UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

July 29, 2020
Date of Report
(Date of earliest event reported)

Genworth

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))

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

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

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On July 29, 2020, Genworth Financial, Inc. (the "Company") issued (1) a press release announcing its financial results for the quarter ended June 30, 2020, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference, and (2) a financial supplement for the quarter ended June 30, 2020, a copy of which is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

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

Item 9.01 Financial Statements and Exhibits.

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

Exhibit Number	Description of Exhibit
99.1	Press Release dated July 29, 2020
99.2	Financial Supplement for the quarter ended June 30, 2020
104	Cover Page Interactive Data File (the Cover Page Interactive Data File is embedded within the Inline XBRL document)

SIGNATURES

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

GENWORTH FINANCIAL, INC.

Date: July 29, 2020

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

News Release

6620 West Broad Street
Richmond, VA 23230

Genworth

Genworth Financial Announces Second Quarter 2020 Results

Second Quarter Net Loss $441 Million And Adjusted Operating Loss Of $21 Million

- Merger Agreement With China Oceanwide Holdings Group Co., Ltd (Oceanwide) Extended To Not Later Than September 30, 2020; Interim Milestone By August 31, 2020
- Reached Agreement With AXA S.A. (AXA) On July 20, 2020 To Settle Liability For Payment Protection Insurance Mis-Selling, Which Included A Payment Of £100MM Subsequent To Quarter-End
- U.S. Mortgage Insurance (MI) Benefited From A Robust Mortgage Origination Market With $28.4 Billion In New Insurance Written (NIW)
- U.S. MI Adjusted Operating Loss Of $3 Million Primarily Driven By Higher New Delinquencies Attributable To The COVID-19 Pandemic
- U.S. MI's PMIERs[1] Sufficiency Ratio Estimated At 143 Percent, $1,275 Million Above Requirements
  - Reinsurance Transaction On 2009-2019 Blocks Providing Approximately $180 Million PMIERs Credit
- U.S. Life Insurance Segment Adjusted Operating Loss Of $5 Million Driven By Life Insurance Performance; LTC[2] Benefited From Higher Mortality In The Quarter Indicative Of COVID-19
- Holding Company Cash And Liquid Assets Of $554 Million, Including $59 Million Restricted, With Repurchases Of $52 Million Principal Amount Of 2021 Senior Notes In The Quarter

Richmond, VA (July 29, 2020) – Genworth Financial, Inc. (NYSE: GNW) today reported results for the quarter ended June 30, 2020. The company reported a net loss[3] of $441 million, or $0.86 per diluted share, in the second quarter of 2020, compared with net income of $168 million, or $0.33 per diluted share, in the second quarter of 2019. The company reported an adjusted operating loss[4] of $21 million, or $0.04 per diluted share, in the second quarter of 2020, compared with adjusted operating income of $178 million, or $0.35 per diluted share, in the second quarter of 2019.

In July 2020, the company reached a settlement agreement with AXA regarding a dispute over payment protection insurance claims underwritten by the company's former lifestyle protection insurance business that was acquired by AXA in 2015. As a result, Genworth recorded an after-tax loss of $516 million for the settlement as part of discontinued operations in the current quarter.

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1 Private Mortgage Insurer Eligibility Requirements
2 Long term care insurance
3 Unless otherwise stated, all references in this press release to net income (loss), net income (loss) per share, adjusted operating income (loss), adjusted operating income (loss) per share and book value per share should be read as net income (loss) available to Genworth's common stockholders, net income (loss) available to Genworth's common stockholders per diluted share, adjusted operating income (loss) available to Genworth's common stockholders, adjusted operating income (loss) available to Genworth's common stockholders per diluted share and book value available to Genworth's common stockholders per share, respectively.
4 This is a financial measure that is not calculated based on U.S. Generally Accepted Accounting Principles (Non-GAAP). See the Use of Non-GAAP Measures section of this press release for additional information.

COVID-19 Update

The COVID-19 pandemic continued to impact Genworth in the current quarter. Genworth's priority remains servicing its customers while maintaining the health and safety of all employees and their families. The company successfully transitioned to a fully remote work environment in March, and employees have continued to serve customers and policyholders effectively with minimal disruption. As cases have continued to surge in some regions of the U.S. and given the organization's seamless transition to remote operations, Genworth has decided to extend remote working conditions until at least January 1, 2021. Genworth is constantly monitoring and evaluating the impact of COVID-19 and will continue to act in the best interests of its investors and employees while effectively addressing customer needs.

The COVID-19 pandemic and related macroeconomic volatility negatively impacted the company's financial results in the quarter primarily as a result of higher unemployment, increased home borrower participation in forbearance programs and increased new delinquencies which were partly mitigated by the effects of government stimulus. These effects were partially offset by benefits from sequential equity market improvement and higher mortality in the LTC business.

Genworth is closely monitoring macroeconomic indicators and is conducting extensive scenario planning to tailor its actions to mitigate adverse effects of the pandemic. The economic impact to U.S. MI for the remainder of 2020 is uncertain and will depend on the speed of recovery and the amount and duration of government stimulus reaching borrowers. Mortgage originations remained strong during the current quarter driven by the low interest rate environment which resulted in higher refinance origination volumes. New delinquencies increased significantly in the current quarter, peaking in the month of May consistent with forbearance trends seen earlier in the quarter. Although uncertainty remains high, as economic activity resumes and forbearance options provide borrowers with financial stability, higher new delinquencies may be mitigated by higher cure rates in the second half of 2020. In order to preserve capital in the company's mortgage insurance subsidiaries during this period of uncertainty, Genworth does not expect to receive further dividends from its mortgage insurance businesses in 2020. Additionally, in response to COVID-19, the U.S. MI business is subject to the temporary PMIERs requirement to obtain pre-approval from the government-sponsored enterprises (GSEs) for certain capital related transactions, including dividends. The amount and timing of dividends in 2021 will depend on a variety of factors, including the timing of economic recovery from COVID-19.

In the U.S. life insurance companies, interest rate and equity market movements are expected to continue to impact U.S. GAAP and statutory results. Results may also continue to be impacted by higher mortality, dependent on the length and severity of the COVID-19 pandemic. The company continues to manage the U.S. life insurance businesses on a standalone basis with no plans to infuse or extract capital other than as committed in connection with the completion of the Oceanwide transaction.

“Genworth’s leadership team and employees have shown incredible resilience and dedication to our customers, policyholders and each other during this difficult period,” said Tom McInerney, President and CEO of Genworth. “While the severity and duration of the pandemic remains to be seen, we continue to plan for various scenarios to ensure we are taking the right steps to best position our businesses to navigate the impacts of the pandemic.”

Strategic Update

On June 30, Genworth and Oceanwide announced they agreed to extend the merger agreement deadline to not later than September 30, 2020, which provides Oceanwide with additional time to secure funding for the transaction and receive clearance for currency conversion and transfer of funds from China’s State Administration of Foreign Exchange (SAFE). Oceanwide has indicated that the financing has been delayed due to the COVID-19 pandemic and uncertain macroeconomic conditions.

“Although the closing process has been further delayed by the COVID-19 pandemic, the Oceanwide transaction continues to represent the best strategic option for Genworth’s shareholders, and benefits policyholders, customers and employees,” said Tom McInerney, president and CEO of Genworth. “The fifteenth waiver and extension of the merger agreement provides both parties with the flexibility needed to navigate this uncertain environment. In order to address our near-term financial obligations including the recently announced AXA settlement, we are moving forward with steps to enhance our liquidity while working diligently towards closing the transaction.”

LU Zhiqiang, chairman of Oceanwide, continued. “The acquisition of Genworth is a strategically important transaction and a priority for China Oceanwide. The financing progress has been delayed given the significant economic impacts of lock-downs associated with the global pandemic, but we remain committed to securing financing for the transaction in order to close the transaction as soon as possible.”

As part of the fifteenth waiver and extension, Genworth and Oceanwide also agreed to additional interim milestones designed to provide more clarity to Genworth on Oceanwide’s progress towards financing the transaction. Specifically, the fifteenth waiver includes provisions for Oceanwide to submit satisfactory evidence to Genworth by August 31, 2020 confirming that:

- Approximately $1.0 billion is available to Oceanwide from sources in Mainland China to fund the acquisition of Genworth; and

- Hony Capital and/or other acceptable third parties have committed to provide Oceanwide $1.0 billion or more from sources outside of China to fund the transaction.

Given the delay in the closing process, Genworth is moving forward with plans to address its near-term liabilities and financial obligations, which include the recently announced settlement agreement with AXA and approximately $1.0 billion of debt maturing in 2021. Genworth expects these steps to include a debt financing in the near term and taking the necessary steps to launch a 19.9 percent initial public offering of its U.S. Mortgage Insurance business, subject to market conditions, in the event the China Oceanwide transaction is terminated.

As previously announced, Genworth paid AXA £100 million, or $125 million, on July 21, 2020 (which amount is in addition to a £100 million interim cash payment Genworth made to AXA in January 2020 and expensed in the fourth quarter of 2019). In addition, Genworth issued a secured promissory note to AXA, pursuant to which Genworth will make deferred cash payments totaling approximately £317 million in two installments: the first on June 30, 2022 and the second on September 30, 2022, subject to certain prepayment obligations. Genworth has also agreed to pay a significant portion of mis-selling losses incurred by AXA from the ongoing processing of previously submitted mis-selling complaints, which losses will be added to and paid with the second installment on September 30, 2022.

Under the terms of the settlement and the sale and purchase agreement, if AXA recovers amounts from third parties related to the mis-selling losses, including from the distributor responsible for the sale of the policies, Genworth has certain rights to share in those recoveries to recoup payments for the underlying mis-selling losses.

Financial Performance

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

	Three months ended June 30				
	2020		2019		
(Amounts in millions, except per share)	Total	Per diluted share	Total	Per diluted share	Total % change
Net income (loss) available to Genworth's common stockholders	$ (441)	$ (0.86)	$ 168	$ 0.33	NM[5]
Adjusted operating income (loss)	$ (21)	$ (0.04)	$ 178	$ 0.35	(112)%
Weighted-average diluted shares	512.5		508.7		

	As of June 30	
	2020	2019
Book value per share	$28.96	$27.32
Book value per share, excluding accumulated other comprehensive income (loss)	$20.17	$21.34

The net loss in the quarter included investment gains of $101 million, net of taxes and other adjustments. The investment gains were driven by sales of U.S. Treasury bonds and mark-to-market gains on limited partnerships and equity securities. Net income in the second quarter of 2019 included $35 million from investment losses, net of taxes and other adjustments.

