | | 0.4 | | 0.6 | |  |  | 0.2 | |  |
|  | **Adjusted end of period invested assets and cash** |  | $71.2 |  |  | $70.4 |  | $70.6 |  | $69.8 |  |  | $ | 71.2 |  |  | $69.6 |  |  | $69.3 |  | $67.9 |  | $69.0 |  |  | $ | 69.6 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **(A)** | **Average Invested Assets and Cash Used in Reported Yield Calculation** | $70.8 | | | $70.5 | | | $70.2 | | $69.7 | | $ | | 70.3 | | $69.5 | | | $68.6 | | | $68.5 | | $69.4 | | $ | | 69.0 | |  |
|  | Subtract: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Restricted commercial mortgage loans and other invested assets related |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | to securitization |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | entities(1) | 0.2 | | | 0.2 | |  | 0.2 | | 0.2 | |  |  | 0.2 | | 0.3 | | | 0.3 | | | 0.2 | | 0.3 | |  |  | 0.3 | |  |
| **(B)** | **Average Invested Assets and Cash Used in Core Yield Calculation** |  | 70.6 |  |  | 70.3 |  | 70.0 |  | 69.5 |  |  |  | 70.1 |  |  | 69.2 |  |  | 68.3 |  | 68.3 |  | 69.1 |  |  |  | 68.7 |  |  |
|  | Subtract: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Portfolios supporting floating products and non-recourse funding |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | obligations(2) | 3.9 | | | 4.0 | |  | 4.2 | | 4.3 | |  |  | 4.1 | | 4.4 | | | 4.6 | | | 5.2 | | 5.7 | |  |  | 5.0 | |  |



1. **Average Invested Assets and Cash Used in Core Yield (excl. Floating and**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Non-Recourse Funding) Calculation** | | $66.7 | | $66.3 | | | $65.8 | | $65.2 | | $ | | 66.0 | | $64.8 | | | $63.7 | | | $63.1 | | $63.4 | | $ | | 63.7 | |  |
|  |  | **(Income—amounts in millions)** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **(D)** | **Reported—Net Investment Income** | | $ 819 | | $ 805 | | | $ 813 | | $ 805 | | $ | | 3,242 | | $ 835 | | | $ 801 | | | $ 821 | | $ 814 | | $ | | 3,271 | |  |
|  |  | Subtract: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Bond calls and commercial mortgage loan prepayments | | 18 | | 17 | |  | 7 | | 10 | |  |  | 52 | | 8 | | | 15 | |  | 14 | | 10 | |  |  | 47 | |  |
|  |  | Reinsurance(3) | | 14 | | 19 | |  | 13 |  | 22 | |  |  | 68 | | 20 | | | 17 | |  | 21 | | 22 | |  |  | 80 | |  |
|  |  | Other non-core items(4) | | 12 | | (18) | | | 12 |  | 5 | |  |  | 11 | | 17 | | | 4 | | | 19 | | 2 | |  |  | 42 | |  |
|  |  | Restricted commercial mortgage loans and other invested assets related | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | to securitization | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | entities(1) | | 2 | | 3 | | | 3 | | 3 | |  |  | 11 | | 3 | | | 4 | | | 4 | | 4 | |  |  | 15 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **(E)** | **Core Net Investment Income** | | 773 | | 784 | | | 778 | | 765 | |  |  | 3,100 | | 787 | | | 761 | | | 763 | | 776 | |  |  | 3,087 | |  |
|  |  | Subtract: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Investment income from portfolios supporting floating products and non- | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | recourse funding obligations(2) | | 21 | | 22 | |  | 23 |  | 21 | |  |  | 87 | | 27 | | | 24 | |  | 25 | | 25 | |  |  | 101 | |  |
| **(F)** | | **Core Net Investment Income (excl. Floating and Non-Recourse Funding)** | | $ 752 |  |  | $ 762 |  | $ 755 |  | $ 744 |  |  | $ | 3,013 |  |  | $ 760 |  |  | $ 737 |  | $ 738 |  | $ 751 |  |  | $ | 2,986 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **(D) / (A) Reported Yield** | | | 4.63% | | 4.57% | | | 4.63% | | 4.62% | |  |  | 4.61% | | 4.81% | | | 4.67% | | | 4.79% | | 4.69% | |  |  | 4.74% | |  |
|  | **(E) / (B)** | **Core Yield** | | 4.38% | | 4.46% | | | 4.45% | | 4.40% | |  |  | 4.42% | | 4.55% | | | 4.46% | | | 4.47% | | 4.49% | |  |  | 4.49% | |  |
|  | **(F) / (C)** | **Core Yield (excl. Floating and Non-Recourse Funding)** | | 4.51% | | 4.60% | | | 4.59% | | 4.56% | |  |  | 4.57% | | 4.69% | | | 4.63% | | | 4.68% | | 4.74% | |  |  | 4.68% | |  |
|  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Notes: | | Columns may not add due to rounding. 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 GAAP.