Net investment income was $786 million in the quarter, compared to $793 million in the prior quarter and $816 million in the prior year. Net investment income was lower than the prior quarter as a result of lower income from bond calls and prepayments and an unfavorable inflation impact on U.S. Government Treasury Inflation Protected Securities (TIPS) in the quarter compared to favorable inflation in the prior quarter, partially offset by higher income from limited partnerships. Net investment income was lower than the prior year due to unfavorable inflation impact of TIPS in the quarter compared to favorable inflation in the prior year. The reported yield and the core yield[4] for the quarter were 4.65 percent and 4.59 percent, respectively, compared to 4.71 percent and 4.57 percent, respectively, in the prior quarter.

Genworth's effective tax rate on income from continuing operations for the quarter was approximately 31.1 percent. The effective tax rate was increased from the tax effect of forward starting swap gains settled prior to the change in the corporate tax rate under the 2017 Tax Cuts and Jobs Act, which continue to be tax effected at 35 percent as they are amortized into net investment income, as well as by the higher tax expense related to foreign operations and nondeductible goodwill. The effective tax rate on the loss from discontinued operations for the quarter was 21 percent.

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

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

Adjusted Operating Income (Loss) *(Amounts in millions)*	**Q2 20**	**Q1 20**	**Q2 19**
U.S. Mortgage Insurance	$ (3)	$ 148	$ 147
Australia Mortgage Insurance	1	9	13
U.S. Life Insurance	(5)	(70)	66
Runoff	24	(13)	9
Corporate and Other	(38)	(41)	(57)
Total Adjusted Operating Income (Loss)	**$ (21)**	**$ 33**	**$ 178**

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

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

U.S. Mortgage Insurance

Operating Metrics *(Dollar amounts in millions)*	**Q2 20**	**Q1 20**	**Q2 19**
Adjusted operating income (loss)	$ (3)	$ 148	$ 147
New insurance written			
Primary Flow	$28,400	$17,900	$15,800
Loss ratio	94%	8%	— %

U.S. MI reported an adjusted operating loss of $3 million, compared with adjusted operating income of $148 million in the prior quarter and $147 million in the prior year. U.S. MI's flow insurance in force increased 16 percent versus the prior year from strong NIW, driving continued growth in earned premiums. Flow NIW increased 59 percent from the prior quarter due to higher purchase and refinance originations and was up 80 percent versus the prior year primarily driven by higher refinance originations, a larger private mortgage insurance market and higher estimated market share. Flow insurance in force growth from NIW was partially offset by low persistency, which was 60 percent for the quarter, down from 76 percent in the prior quarter and 82 percent in the prior year. The growth in earned premiums versus the prior quarter and prior year was also driven by increased single premium policy cancellations from lower persistency and higher mortgage refinancing activity, partially offset by lower average premium rates and higher ceded premiums associated with the company's credit risk transfer program.

U.S. MI losses of $228 million and loss ratio of 94 percent were up from both the prior year and sequentially driven by an increase in new delinquencies from the COVID-19 pandemic. Total flow delinquencies increased from 15,246 to 53,372 sequentially driven by 48,249 new delinquencies in the quarter, of which 87 percent are subject to a forbearance plan and may cure at an elevated rate. New delinquencies contributed $170 million of loss expense in the quarter, and in addition, losses included approximately $28 million of incremental loss expense associated with incurred but not reported (IBNR) delinquencies. U.S. MI also strengthened reserves on existing delinquencies by $28 million, primarily due to the deterioration of early cure emergence patterns impacting the frequency of claim, along with a modest increase in the estimated claim severity.

Australia Mortgage Insurance

Operating Metrics
(Dollar amounts in millions)

	Q2 20	Q1 20	Q2 19
Adjusted operating income	$ 1	$ 9	$ 13
New insurance written			
Flow	$4,400	$4,100	$3,700
Bulk	$ 100	$ 200	$1,200
Loss ratio	63%	34%	34%

Australia MI reported adjusted operating income of $1 million, down from $9 million in the prior quarter and $13 million in the prior year primarily from lower earned premiums and higher losses in the current quarter. Australia MI flow NIW increased 15 percent sequentially and increased 32 percent versus the prior year due to higher mortgage origination volume with continued low interest rates and improving consumer confidence. Through the second quarter, over 48,000 of Australia MI's insured loans, or 4% of its insured loans in force, were enrolled in a payment deferral or payment holiday program. Under regulatory guidance, these loans, unless previously delinquent, are reported as current. The business strengthened its loss reserve by $18 million in the current quarter, including IBNR reserving for the loan payment deferrals, to reflect anticipated economic impacts caused by the COVID-19 pandemic. The loss ratio in the quarter was 63 percent, up 29 points both sequentially and versus prior year primarily due to the increases in loss reserves.

U.S. Life Insurance

Adjusted Operating Income (Loss)
(Amounts in millions)

	Q2 20	Q1 20	Q2 19
Long Term Care Insurance	$ 48	$ 1	$ 37
Life Insurance	(81)	(77)	10
Fixed Annuities	28	6	19
Total U.S. Life Insurance	$ (5)	$ (70)	$ 66

Long Term Care Insurance

Long term care insurance reported adjusted operating income of $48 million, compared with $1 million in the prior quarter and $37 million in the prior year. Mortality in the current quarter was higher compared to the prior quarter and prior year, impacting active claims, pending claims and active policies. Although it is not the company's practice to track cause of death for LTC policyholders and claimants, current quarter LTC results were likely impacted by the COVID-19 pandemic. In light of the significant decrease in LTC new claim incidence the company has experienced during the COVID-19 pandemic, IBNR claim reserves were strengthened $37 million in the current quarter, reflecting the assumption that incidence during the quarter was temporarily delayed. The IBNR reserve strengthening partially offset the continued favorable development on IBNR claims. Premiums from in force rate actions were higher than the prior quarter and prior year, partially offset by less favorable impacts from benefit reductions.

Life Insurance

Life insurance reported an adjusted operating loss of $81 million, compared with an adjusted operating loss of $77 million in the prior quarter and adjusted operating income of $10 million in the prior year. Results reflected higher amortization of deferred acquisition costs (DAC) compared to the prior year, primarily associated with higher lapses from the large 20-year level-premium term life insurance block entering its post-level premium period. Results also reflected reserve increases during the premium grace period in the 10-year term universal life insurance block associated with policies entering the post-level premium period that were higher than the prior year and lower than the prior quarter. Universal life mortality was higher compared to the prior quarter and prior year, attributable in part to the COVID-19 pandemic. Prior year results included a reinsurance correction and a refinement resulting in a net favorable after-tax impact of $17 million.

Fixed Annuities

Fixed annuities reported adjusted operating income of $28 million, compared with $6 million in the prior quarter and $19 million in the prior year. Results versus the prior quarter and prior year reflected favorable reserve changes and DAC amortization due to the favorable equity market changes and higher mortality in the single premium immediate annuity product. Results versus the prior year also reflected lower net spreads and DAC amortization reflecting higher lapses. Results in the prior year included unfavorable after-tax charges of $4 million from loss recognition testing on the single premium immediate annuity block.

Runoff

Runoff reported adjusted operating income of $24 million, compared with an adjusted operating loss of $13 million in the prior quarter and adjusted operating income of $9 million in the prior year. Results in the current quarter reflected impacts in the company's variable annuity business from favorable equity market performance compared to the prior quarter and prior year.

Corporate And Other

Corporate and Other reported an adjusted operating loss of $38 million, compared with $41 million in the prior quarter and $57 million in the prior year. Operating expenses in the current quarter were favorable compared to the prior quarter and prior year primarily from lower corporate spending. Additionally, results in the current quarter and prior quarter reflected lower interest expense compared to the prior year from the early redemption of Genworth Holdings, Inc.'s June 2020 senior notes in January 2020.

Capital & Liquidity

Genworth maintains the following capital positions in its operating subsidiaries:

Key Capital & Liquidity Metrics *(Dollar amounts in millions)*	**Q2 20**	**Q1 20**	**Q2 19**
U.S. MI			
Consolidated Risk-To-Capital Ratio[6]	12.0:1	12.2:1	11.8:1
Genworth Mortgage Insurance Corporation Risk-To-Capital Ratio[6]	12.2:1	12.4:1	12.1:1
Private Mortgage Insurer Eligibility Requirements (PMIERs) Sufficiency Ratio[6,7]	143%	142%	123%
Australia MI			
Prescribed Capital Amount (PCA) Ratio[6]	177%	178%	208%
U.S. Life Insurance Companies			
Consolidated Risk-Based Capital (RBC) Ratio[6]	220%	194%	191%
Holding Company Cash and Liquid Assets[8,9]	$ 554	$ 575	$ 403

Key Points

- U.S. MI's PMIERs sufficiency ratio is estimated to be 143 percent, $1,275 million above requirements. The PMIERs sufficiency ratio was up one percent, or $104 million sequentially, with improvement driven primarily from business cash flows, elevated lapse of existing business and an increase in reinsurance credit, partially offset by incremental new delinquencies and capital consumed by NIW. Both the current quarter and prior quarter ratios benefited from a 0.30 multiplier applied to the risk based required asset factor for loans, pursuant to recently announced GSE PMIERs guidance, which resulted in a reduction of PMIERs required assets by an estimated $1,057 million at the end of the quarter;

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6 Company estimate for the second quarter of 2020 due to timing of the preparation and filing of statutory statements.

7 The PMIERs sufficiency ratio is calculated as available assets divided by required assets as defined within PMIERs. The current period PMIERs sufficiency ratio is an estimate due to the timing of the PMIERs filing for the U.S. mortgage insurance business. As of June 30, 2020, March 31, 2020, and June 30, 2019, the PMIERs sufficiency ratios were in excess of $1.2 billion, $1.1 billion and $0.65 billion, respectively, of available assets above the applicable PMIERs requirements.

8 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.

9 Genworth Holdings, Inc. had $504 million, $525 million and $358 million of cash, cash equivalents and restricted cash as of June 30, 2020, March 31, 2020 and June 30, 2019, respectively, which included $10 million and $7 million of restricted cash and cash equivalents as of June 30, 2020 and June 30, 2019, respectively. Genworth Holdings, Inc. also held $50 million, $50 million and $45 million in U.S. government securities as of June 30, 2020, March 31, 2020 and June 30, 2019, respectively, which included $49 million, $50 million and $42 million, respectively, of restricted assets.

- In the current quarter, U.S. MI executed an aggregate excess of loss reinsurance transaction which provided up to $300 million of reinsurance coverage on the 2009-2019 book years to provide PMIERs capital credit for elevated delinquencies as a result of COVID-19. The PMIERs sufficiency in the current quarter included approximately $180 million of capital credit in respect of this transaction. Combined with the other outstanding credit risk transfer transactions, including the insurance linked note, the credit risk transfer program provided an aggregate of approximately $1.0 billion of PMIERs capital credit as of June 30, 2020;
- Australia MI's PCA ratio is estimated to be 177 percent, above the company's target operating range of 132 to 144 percent. The PCA ratio was down one point sequentially;
- Subsequent to quarter end, Australia MI executed a series of Tier 2 debt transactions that extended favorable regulatory capital credit;
- U.S. life insurance companies' consolidated statutory risk-based capital is estimated to be 220%, up from the prior quarter primarily due to statutory income on LTC from favorable mortality and favorable equity market impacts on variable annuities during the current quarter; and
- The holding company ended the quarter with $554 million of cash and liquid assets, including $59 million that is restricted, which is above the company's target of two times expected annual debt interest payments excluding restricted cash and liquid assets. During the second quarter, the holding company repurchased $52 million of its 2021 maturities at a $4 million discount. Subsequent to quarter end, the company made a £100 million payment ($125 million) to AXA related to the settlement agreement on July 21, 2020.

About Genworth Financial

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

From time to time, Genworth releases important information via postings on its corporate website. Accordingly, investors and other interested parties are encouraged to enroll to receive automatic email alerts and Really Simple Syndication (RSS) feeds regarding new postings. Enrollment information is found under the "Investors" section of genworth.com. From time to time, Genworth's publicly traded subsidiary, Genworth Mortgage Insurance Australia Limited, separately releases financial and other information about its operations. This information can be found at http://www.genworth.com.au.

Conference Call And Financial Supplement Information

This press release and the second quarter 2020 financial supplement are now posted on the company's website. Additional information regarding business results will be posted on the company's website, http://investor.genworth.com, by 8:00 a.m. on July 30, 2020. Investors are encouraged to review these materials.

Genworth will conduct a conference call on July 30, 2020 at 9:00 a.m. (ET) to discuss business results and provide an update on strategic objectives, including the pending transaction with China Oceanwide. Genworth's conference call will be accessible via telephone and the Internet. The dial-in number for Genworth's July 30th conference call is 888 208.1820 or 323 794.2110 (outside the U.S.); conference ID # 6602361. To participate in the call by webcast, register at http://investor.genworth.com at least 15 minutes prior to the webcast to download and install any necessary software.

A replay of the call will be available at 888 203.1112 or 719 457.0820 (outside the U.S.); conference ID # 6602361 through August 14, 2020. The webcast will also be archived on the company's website for one year.

Use of Non-GAAP Measures

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

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

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

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

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

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

The tables at the end of this press release provide a reconciliation of net income (loss) available to Genworth Financial, Inc.'s common stockholders to adjusted operating income (loss) for the three months ended June 30, 2020 and 2019, as well as for the three months ended March 31, 2020, and reflect adjusted operating income (loss) as determined in accordance with accounting guidance related to segment reporting.

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

Definition of Selected Operating Performance Measures

The company taxes its international businesses at their local jurisdictional tax rates and its domestic businesses at the U.S. corporate federal income tax rate of 21 percent. The company's segment tax methodology applies the respective jurisdictional or domestic tax rate to the pre-tax income (loss) of each segment, which is then adjusted in each segment to reflect the tax attributes of items unique to that segment such as foreign withholding taxes and permanent differences between U.S. GAAP and local tax law. The difference between the consolidated provision for income taxes and the sum of the provision for income taxes in each segment is reflected in Corporate and Other activities.

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

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

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

Management regularly monitors and reports insurance in force and risk in force. Insurance in force for the company's mortgage insurance businesses is a measure of the aggregate original loan balance for outstanding insurance policies as of the respective reporting date. Risk in force for the company's U.S. mortgage insurance business is based on the coverage percentage applied to the estimated current outstanding loan balance. Risk in force in the Australia mortgage insurance business is computed using an "effective" risk in force amount, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in force has been calculated by applying to insurance in force a factor of 35 percent that represents the highest expected average per-claim payment for any one underwriting year over the life of the company's mortgage insurance business in Australia. The company also has certain risk share arrangements in Australia where it provides pro-rata coverage of certain loans rather than 100 percent coverage. As a result, for loans with these risk share arrangements, the applicable pro-rata coverage amount provided is used when applying the factor. The company considers insurance in force and risk in force to be measures of its operating performance because they represent measures of the size of its business at a specific date which will generate revenues and profits in a future period, rather than measures of its revenues or profitability during that period.

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

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

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "expects," "intends," "anticipates," "plans," "believes," "seeks," "estimates," "will" or words of similar meaning and include, but are not limited to, statements regarding the outlook for the company's future business and financial performance. Examples of forward-looking statements include statements the company makes relating to the closing of the transaction with China Oceanwide Holdings Group Co., Ltd. (together with its affiliates, Oceanwide), Oceanwide's funding plans and transactions the company is pursuing to address its near-term liabilities and financial obligations, which may include raising debt through its mortgage insurance subsidiaries and/or transactions to sell a percentage of its ownership interests in its mortgage insurance businesses, as well as statements the company makes regarding the potential impacts of the COVID-19 pandemic. Forward-looking statements are based on management's current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially from those in the forward-looking statements due to global political, economic, business, competitive, market, regulatory and other factors and risks, including, but not limited to, the following:

- *risks related to the proposed transaction with Oceanwide* including: the risk that Oceanwide will be unable to raise funding or the company's inability to complete the Oceanwide transaction in a timely manner or at all, which may adversely affect the company's business and the price of its common stock; the risk that the company will be unable to address its near-term liabilities and financial obligations, including the risks that it will be unable to raise new debt financing and/or sell a percentage of its ownership interest in its U.S. mortgage insurance business to repay the promissory note to AXA or refinance its debt maturing in 2021 or beyond; the parties' inability to obtain regulatory approvals, clearances or extensions, or the possibility that such regulatory approvals or clearances may further delay the Oceanwide transaction or may not be received prior to September 30, 2020 (and either or both of the parties may not be willing to further waive their end date termination rights beyond September 30, 2020) or that materially burdensome or adverse regulatory conditions may be imposed or undesirable measures may be required in connection with any such regulatory approvals, clearances or extensions (including those conditions or measures that either or both of the parties may be unwilling to accept or undertake, as applicable) or that with continuing delays, circumstances may arise that make one or more previously obtained regulatory approvals or clearances no longer valid, one or both parties unwilling to proceed with the Oceanwide transaction or unable to comply with the conditions to existing regulatory approvals, or one or both of the parties may be unwilling to accept any new condition under a regulatory approval; the risk that the parties will not be able to obtain other regulatory approvals, clearances or extensions, including in connection with a potential alternative funding structure or the current geo-political environment, or that one or more regulators may rescind or fail to extend existing approvals, or that the revocation by one regulator of approvals will lead to the revocation of approvals by other regulators; the parties' inability to obtain any necessary regulatory approvals, clearances or extensions for the post-closing capital plan; the risk that a condition to the closing of the Oceanwide transaction may not be satisfied or that a condition to closing that is currently satisfied may not remain satisfied due to the delay in closing the Oceanwide transaction or that the parties will be unable to agree upon a closing date following receipt of all regulatory approvals and clearances; the risk that existing and potential legal proceedings may be instituted against the company in connection with the Oceanwide transaction that may delay the transaction, make it more costly or ultimately preclude it; the risk that the proposed Oceanwide transaction disrupts the company's current plans and operations as a result of the announcement and consummation of the transaction; potential adverse reactions or changes to the company's business relationships with clients, employees, suppliers or other parties or other business uncertainties resulting from the announcement of the Oceanwide transaction or during the pendency of the transaction, including but not limited to such changes that could affect the company's financial performance; certain restrictions during the pendency of the Oceanwide transaction that may impact the company's ability to pursue certain business opportunities or strategic transactions; continued availability of capital and financing to the company before, or in the absence of, the consummation of the Oceanwide transaction; further rating agency actions and downgrades in the company's credit or financial strength ratings; changes in applicable laws or regulations; the company's ability to recognize the anticipated benefits of the Oceanwide transaction; the amount of the costs, fees, expenses and other charges related to the Oceanwide transaction; the risks related to diverting management's attention from the company's ongoing business operations; and the company's ability to attract, recruit, retain and motivate current and prospective employees may be adversely affected;

- *strategic risks in the event the proposed transaction with Oceanwide is not consummated* including: the company's inability to successfully execute alternative strategic plans to effectively address its current business challenges (including with respect to stabilizing its U.S. life insurance businesses, debt and other obligations, cost savings, ratings and capital); the risk that the impacts of or uncertainty created by the COVID-19 pandemic delay or hinder alternative transactions or otherwise make alternative plans less attractive; the company's inability to attract buyers for any businesses or other assets it may seek to sell, or securities it may seek to issue, in each case, in a timely manner and on anticipated terms; failure to obtain any required regulatory, stockholder and/or noteholder approvals or consents for such alternative strategic plans, or the company's challenges changing or being more costly or difficult to successfully address than currently anticipated or the benefits achieved being less than anticipated; inability to achieve anticipated cost-savings in a timely manner; adverse tax or accounting charges; and the company's ability to increase the capital needed in its mortgage insurance businesses in a timely manner and on anticipated terms, including through business performance, reinsurance or similar transactions, asset sales, securities offerings or otherwise, in each case as and when required;

- *risks relating to estimates, assumptions and valuations* including: inadequate reserves and the need to increase reserves (including as a result of any changes the company may make to its assumptions, methodologies or otherwise in connection with periodic or other reviews, including reviews it expects to complete and carry out in the fourth quarter of 2020); risks related to the impact of the company's annual review of assumptions and methodologies related to its long term care insurance claim reserves and margin reviews in the fourth quarter of 2020, including risks that additional information obtained in finalizing its claim reserves and margin reviews in the fourth quarter of 2020 or other changes to assumptions or methodologies materially affect margins; the inability to accurately estimate the impacts of the COVID-19 pandemic; inaccurate models; deviations from the company's estimates and actuarial assumptions or other reasons in its long term care insurance, life insurance and/or annuity businesses; accelerated amortization of deferred acquisition costs (DAC) and present value of future profits (PVFP) (including as a result of any changes it may make to its assumptions, methodologies or otherwise in connection with periodic or other reviews, including reviews it expects to complete and carry out in the fourth quarter of 2020); adverse impact on the company's financial results as a result of projected profits followed by projected losses (as is currently the case with its long term care insurance business); adverse impact on the company's results of operations, including the outcome of its reviews of the premium earnings pattern for its mortgage insurance businesses; and changes in valuation of fixed maturity and equity securities;

- *risks relating to economic, market and political conditions* including: downturns and volatility in global economies and equity and credit markets, including as a result of prolonged unemployment, a sustained low interest rate environment and other displacements caused by the COVID-19 pandemic; interest rates and changes in rates have adversely impacted, and may continue to materially adversely impact, the company's business and profitability; deterioration in economic conditions or a decline in home prices that adversely affect the company's loss experience in mortgage insurance; political and economic instability or changes in government policies; and fluctuations in foreign currency exchange rates and international securities markets;