1. Represents the incremental assets and investment income related to restricted commercial mortgage loans and other invested assets.
2. Floating products refer to institutional products and the non-recourse funding obligations that support certain term and universal life insurance reserves in the company’s life insurance business.
3. Represents imputed investment income related to reinsurance agreements in the lifestyle protection insurance business.
4. Includes cost basis adjustments on structured securities, preferred stock income and various other immaterial items.

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**Corporate Information**

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Financial Strength Ratings**

As of February 10, 2015, the company’s principal life insurance subsidiaries are rated in terms of financial strength by Standard & Poor’s Financial Services LLC (S&P), Moody’s Investors Service, Inc. (Moody’s) and A.M. Best Company, Inc. (A.M. Best) as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | | **S&P** | | **Moody’s** | | **A.M. Best** |
|  |  |  |  |  |  |  |
| Genworth Life Insurance Company | | BBB+ |  | A3 |  | A |
| Genworth Life and Annuity Insurance Company | | BBB+ | | A3 | | A |
| Genworth Life Insurance Company of New York | | BBB+ | | A3 | | A |

As of February 10, 2015, the company’s principal mortgage insurance subsidiaries are rated in terms of financial strength by S&P and Moody’s as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Company** | | **S&P** | | **Moody’s** | |
|  |  |  |  |  |  |
| Genworth Mortgage Insurance Corporation | | BB- |  | Ba1 |  |
| Genworth Residential Mortgage Insurance Corporation of NC | | BB- | | Ba1 | |
| Genworth Financial Mortgage Insurance Pty. Limited (Australia) | | A+ | | A3 | |
| Genworth Financial Mortgage Insurance Limited (Europe) | | BB+ | | Not rated | |
| Genworth Financial Mortgage Insurance Company Canada(1) | | A+ | | Not rated | |
| Genworth Seguros de Credito a la Vivienda S.A. de C.V.(2) | | Not rated | | Aa3.mx | |



1. Genworth Financial Mortgage Insurance Company Canada is also rated “AA” by Dominion Bond Rating Service (DBRS).
2. Genworth Seguros de Credito a la Vivienda S.A. de C.V. is also rated “Baa3” by Moody’s on a Global Scale Insurance financial strength basis.

As of February 10, 2015, the company’s principal lifestyle protection insurance subsidiaries are rated in terms of financial strength by S&P as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Company** | | **S&P** | |
|  |  |  |  |
| Financial Assurance Company Limited | | A- |  |
| Financial Insurance Company Limited | | A- | |

The S&P, Moody’s, A.M. Best and DBRS ratings included are not designed to be, and do not serve as, measures of protection or valuation offered to investors.

These financial strength ratings should not be relied on with respect to making an investment in the company’s securities.

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**GENWORTH FINANCIAL, INC.**

**FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2014**

**Financial Strength Ratings (continued)**

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), “BBB” (Good), or “BB” (Marginal) have strong, good, or marginal financial security characteristics, respectively. The “A”, “BBB” and “BB” ranges are the third-, fourth- 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 in a rating category. These suffixes are not added to ratings in the “AAA” category or to ratings below the “CCC” category. Accordingly, the “A+”, “A-”, “BBB+”, “BB+” and “BB-” ratings are the fifth-, seventh-, eigth-, eleventh- and thirteenth-highest of S&P’s 21 ratings categories.

Moody’s states that insurance companies rated “A” (Good) offer good financial security and that insurance companies rated “Ba” (Questionable) offer questionable financial security. The “A” (Good) and “Ba” (Questionable) ranges are the third- and fifth-highest, respectively, of nine financial strength rating ranges assigned by Moody’s, which range from “Aaa” to “C.” Numeric modifiers are used to refer to the ranking within the groups, with 1 being the highest and 3 being the lowest. These modifiers are not added to ratings in the “Aaa” category or to ratings below the “Caa” category. Accordingly, the “A3” and “Ba1” ratings are the seventh- and eleventh-highest, respectively, of Moody’s 21 ratings categories. Issuers or issues rated “Aa.mx” demonstrate very strong creditworthiness relative to other issuers in Mexico.

A.M. Best states that the “A” (Excellent) rating is assigned to those companies that have, in its opinion, an excellent ability to meet their ongoing insurance obligations. The “A” (Excellent) rating is the third-highest of 15 ratings assigned by A.M. Best, which range from “A++” to “F.”

DBRS states that long-term obligations rated “AA” are of superior credit quality. The capacity for the payment of financial obligations is considered high and unlikely to be significantly vulnerable to future events. Credit quality differs from “AAA” only to a small degree.

S&P, Moody’s, A.M. Best and DBRS review their ratings periodically and the company cannot assure you that it will maintain the current ratings in the future.

Other agencies may also rate the company or its insurance subsidiaries on a solicited or an unsolicited basis.

**About Genworth Financial**

Genworth is a leading financial services company meeting the retirement, longevity and lifestyle protection, investment and mortgage insurance needs of its customers, with a presence in more than 25 countries. For more information, visit www.genworth.com.

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