- *regulatory and legal risks* including: extensive regulation of the company's businesses and changes in applicable laws and regulations (including changes to tax laws and regulations); litigation and regulatory investigations or other actions; dependence on dividends and other distributions from the company's subsidiaries (particularly its mortgage insurance subsidiaries) and the inability of any subsidiaries to pay dividends or make other distributions to the company, including as a result of the performance of its subsidiaries, heightened regulatory restrictions resulting from the COVID-19 pandemic, and other insurance, regulatory or corporate law restrictions; the inability to successfully seek in force rate action increases (including increased premiums and associated benefit reductions) in the company's long term care insurance business, including as a result of the COVID-19 pandemic; adverse change in regulatory requirements, including risk-based capital; changes in regulations adversely affecting the company's Australian mortgage insurance business; inability to continue to maintain the private mortgage insurer eligibility requirements (PMIERs); the impact on capital levels of increased delinquencies caused by the COVID-19 pandemic; inability of the company's U.S. mortgage insurance subsidiaries to meet minimum statutory capital requirements; the influence of Federal

National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and a small number of large mortgage lenders on the U.S. mortgage insurance market and adverse changes to the role or structure of Fannie Mae and Freddie Mac; adverse changes in regulations affecting the company's mortgage insurance businesses; additional restrictions placed on the company's U.S. mortgage insurance business by government and government-owned and government-sponsored enterprises (GSEs) in connection with a new debt financing and/or sale of a percentage of its ownership interests therein; inability to continue to implement actions to mitigate the impact of statutory reserve requirements; changes in tax laws; and changes in accounting and reporting standards;

- *liquidity, financial strength ratings, credit and counterparty risks* including: insufficient internal sources to meet liquidity needs and limited or no access to capital (including the ability to obtain further financing, either through raising new debt financing and/or selling a percentage of the company's ownership interests in its mortgage insurance businesses, or under a secured term loan or credit facility); the impact on holding company liquidity caused by the inability to receive dividends or other returns of capital from the company's mortgage insurance businesses as a result of the COVID-19 pandemic; the impact of increased leverage as a result of the AXA settlement and related restrictions; continued availability of capital and financing; future adverse rating agency actions, including with respect to rating downgrades or potential downgrades or being put on review for potential downgrade, all of which could have adverse implications for the company, including with respect to key business relationships, product offerings, business results of operations, financial condition and capital needs, strategic plans, collateral obligations and availability and terms of hedging, reinsurance and borrowings; defaults by counterparties to reinsurance arrangements or derivative instruments; defaults or other events impacting the value of the company's fixed maturity securities portfolio; and defaults on the company's commercial mortgage loans or the mortgage loans underlying its investments in commercial mortgage-backed securities and volatility in performance;

- *operational risks* including: inability to retain, attract and motivate qualified employees or senior management; ineffective or inadequate risk management in identifying, controlling or mitigating risks; the impact on processes caused by shelter-in-place or other governmental restrictions imposed as a result of the COVID-19 pandemic; reliance on, and loss of, key customer or distribution relationships; competition, including in the company's mortgage insurance businesses from GSEs offering mortgage insurance; the design and effectiveness of the company's disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations; and failure or any compromise of the security of the company's computer systems, disaster recovery systems and business continuity plans and failures to safeguard, or breaches of, its confidential information;

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

- *other risks* including: impairments of or valuation allowances against the company's deferred tax assets and the occurrence of natural orman-made disasters or a pandemic, such as the COVID-19 pandemic, could materially adversely affect its financial condition and results of operations.

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

# # #

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

	Three months ended June 30, 2020	Three months ended June 30, 2019	Three months ended March 31, 2020
Revenues:			
Premiums	$ 1,019	$ 1,001	$ 1,015
Net investment income	786	816	793
Net investment gains (losses)	159	(46)	(152)
Policy fees and other income	174	223	181
Total revenues	2,138	1,994	1,837
Benefits and expenses:			
Benefits and other changes in policy reserves	1,486	1,251	1,361
Interest credited	139	146	141
Acquisition and operating expenses, net of deferrals	223	229	249
Amortization of deferred acquisition costs and intangibles	93	84	116
Goodwill impairment	5	—	—
Interest expense	44	60	52
Total benefits and expenses	1,990	1,770	1,919
Income (loss) from continuing operations before income taxes	148	224	(82)
Provision (benefit) for income taxes	46	66	(10)
Income (loss) from continuing operations	102	158	(72)
Income (loss) from discontinued operations, net of taxes	(520)	60	—
Net income (loss)	(418)	218	(72)
Less: net income (loss) from continuing operations attributable to noncontrolling interests	23	15	(6)
Less: net income from discontinued operations attributable to noncontrolling interests	—	35	—
Net income (loss) available to Genworth Financial, Inc.'s common stockholders	$ (441)	$ 168	$ (66)
Net income (loss) available to Genworth Financial, Inc.'s common stockholders:			
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders	$ 79	$ 143	$ (66)
Income (loss) from discontinued operations available to Genworth Financial, Inc.'s common stockholders	(520)	25	—
Net income (loss) available to Genworth Financial, Inc.'s common stockholders	$ (441)	$ 168	$ (66)
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	$ 0.16	$ 0.29	$ (0.13)
Diluted	$ 0.15	$ 0.28	$ (0.13)
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	$ (0.87)	$ 0.33	$ (0.13)
Diluted	$ (0.86)	$ 0.33	$ (0.13)
Weighted-average common shares outstanding:			
Basic	505.4	503.4	504.3
Diluted[10]	512.5	508.7	504.3

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

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

	Three months ended June 30, 2020	Three months ended June 30, 2019	Three months ended March 31, 2020
Net income (loss) available to Genworth Financial, Inc.'s common stockholders	$ (441)	$ 168	$ (66)
Add: net income (loss) from continuing operations attributable to noncontrolling interests	23	15	(6)
Add: net income from discontinued operations attributable to noncontrolling interests	—	35	—
Net income (loss)	(418)	218	(72)
Less: income (loss) from discontinued operations, net of taxes	(520)	60	—
Income (loss) from continuing operations	102	158	(72)
Less: net income (loss) from continuing operations attributable to noncontrolling interests	23	15	(6)
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders	79	143	(66)
Adjustments to income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders:			
Net investment (gains) losses, net[11]	(131)	43	115
Goodwill impairment, net[12]	3	—	—
(Gains) losses on early extinguishment of debt	(3)	—	12
Expenses related to restructuring	1	—	1
Taxes on adjustments	30	(8)	(29)
Adjusted operating income (loss)	$ (21)	$ 178	$ 33
Adjusted operating income (loss):			
U.S. Mortgage Insurance segment	$ (3)	$ 147	$ 148
Australia Mortgage Insurance segment	1	13	9
U.S. Life Insurance segment:			
Long Term Care Insurance	48	37	1
Life Insurance	(81)	10	(77)
Fixed Annuities	28	19	6
Total U.S. Life Insurance segment	(5)	66	(70)
Runoff segment	24	9	(13)
Corporate and Other	(38)	(57)	(41)
Adjusted operating income (loss)	$ (21)	$ 178	$ 33
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	$ (0.87)	$ 0.33	$ (0.13)
Diluted	$ (0.86)	$ 0.33	$ (0.13)
Adjusted operating income (loss) per share:			
Basic	$ (0.04)	$ 0.35	$ 0.07
Diluted	$ (0.04)	$ 0.35	$ 0.07
Weighted-average common shares outstanding:			
Basic	505.4	503.4	504.3
Diluted[10]	512.5	508.7	504.3

11 For the three months ended June 30, 2020, June 30, 2019 and March 31, 2020, net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves of $(4) million, $(3) million and $(11) million, respectively, and adjusted for net investment gains (losses) attributable to noncontrolling interests of $32 million, $—million and $(26) million, respectively.

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

Condensed Consolidated Balance Sheets
(Amounts in millions)

	June 30, 2020 (Unaudited)	December 31, 2019
Assets		
Cash, cash equivalents, restricted cash and invested assets	$ 78,520	$ 75,226
Deferred acquisition costs	1,718	1,836
Intangible assets and goodwill	223	201
Reinsurance recoverable, net	16,900	17,103
Deferred tax and other assets	740	868
Separate account assets	5,536	6,108
Total assets	$ 103,637	$ 101,342
Liabilities and equity		
Liabilities:		
Future policy benefits	$ 41,463	$ 40,384
Policyholder account balances	22,921	22,217
Liability for policy and contract claims	11,280	10,958
Unearned premiums	1,804	1,893
Other liabilities	2,075	1,428
Non-recourse funding obligations	—	311
Long-term borrowings	2,817	3,277
Separate account liabilities	5,536	6,108
Liabilities related to discontinued operations	653	134
Total liabilities	88,549	86,710
Equity:		
Common stock	1	1
Additional paid-in capital	11,996	11,990
Accumulated other comprehensive income (loss)	4,447	3,433
Retained earnings	899	1,461
Treasury stock, at cost	(2,700)	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	14,643	14,185
Noncontrolling interests	445	447
Total equity	15,088	14,632
Total liabilities and equity	$ 103,637	$ 101,342

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

	Three months ended June 30, 2019
Adjusted operating income as previously reported	$ 204
Remove Canada Mortgage Insurance segment adjusted operating income reported as discontinued operations	(41)
Adjustment for corporate overhead allocations, net of taxes[13]	(5)
Adjustment for interest on debt that was required to be repaid as a result of the disposal transaction, net of taxes[14]	6
Tax adjustments[15]	14
Re-presented adjusted operating income	$ 178

13 Expenses previously reported in the Canada MI segment and moved to Corporate and Other Activities.

14 Interest on a senior secured term loan facility owed by Genworth Holdings, Inc. previously reported in Corporate and Other Activities and moved to discontinued operations.

15 Tax impacts resulting from the classification of Genworth Canada asheld-for-sale.

Impact of Foreign Exchange on Adjusted Operating Income and Flow New Insurance Written[16]
Three months ended June 30, 2020

	Percentages Including Foreign Exchange	Percentages Excluding Foreign Exchange[17]
Australia MI:		
Adjusted operating income	(92)%	(92)%
Flow new insurance written	19%	32%
Flow new insurance written (2Q20 vs. 1Q20)	7%	15%

16 All percentages are comparing the second quarter of 2020 to the second quarter of 2019 unless otherwise stated.
17 The impact of foreign exchange was calculated using the comparable prior period exchange rates.

Reconciliation of Reported Yield to Core Yield

(Assets—amounts in billions)	Three months ended June 30, 2020	Three months ended March 31, 2020
Reported Total Invested Assets and Cash	$ 77.9	$ 73.2
Subtract:		
Securities lending	0.1	0.1
Unrealized gains (losses)	9.7	6.0
Adjusted End of Period Invested Assets and Cash	$ 68.1	$ 67.1
Average Invested Assets and Cash Used in Reported and Core Yield Calculation	$ 67.6	$ 67.3
(Income—amounts in millions)		
Reported Net Investment Income	$ 786	$ 793
Subtract:		
Bond calls and commercial mortgage loan prepayments	8	16
Other non-core items[18]	2	7
Core Net Investment Income	$ 776	$ 770
Reported Yield	4.65%	4.71%
Core Yield	4.59%	4.57%

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

Second Quarter Financial Supplement

June 30, 2020

Genworth

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

Dear Investor,

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

Regards,

Investor Relations
InvestorInfo@genworth.com

Use of Non-GAAP Measures

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

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

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

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

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

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

The table on page 9 of this financial supplement provides a reconciliation of net income (loss) available to Genworth Financial, Inc.’s common stockholders to adjusted operating income (loss) for the periods presented and reflects adjusted operating income (loss) as determined in accordance with accounting guidance related to segment reporting. This financial supplement includes other non-GAAP measures management believes enhances the understanding and comparability of performance by highlighting underlying business activity and profitability drivers. These additional non-GAAP measures are on pages 43 and 44 of this financial supplement.

Results of Operations and Selected Operating Performance Measures

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

The company taxes its international businesses at their local jurisdictional tax rates and its domestic businesses at the U.S. corporate federal income tax rate of 21%. The company's segment tax methodology applies the respective jurisdictional or domestic tax rate to the pre-tax income (loss) of each segment, which is then adjusted in each segment to reflect the tax attributes of items unique to that segment such as foreign withholding taxes and permanent differences between U.S. GAAP and local tax law. The difference between the consolidated provision for income taxes and the sum of the provision for income taxes in each segment is reflected in Corporate and Other activities.

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

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

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

Management regularly monitors and reports insurance in-force and risk in-force. Insurance in-force for the company's mortgage insurance businesses is a measure of the aggregate original loan balance for outstanding insurance policies as of the respective reporting date. Risk in-force for the company's U.S. mortgage insurance business is based on the coverage percentage applied to the estimated current outstanding loan balance. Risk in-force in the Australia mortgage insurance business is computed using an "effective" risk in-force amount, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor of 35% that represents the highest expected averageper-claim payment for any one underwriting year over the life of the company's mortgage insurance business in Australia. The company also has certain risk share arrangements in Australia where it provides pro-rata coverage of certain loans rather than 100% coverage. As a result, for loans with these risk share arrangements, the applicable pro-rata coverage amount provided is used when applying the factor. The company considers insurance in-force and risk in-force to be measures of its operating performance because they represent measures of the size of its business at a specific date which will generate revenues and profits in a future period, rather than measures of its revenues or profitability during that period.

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

Balance Sheet Data	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Total Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income	$10,196	$ 10,634	$ 10,752	$ 10,765	$10,744
Total accumulated other comprehensive income	4,447	3,815	3,433	3,622	3,013
Total Genworth Financial, Inc.'s stockholders' equity	$14,643	$ 14,449	$ 14,185	$ 14,387	$13,757
Book value per share	$ 28.96	$ 28.61	$ 28.17	$ 28.57	$ 27.32
Book value per share, excluding accumulated other comprehensive income	$ 20.17	$ 21.05	$ 21.35	$ 21.38	$ 21.34
Common shares outstanding as of the balance sheet date	505.6	505.1	503.5	503.5	503.5

	Twelve months ended				
Twelve Month Rolling Average ROE	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
U.S. GAAP Basis ROE	(4.8)%	1.0%	3.2%	0.3%	1.5%
Operating ROE(1)	1.5%	3.3%	3.9%	0.9%	0.6%

	Three months ended				
Quarterly Average ROE	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
U.S. GAAP Basis ROE	(16.9)%	(2.5)%	(0.6)%	0.7%	6.3%
Operating ROE(1)	(0.8)%	1.2%	0.9%	4.6%	6.7%

Basic and Diluted Shares	Three months ended June 30, 2020	Six months ended June 30, 2020
Weighted-average common shares used in basic earnings per share calculations	505.4	504.8
Potentially dilutive securities:		
Stock options, restricted stock units and stock appreciation rights	7.1	6.3
Weighted-average common shares used in diluted earnings per share calculations	512.5	511.1

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

Consolidated Quarterly Results

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	$1,019	$1,015	$2,034	$1,033	$1,015	$1,001	$ 988	$4,037
Net investment income	786	793	1,579	794	816	816	794	3,220
Net investment gains (losses)	159	(152)	7	23	(2)	(46)	75	50
Policy fees and other income	174	181	355	188	191	223	187	789
Total revenues	2,138	1,837	3,975	2,038	2,020	1,994	2,044	8,096
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	1,486	1,361	2,847	1,346	1,284	1,251	1,282	5,163
Interest credited	139	141	280	138	146	146	147	577
Acquisition and operating expenses, net of deferrals	223	249	472	249	247	229	237	962
Amortization of deferred acquisition costs and intangibles	93	116	209	164	112	84	81	441
Goodwill impairment	5	—	5	—	—	—	—	—
Interest expense	44	52	96	60	59	60	60	239
Total benefits and expenses	1,990	1,919	3,909	1,957	1,848	1,770	1,807	7,382
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	148	(82)	66	81	172	224	237	714
Provision (benefit) for income taxes	46	(10)	36	26	34	66	69	195
INCOME (LOSS) FROM CONTINUING OPERATIONS	102	(72)	30	55	138	158	168	519
Income (loss) from discontinued operations, net of taxes(1)	(520)	—	(520)	(31)	(80)	60	62	11
NET INCOME (LOSS)	(418)	(72)	(490)	24	58	218	230	530
Less: net income (loss) from continuing operations attributable to noncontrolling interests	23	(6)	17	19	10	15	20	64
Less: net income from discontinued operations attributable to noncontrolling interests	—	—	—	22	30	35	36	123
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	$ (441)	$ (66)	$ (507)	$ (17)	$ 18	$ 168	$ 174	$ 343
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:								
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders	$ 79	$ (66)	$ 13	$ 36	$ 128	$ 143	$ 148	$ 455
Income (loss) from discontinued operations available to Genworth Financial, Inc.'s common stockholders	(520)	—	(520)	(53)	(110)	25	26	(112)
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	$ (441)	$ (66)	$ (507)	$ (17)	$ 18	$ 168	$ 174	$ 343
Earnings (Loss) Per Share Data:								
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders per share								
Basic	$ 0.16	$ (0.13)	$ 0.03	$ 0.07	$ 0.25	$ 0.29	$ 0.29	$ 0.90
Diluted	$ 0.15	$ (0.13)	$ 0.03	$ 0.07	$ 0.25	$ 0.28	$ 0.29	$ 0.89
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share								
Basic	$ (0.87)	$ (0.13)	$ (1.00)	$ (0.03)	$ 0.04	$ 0.33	$ 0.35	$ 0.68
Diluted	$ (0.86)	$ (0.13)	$ (0.99)	$ (0.03)	$ 0.04	$ 0.33	$ 0.34	$ 0.67
Weighted-average common shares outstanding								
Basic	505.4	504.3	504.8	503.5	503.5	503.4	501.2	502.9
Diluted(2)	512.5	504.3	511.1	510.4	511.2	508.7	508.6	509.7

(1) Income (loss) from discontinued operations relates to the company's former Canada mortgage insurance business that was sold on December 12, 2019 and its former lifestyle protection insurance business that was sold on December 1, 2015. During the second quarter of 2020, the company recorded an after-tax loss of $520 million in connection with a settlement agreement reached with AXA S.A. (AXA), including legal fees and other expenses, regarding a dispute over payment protection insurance claims sold by its former lifestyle protection insurance business. During the fourth quarter of 2019, the company also recorded an after-tax loss of $110 million prior to reaching the settlement agreement with AXA.

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	$ (441)	$ (66)	$ (507)	$ (17)	$ 18	$ 168	$ 174	$ 343
Add: net income (loss) from continuing operations attributable to noncontrolling interests	23	(6)	17	19	10	15	20	64
Add: net income from discontinued operations attributable to noncontrolling interests	—	—	—	22	30	35	36	123
NET INCOME (LOSS)	(418)	(72)	(490)	24	58	218	230	530
Less: income (loss) from discontinued operations, net of taxes	(520)	—	(520)	(31)	(80)	60	62	11
INCOME (LOSS) FROM CONTINUING OPERATIONS	102	(72)	30	55	138	158	168	519
Less: net income (loss) from continuing operations attributable to noncontrolling interests	23	(6)	17	19	10	15	20	64
INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	79	(66)	13	36	128	143	148	455
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:								
Net investment (gains) losses, net(1)	(131)	115	(16)	(17)	(5)	43	(71)	(50)
Goodwill impairment, net(2)	3	—	3	—	—	—	—	—
(Gains) losses on early extinguishment of debt	(3)	12	9	—	—	—	—	—
Expenses related to restructuring	1	1	2	—	—	—	4	4
Taxes on adjustments	30	(29)	1	5	—	(8)	14	11
ADJUSTED OPERATING INCOME (LOSS)	$ (21)	$ 33	$ 12	$ 24	$ 123	$ 178	$ 95	$ 420
ADJUSTED OPERATING INCOME (LOSS):								
U.S. Mortgage Insurance segment	$ (3)	$ 148	$ 145	$ 160	$ 137	$ 147	$ 124	$ 568
Australia Mortgage Insurance segment	1	9	10	12	12	13	14	51
U.S. Life Insurance segment:								
Long-Term Care Insurance	48	1	49	19	21	37	(20)	57
Life Insurance	(81)	(77)	(158)	(164)	(25)	10	(2)	(181)
Fixed Annuities	28	6	34	30	3	19	17	69
Total U.S. Life Insurance segment	(5)	(70)	(75)	(115)	(1)	66	(5)	(55)
Runoff segment	24	(13)	11	17	10	9	20	56
Corporate and Other	(38)	(41)	(79)	(50)	(35)	(57)	(58)	(200)
ADJUSTED OPERATING INCOME (LOSS)	$ (21)	$ 33	$ 12	$ 24	$ 123	$ 178	$ 95	$ 420
Earnings (Loss) Per Share Data:								
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share								
Basic	$ (0.87)	$ (0.13)	$ (1.00)	$ (0.03)	$ 0.04	$ 0.33	$ 0.35	$ 0.68
Diluted	$ (0.86)	$ (0.13)	$ (0.99)	$ (0.03)	$ 0.04	$ 0.33	$ 0.34	$ 0.67
Adjusted operating income (loss) per share								
Basic	$ (0.04)	$ 0.07	$ 0.02	$ 0.05	$ 0.25	$ 0.35	$ 0.19	$ 0.84
Diluted	$ (0.04)	$ 0.07	$ 0.02	$ 0.05	$ 0.24	$ 0.35	$ 0.19	$ 0.82
Weighted-average common shares outstanding								
Basic	505.4	504.3	504.8	503.5	503.5	503.4	501.2	502.9
Diluted(3)	512.5	504.3	511.1	510.4	511.2	508.7	508.6	509.7

(1) Net investment (gains) losses were adjusted for the portion attributable to noncontrolling interests and DAC and other intangible amortization and certain benefit reserves (see page 41 for reconciliation).

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

Consolidated Balance Sheets
(amounts in millions)

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
ASSETS					
Investments:					
Fixed maturity securities available-for-sale, at fair value(1)	$ 63,544	$ 59,051	$ 60,339	$ 61,233	$ 59,491
Equity securities, at fair value	206	188	239	239	262
Commercial mortgage loans(2)	6,945	6,944	6,976	7,045	7,030
Less: Allowance for credit losses	(28)	(29)	(13)	(12)	(11)
Commercial mortgage loans, net	6,917	6,915	6,963	7,033	7,019
Policy loans	2,182	2,052	2,058	2,069	2,076
Other invested assets	2,473	2,465	1,632	1,693	1,396
Total investments	75,322	70,671	71,231	72,267	70,244
Cash, cash equivalents and restricted cash	2,597	2,483	3,341	1,629	1,715
Accrued investment income	601	707	654	643	595
Deferred acquisition costs	1,718	1,898	1,836	1,881	1,980
Intangible assets and goodwill	223	263	201	210	229
Reinsurance recoverable	16,944	17,122	17,103	17,180	17,211
Less: Allowance for credit losses	(44)	(42)	—	—	—
Reinsurance recoverable, net	16,900	17,080	17,103	17,180	17,211
Other assets	454	456	443	479	516
Deferred tax asset	286	319	425	236	383
Separate account assets	5,536	4,967	6,108	6,005	6,187
Assets held for sale related to discontinued operations(3)	—	—	—	5,123	5,246
Total assets	$103,637	$ 98,844	$ 101,342	$ 105,653	$104,306

(1) Amortized cost of $54,834 million and $54,136 million as of June 30, 2020 and March 31, 2020, respectively, and allowance for credit losses of $7 million and $— million as of June 30, 2020 and March 31, 2020, respectively.

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

Consolidated Balance Sheets
(amounts in millions)

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
LIABILITIES AND EQUITY					
Liabilities:					
Future policy benefits	$ 41,463	$ 39,339	$ 40,384	$ 40,489	$ 39,583
Policyholder account balances	22,921	22,313	22,217	22,607	22,673
Liability for policy and contract claims	11,280	11,132	10,958	10,780	10,586
Unearned premiums	1,804	1,722	1,893	1,863	1,917
Other liabilities(1)	2,075	1,686	1,428	1,445	1,604
Non-recourse funding obligations	—	—	311	311	311
Long-term borrowings	2,817	2,851	3,277	3,706	3,711
Separate account liabilities	5,536	4,967	6,108	6,005	6,187
Liabilities held for sale related to discontinued operations(1),(2)	653	—	134	2,302	2,142
Total liabilities	88,549	84,010	86,710	89,508	88,714
Equity:					
Common stock	1	1	1	1	1
Additional paid-in capital	11,996	11,993	11,990	11,986	11,983
Accumulated other comprehensive income (loss)	4,447	3,815	3,433	3,622	3,013
Retained earnings	899	1,340	1,461	1,478	1,460
Treasury stock, at cost	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	14,643	14,449	14,185	14,387	13,757
Noncontrolling interests	445	385	447	1,758	1,835
Total equity	15,088	14,834	14,632	16,145	15,592
Total liabilities and equity	$103,637	$ 98,844	$ 101,342	$ 105,653	$104,306

(1) Certain liability balances have been reclassified as of December 31, 2019 to conform to the current period presentation.
(2) Liabilities related to discontinued operations as of June 30, 2020 relates to a contingent liability recorded in connection with a settlement agreement reached with AXA involving the sale of the company's former lifestyle protection insurance business. The company also recorded a contingent liability as of December 31, 2019 prior to reaching the settlement agreement with AXA. In addition, prior to the sale on December 12, 2019, the liabilities of the company's Canada mortgage insurance business were held for sale related to discontinued operations and segregated in the consolidated balance sheets.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

Consolidated Balance Sheet by Segment
(amounts in millions)

	June 30, 2020					
	U.S. Mortgage Insurance	Australia Mortgage Insurance	U.S. Life Insurance	Runoff	Corporate and Other(1)	Total
ASSETS						
Cash and investments	$ 4,831	$ 2,216	$ 66,136	$3,355	$ 1,982	$ 78,520
Deferred acquisition costs and intangible assets	49	82	1,650	149	11	1,941
Reinsurance recoverable, net	—	2	16,164	734	—	16,900
Deferred tax and other assets	64	139	(121)	9	649	740
Separate account assets	—	—	—	5,536	—	5,536
Total assets	$ 4,944	$ 2,439	$ 83,829	$9,783	$ 2,642	$103,637
LIABILITIES AND EQUITY						
Liabilities:						
Future policy benefits	$ —	$ —	$ 41,461	$ 2	$ —	$ 41,463
Policyholder account balances	—	—	19,317	3,604	—	22,921
Liability for policy and contract claims	439	226	10,583	25	7	11,280
Unearned premiums	340	994	466	4	—	1,804
Other liabilities	115	192	1,142	48	578	2,075
Borrowings	—	138	—	—	2,679	2,817
Separate account liabilities	—	—	—	5,536	—	5,536
Liabilities related to discontinued operations	—	—	—	—	653	653
Total liabilities	894	1,550	72,969	9,219	3,917	88,549
Equity:						
Allocated equity, excluding accumulated other comprehensive income (loss)	3,897	422	6,546	538	(1,207)	10,196
Allocated accumulated other comprehensive income (loss)	153	22	4,314	26	(68)	4,447
Total Genworth Financial, Inc.'s stockholders' equity	4,050	444	10,860	564	(1,275)	14,643
Noncontrolling interests	—	445	—	—	—	445
Total equity	4,050	889	10,860	564	(1,275)	15,088
Total liabilities and equity	$ 4,944	$ 2,439	$ 83,829	$9,783	$ 2,642	$103,637

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

Consolidated Balance Sheet by Segment
(amounts in millions)

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

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

Deferred Acquisition Costs Rollforward
(amounts in millions)

	U.S. Mortgage Insurance	Australia Mortgage Insurance	U.S. Life Insurance	Runoff	Total
Unamortized balance as of March 31, 2020	$ 30	$ 32	$ 2,954	$ 158	$ 3,174
Costs deferred	3	3	(1)	—	5
Amortization, net of interest accretion	(1)	(3)	(74)	—	(78)
Impact of foreign currency translation	—	4	—	—	4
Unamortized balance as of June 30, 2020	32	36	2,879	158	3,105
Effect of accumulated net unrealized investment (gains) losses	—	—	(1,375)	(12)	(1,387)
Balance as of June 30, 2020	$ 32	$ 36	$ 1,504	$ 146	$ 1,718

U.S. Mortgage Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	$ 243	$ 226	$ 469	$ 237	$ 219	$ 206	$ 194	$ 856
Net investment income	31	33	64	30	31	28	28	117
Net investment gains (losses)	(1)	—	(1)	1	—	—	—	1
Policy fees and other income	1	2	3	1	1	1	1	4
Total revenues	274	261	535	269	251	235	223	978
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	228	19	247	11	23	—	16	50
Acquisition and operating expenses, net of deferrals	47	50	97	50	51	44	46	191
Amortization of deferred acquisition costs and intangibles	4	4	8	4	3	4	4	15
Total benefits and expenses	279	73	352	65	77	48	66	256
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(5)	188	183	204	174	187	157	722
Provision (benefit) for income taxes	(1)	40	39	43	37	40	33	153
INCOME (LOSS) FROM CONTINUING OPERATIONS	(4)	148	144	161	137	147	124	569
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses	1	—	1	(1)	—	—	—	(1)
Taxes on adjustments	—	—	—	—	—	—	—	—
ADJUSTED OPERATING INCOME (LOSS)	$ (3)	$ 148	$ 145	$ 160	$ 137	$ 147	$ 124	$ 568
SALES:								
Flow New Insurance Written (NIW)	$28,400	$17,900	$46,300	$18,100	$18,900	$15,800	$9,600	$62,400

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

	2020				2019							
	2Q		1Q		4Q		3Q		2Q		1Q	
	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW
Product												
Monthly[1]	$25,900	91%	$16,400	92%	$16,300	90%	$16,800	89%	$13,900	88%	$8,400	87%
Single	2,500	9	1,500	8	1,800	10	2,100	11	1,900	12	1,200	13
Total Flow	$28,400	100%	$17,900	100%	$18,100	100%	$18,900	100%	$15,800	100%	$9,600	100%
FICO Scores												
Over 735	$17,900	63%	$11,200	63%	$11,200	62%	$11,300	60%	$ 9,200	58%	$5,500	57%
680-735	8,900	31	5,800	32	6,000	33	6,300	33	5,500	35	3,300	35
660-679[2]	900	3	500	3	500	3	700	4	600	4	400	4
620-659	700	3	400	2	400	2	600	3	500	3	400	4
<620	—	—	—	—	—	—	—	—	—	—	—	—
Total Flow	$28,400	100%	$17,900	100%	$18,100	100%	$18,900	100%	$15,800	100%	$9,600	100%
Loan-To-Value Ratio												
95.01% and above	$ 3,200	11%	$ 1,800	10%	$ 2,000	11%	$ 2,900	16%	$ 2,900	18%	$1,800	19%
90.01% to 95.00%	12,300	43	7,700	43	7,900	44	8,000	42	6,900	44	4,200	44
85.01% to 90.00%	8,100	29	5,500	31	5,600	31	5,500	29	4,300	27	2,500	26
85.00% and below	4,800	17	2,900	16	2,600	14	2,500	13	1,700	11	1,100	11
Total Flow	$28,400	100%	$17,900	100%	$18,100	100%	$18,900	100%	$15,800	100%	$9,600	100%
Origination												
Purchase	$17,400	61%	$12,000	67%	$12,900	71%	$14,900	79%	$13,900	88%	$8,600	90%
Refinance	11,000	39	5,900	33	5,200	29	4,000	21	1,900	12	1,000	10
Total Flow	$28,400	100%	$17,900	100%	$18,100	100%	$18,900	100%	$15,800	100%	$9,600	100%

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

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Net Premiums Written	$ 217	$ 208	$ 425	$ 208	$ 213	$ 204	$ 193	$ 818
Flow New Risk Written	$ 7,011	$ 4,405	$11,416	$ 4,465	$ 4,647	$ 3,931	$ 2,403	$15,446
Primary Insurance In-Force(1)	$207,400	$198,500		$192,100	$186,300	$178,500	$170,400	
Risk In-Force								
Flow(2)	$ 49,851	$ 47,723		$ 46,228	$ 44,885	$ 42,917	$ 41,020	
Bulk(3)	135	143		150	160	167	173	
Total Primary	49,986	47,866		46,378	45,045	43,084	41,193	
Pool	51	53		56	59	62	66	
Total Risk In-Force	$ 50,037	$ 47,919		$ 46,434	$ 45,104	$ 43,146	$ 41,259	
Primary Risk In-Force That Is GSE Conforming	93%	92%		93%	93%	93%	93%	
Expense Ratio (Net Earned Premiums)(4)	21%	24%	22%	23%	24%	24%	25%	24%
Expense Ratio (Net Premiums Written)(5)	23%	26%	25%	27%	25%	24%	26%	25%
Flow Persistency	60%	76%		74%	75%	82%	86%	
Risk To Capital Ratio(6)	12.0:1	12.2:1		12.2:1	11.9:1	11.8:1	11.9:1	
PMIERs Sufficiency Ratio(7)	143%	142%		138%	129%	123%	123%	
Average Primary Loan Size (in thousands)	$ 229	$ 226		$ 223	$ 221	$ 218	$ 215	

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

(1) Primary insurance in-force represents aggregate loan balances for outstanding insurance policies and is used to determine premiums. Original loan balances are presented for policies with level renewal premiums. Amortized loan balances are presented for policies with annual, amortizing renewal premiums.

(2) Flow risk in-force represents current loan balances as provided by servicers, lenders and investors and conforms to the presentation under the Private Mortgage Insurer Eligibility Requirements (PMIERs).

(3) As of June 30, 2020, 87% of the bulk risk in-force was related to loans finmanced by lenders who participated in the mortgage programs sponsored by the Federal Home Loan Banks.

(4) The ratio of an insurer's general expenses to net earned premiums. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles.

(5) The ratio of an insurer's general expenses to net premiums written. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles.

(6) Certain states limit a private mortgage insurer's risk in-force to 25 times the total of the insurer's policyholders' surplus plus the statutory contingency reserve, commonly known as the "risk to capital" requirement. The current period risk to capital ratio is an estimate due to the timing of the filing of statutory statements and is prepared consistent with the presentation of the statutory financial statements in the combined annual statement of the U.S. mortgage insurance business.

(7) The PMIERs sufficiency ratio is calculated as available assets divided by required assets as defined within PMIERs. The current period PMIERs sufficiency ratio is an estimate due to the timing of the PMIERs filing for the U.S. mortgage insurance business. As of June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019, the PMIERs sufficiency ratios were in excess of $1.2 billion, $1.1 billion, $1.0 billion, $850 million, $650 million and $600 million, respectively, of available assets above the PMIERs requirements.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Paid claims								
Flow								
Direct	$ 18	$ 20	$ 38	$ 22	$ 28	$ 24	$ 30	$ 104
Assumed(1)	—	—	—	—	—	—	—	—
Ceded	—	—	—	—	—	—	—	—
Loss adjustment expenses	1	2	3	2	1	2	2	7
Total Flow	19	22	41	24	29	26	32	111
Bulk	—	—	—	1	—	—	—	1
Total Primary	19	22	41	25	29	26	32	112
Pool	—	—	—	—	1	—	—	1
Total Paid Claims	$ 19	$ 22	$ 41	$ 25	$ 30	$ 26	$ 32	$ 113
Average Paid Claim (in thousands)	$47.1	$45.0		$39.2	$44.2	$45.4	$49.0	
Average Reserve Per Delinquency (in thousands)								
Flow	$ 8.1	$14.8		$14.1	$15.5	$16.5	$17.4	
Bulk loans with established reserve	$11.3	$12.4		$13.4	$13.3	$14.1	$13.8	
Reserves:								
Flow direct case	$ 378	$ 201		$ 204	$ 216	$ 222	$ 246	
Bulk direct case	4	4		4	4	4	4	
Assumed(1)	1	1		1	1	1	1	
All other(2)	56	24		24	26	27	29	
Total Reserves	$ 439	$ 230		$ 233	$ 247	$ 254	$ 280	
Beginning Reserves	$ 230	$ 233	$ 233	$ 247	$ 254	$ 280	$ 296	$ 296
Paid claims	(19)	(22)	(41)	(25)	(30)	(26)	(32)	(113)
Increase (decrease) in reserves	228	19	247	11	23	—	16	50
Ending Reserves	$ 439	$ 230	$ 439	$ 233	$ 247	$ 254	$ 280	$ 233
Loss Ratio(3)	94%	8%	53%	4%	11%	-%	8%	6%

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

(1) Assumed is comprised of reinsurance arrangements with state governmental housing finance agencies.
(2) Other includes loss adjustment expenses, pool and incurred but not reported reserves.
(3) The ratio of benefits and other changes in policy reserves to net earned premiums. The company recorded a favorable reserve adjustment of $13 million and a favorable adjustment to net earned premiums of $14 million in the fourth quarter of 2019, which reduced the loss ratio by six percentage points for the three months ended December 31, 2019. The company also recorded a favorable reserve adjustment of $10 million in the second quarter of 2019, which reduced the loss ratio by five percentage points for the three months ended June 30, 2019. These adjustments reduced the loss ratio by three percentage points for the twelve months ended December 31, 2019.

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Number of Primary Delinquencies								
Flow	53,372	15,246		16,209	15,575	15,070	15,764	
Bulk loans with an established reserve	422	345		348	375	347	360	
Bulk loans with no reserve(1)	100	57		50	55	65	82	
Total Number of Primary Delinquencies	53,894	15,648		16,607	16,005	15,482	16,206	
Beginning Number of Primary Delinquencies	15,648	16,607	16,607	16,005	15,482	16,206	17,159	17,159
New delinquencies	48,557	8,214	56,771	8,738	8,650	7,705	8,539	33,632
Delinquency cures	(9,890)	(8,699)	(18,589)	(7,526)	(7,451)	(7,872)	(8,835)	(31,684)
Paid claims	(421)	(474)	(895)	(610)	(676)	(557)	(657)	(2,500)
Ending Number of Primary Delinquencies	53,894	15,648	53,894	16,607	16,005	15,482	16,206	16,607
Composition of Cures								
Reported delinquent and cured-intraquarter	4,012	2,228		1,681	1,803	1,621	2,342	
Number of missed payments delinquent prior to cure:								
3 payments or less	4,588	4,901		4,457	4,280	4,567	4,862	
4 - 11 payments	1,128	1,393		1,179	1,132	1,434	1,345	
12 payments or more	162	177		209	236	250	286	
Total	9,890	8,699		7,526	7,451	7,872	8,835	
Primary Delinquencies by Missed Payment Status								
3 payments or less	43,323	7,757		8,703	8,398	7,807	7,873	
4 - 11 payments	7,507	4,953		4,919	4,411	4,243	4,755	
12 payments or more	3,064	2,938		2,985	3,196	3,432	3,578	
Primary Delinquencies	53,894	15,648		16,607	16,005	15,482	16,206	

Flow Delinquencies and Percentage Reserved by Payment Status	June 30, 2020 Delinquencies	Direct Case Reserves(2)	Risk In-Force	Reserves as % of Risk In-Force
3 payments or less in default	43,044	$ 162	$ 2,687	6%
4 - 11 payments in default	7,404	111	388	29%
12 payments or more in default	2,924	105	147	71%
Total	53,372	$ 378	$ 3,222	12%

Flow Delinquencies and Percentage Reserved by Payment Status	December 31, 2019 Delinquencies	Direct Case Reserves(2)	Risk In-Force	Reserves as % of Risk In-Force
3 payments or less in default	8,524	$ 27	$ 386	7%
4 - 11 payments in default	4,836	78	224	35%
12 payments or more in default	2,849	99	145	68%
Total	16,209	$ 204	$ 755	27%

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

Portfolio Quality Metrics—U.S. Mortgage Insurance Segment

	2020		2019			
	2Q	1Q	4Q	3Q	2Q	1Q
Primary Loans						
Primary loans in-force	904,753	876,912	860,214	842,692	818,358	792,800
Primary delinquent loans	53,894	15,648	16,607	16,005	15,482	16,206
Primary delinquency rate	5.96%	1.78%	1.93%	1.90%	1.89%	2.04%
Flow loans in-force	894,715	866,562	849,472	831,586	806,739	780,733
Flow delinquent loans	53,372	15,246	16,209	15,575	15,070	15,764
Flow delinquency rate	5.97%	1.76%	1.91%	1.87%	1.87%	2.02%
Bulk loans in-force	10,038	10,350	10,742	11,106	11,619	12,067
Bulk delinquent loans	522	402	398	430	412	442
Bulk delinquency rate	5.20%	3.88%	3.71%	3.87%	3.55%	3.66%
A minus and sub-prime loans in-force	11,712	12,243	12,792	13,450	14,180	14,712
A minus and sub-prime delinquent loans	2,470	2,077	2,283	2,339	2,367	2,530
A minus and sub-prime delinquency rate	21.09%	16.96%	17.85%	17.39%	16.69%	17.20%
Pool Loans						
Pool loans in-force	3,818	4,071	4,122	4,261	4,331	4,470
Pool delinquent loans	151	132	167	168	177	187
Pool delinquency rate	3.95%	3.24%	4.05%	3.94%	4.09%	4.18%
Primary Risk In-Force by Credit Quality						
Over 735	58%	58%	57%	57%	57%	57%
680-735	33%	33%	33%	33%	32%	32%
660-679(1)	4%	4%	5%	5%	5%	5%
620-659	4%	4%	4%	4%	5%	5%
<620	1%	1%	1%	1%	1%	1%

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

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

	June 30, 2020								
Policy Year	Average Rate(1)	% of Total Reserves(2)		Primary Insurance In-Force	% of Total		Primary Risk In-Force	% of Total	Delinquency Rate
2004 and prior	6.15%	4.2%	$	1,241	0.6%	$	231	0.5%	13.55%
2005 to 2008	5.47%	30.2		14,017	6.8		3,193	6.4	13.20%
2009 to 2013	4.23%	2.7		5,461	2.6		1,267	2.5	4.55%
2014	4.46%	3.1		5,719	2.8		1,367	2.7	5.59%
2015	4.16%	5.1		11,858	5.7		2,843	5.7	5.51%
2016	3.89%	9.2		22,566	10.9		5,415	10.8	5.67%
2017	4.25%	11.5		23,845	11.5		5,752	11.5	6.55%
2018	4.77%	12.9		24,767	11.9		5,975	12.0	7.29%
2019	4.25%	18.4		52,068	25.1		12,690	25.4	5.77%
2020	3.58%	2.7		45,816	22.1		11,253	22.5	1.47%
Total	4.29%	100.0%	$	207,358	100.0%	$	49,986	100.0%	5.96%

	June 30, 2020			March 31, 2020			June 30, 2019		
		Primary Risk In-Force	Primary Delinquency Rate		Primary Risk In-Force	Primary Delinquency Rate		Primary Risk In-Force	Primary Delinquency Rate
Lender concentration (by original applicant)	$	49,986	5.96%	$	47,866	1.78%	$	43,084	1.89%
Top 10 lenders	$	15,803	6.62%	$	15,099	1.82%	$	12,597	2.11%
Top 20 lenders	$	20,264	6.53%	$	19,410	1.75%	$	16,729	2.03%
Loan-to-value ratio									
95.01% and above	$	8,789	7.43%	$	8,482	2.00%	$	7,837	3.16%
90.01% to 95.00%		25,690	5.85%		24,707	1.50%		22,389	1.49%
80.01% to 90.00%		15,378	5.26%		14,540	1.37%		12,699	1.59%
80.00% and below		129	3.80%		137	2.42%		159	2.43%
Total	$	49,986	5.96%	$	47,866	1.78%	$	43,084	1.89%
Loan grade									
Prime	$	49,572	5.76%	$	47,433	1.57%	$	42,587	1.63%
A minus and sub-prime		414	21.09%		433	16.96%		497	16.69%
Total	$	49,986	5.96%	$	47,866	1.78%	$	43,084	1.89%

(1) Average Annual Mortgage Interest Rate.
(2) Total reserves were $439 million as of June 30, 2020.

Australia Mortgage Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	$ 62	$ 69	$ 131	$ 72	$ 77	$ 80	$ 83	$ 312
Net investment income	8	10	18	11	13	15	16	55
Net investment gains (losses)	66	(53)	13	19	(9)	1	12	23
Policy fees and other income	—	1	1	—	1	—	(1)	—
Total revenues	136	27	163	102	82	96	110	390
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	39	24	63	22	28	26	28	104
Acquisition and operating expenses, net of deferrals	18	17	35	18	17	17	17	69
Amortization of deferred acquisition costs and intangibles	6	8	14	6	9	9	9	33
Goodwill impairment	5	—	5	—	—	—	—	—
Interest expense	2	1	3	2	2	2	2	8
Total benefits and expenses	70	50	120	48	56	54	56	214
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	66	(23)	43	54	26	42	54	176
Provision (benefit) for income taxes	20	(7)	13	16	8	13	16	53
INCOME (LOSS) FROM CONTINUING OPERATIONS	46	(16)	30	38	18	29	38	123
Less: net income (loss) from continuing operations attributable to noncontrolling interests	23	(6)	17	19	10	15	20	64
INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	23	(10)	13	19	8	14	18	59
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:								
Net investment (gains) losses, net(1)	(34)	27	(7)	(10)	5	(1)	(6)	(12)
Goodwill impairment, net(2)	3	—	3	—	—	—	—	—
Taxes on adjustments	9	(8)	1	3	(1)	—	2	4
ADJUSTED OPERATING INCOME(3)	$ 1	$ 9	$ 10	$ 12	$ 12	$ 13	$ 14	$ 51
SALES:								
New Insurance Written (NIW)								
Flow	$4,400	$4,100	$8,500	$4,900	$4,600	$3,700	$3,400	$16,600
Bulk	100	200	300	400	—	1,200	500	2,100
Total Australia NIW(4),(5)	$4,500	$4,300	$8,800	$5,300	$4,600	$4,900	$3,900	$18,700

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

	2Q 2020	1Q 2020	Total 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019	Total 2019
Net investment (gains) losses, gross	$ (66)	$ 53	$ (13)	$ (19)	$ 9	$ (1)	$ (12)	$ (23)
Adjustment for net investment gains (losses) attributable to noncontrolling interests	32	(26)	6	9	(4)	—	6	11
Net investment (gains) losses, net	$ (34)	$ 27	$ (7)	$ (10)	$ 5	$ (1)	$ (6)	$ (12)

(2) For the three and six months ended June 30, 2020, goodwill impairment was adjusted by $2 million for the portion attributable to noncontrolling interests.

(3) Adjusted operating income for the Australian platform adjusted for foreign exchange as compared to the prior year period was $1 million and $11 million for the three and six months ended June 30, 2020, respectively.

(4) New insurance written for the Australian platform adjusted for foreign exchange as compared to the prior year period was $5,000 million and $9,500 million for the three and six months ended June 30, 2020, respectively.

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

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Net Premiums Written	$ 70	$ 62	$ 132	$ 92	$ 70	$ 58	$ 52	$272
Loss Ratio(1)	63%	34%	48%	30%	36%	34%	34%	33%
Expense Ratio (Net Earned Premiums)(2)	47%	36%	41%	34%	34%	33%	31%	33%
Expense Ratio (Net Premiums Written)(3)	41%	40%	41%	26%	38%	44%	50%	38%
Primary Insurance In-Force(4)	$210,200	$188,400		$215,700	$206,400	$215,600	$219,200	
Primary Risk In-Force(4),(5)								
Flow	$ 67,700	$ 60,700		$ 69,400	$ 66,400	$ 69,100	$ 70,600	
Bulk	5,500	5,000		5,700	5,500	6,000	5,700	
Total	$ 73,200	$ 65,700		$ 75,100	$ 71,900	$ 75,100	$ 76,300	

	June 30, 2020			March 31, 2020		
Risk In-Force by Loan-To-Value Ratio(4),(6)	Primary	Flow	Bulk	Primary	Flow	Bulk
95.01% and above	$ 9,613	$ 9,613	$ —	$ 8,669	$ 8,669	$ —
90.01% to 95.00%	21,066	21,057	9	18,719	18,711	8
80.01% to 90.00%	23,481	23,403	78	20,899	20,828	71
80.00% and below	19,060	13,675	5,385	17,363	12,517	4,846
Total	$ 73,220	$ 67,748	$5,472	$ 65,650	$ 60,725	$ 4,925

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

(1) The ratio of benefits and other changes in policy reserves to net earned premiums.

(2) The ratio of an insurer's general expenses to net earned premiums. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles.

(3) The ratio of an insurer's general expenses to net premiums written. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles.

(4) The business currently has structured insurance transactions with three lenders where it is in a secondary loss position. The insurance in-force and risk in-force associated with these arrangements are excluded from these metrics. The risk in-force on these transactions was approximately $162 million, $143 million, $162 million, $152 million, $157 million and $157 million as of June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019, respectively.

(5) The business currently provides 100% coverage on the majority of the loans the company insures. For the purpose of representing the risk in-force, Australia has computed an "effective risk in-force" amount which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor that represents the highest expected average per-claim payment for any one underwriting year over the life of the business. This factor was 35% for all periods presented. Australia also has certain risk share arrangements where it provides pro-rata coverage of certain loans rather than 100% coverage. As a result, for loans with these risk share arrangements, the applicable pro-rata coverage amount provided is used when applying the factor.

(6) Loan amount in loan-to-value ratio calculation includes capitalized premiums, where applicable.

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

Primary Insurance(1)	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Insured loans in-force	1,236,657	1,284,120	1,290,216	1,293,961	1,308,811
Insured delinquent loans	7,614	7,274	7,221	7,713	7,891
Insured delinquency rate	0.62%	0.57%	0.56%	0.60%	0.60%
Flow loans in-force	1,137,784	1,183,889	1,189,019	1,192,282	1,200,603
Flow delinquent loans	7,380	7,055	7,003	7,469	7,642
Flow delinquency rate	0.65%	0.60%	0.59%	0.63%	0.64%
Bulk loans in-force	98,873	100,231	101,197	101,679	108,208
Bulk delinquent loans	234	219	218	244	249
Bulk delinquency rate	0.24%	0.22%	0.22%	0.24%	0.23%

Loss Metrics	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Beginning Reserves	$ 184	$ 208	$ 204	$ 209	$ 204
Paid claims(2)	(22)	(21)	(25)	(24)	(20)
Increase in reserves	39	24	22	27	27
Impact of changes in foreign exchange rates	25	(27)	7	(8)	(2)
Ending Reserves	$ 226	$ 184	$ 208	$ 204	$ 209

	June 30, 2020		March 31, 2020		June 30, 2019	
State and Territory(1)	% of Primary Risk In-Force	Primary Delinquency Rate	% of Primary Risk In-Force	Primary Delinquency Rate	% of Primary Risk In-Force	Primary Delinquency Rate
New South Wales	27%	0.51%	27%	0.44%	27%	0.45%
Queensland	23	0.78%	23	0.75%	23	0.81%
Victoria	23	0.46%	23	0.42%	23	0.45%
Western Australia	13	1.06%	13	1.00%	13	1.10%
South Australia	6	0.70%	6	0.67%	6	0.68%
Australian Capital Territory	3	0.27%	3	0.25%	3	0.25%
Tasmania	2	0.27%	2	0.30%	2	0.31%
New Zealand	2	0.03%	2	0.02%	2	0.02%
Northern Territory	1	0.87%	1	0.83%	1	0.83%
Total	100%	0.62%	100%	0.57%	100%	0.60%
By Policy Year(1)						
2011 and prior	44%	0.55%	46%	0.50%	48%	0.54%
2012	5	1.01%	5	0.93%	6	1.11%
2013	6	1.12%	6	1.06%	7	1.10%
2014	7	1.10%	7	1.05%	8	0.97%
2015	7	0.89%	7	0.79%	7	0.82%
2016	6	0.71%	6	0.64%	7	0.60%
2017	6	0.57%	6	0.51%	7	0.36%
2018	7	0.41%	7	0.35%	7	0.15%
2019	8	0.10%	8	0.04%	3	0.01%
2020	4	0.01%	2	— %	—	— %
Total	100%	0.62%	100%	0.57%	100%	0.60%

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Paid Claims(1)								
Flow	$ 35	$ 31	$ 66	$ 37	$ 35	$ 28	$ 30	$ 130
Total Paid Claims	$ 35	$ 31	$ 66	$ 37	$ 35	$ 28	$ 30	$ 130
Average Paid Claim (in thousands)	$97.0	$92.7		$99.4	$97.9	$94.1	$94.2	
Average Reserve Per Delinquency (in thousands)	$43.0	$41.3		$41.1	$39.2	$37.8	$38.4	
Loss Metrics								
Beginning Reserves	$ 301	$ 297	$297	$ 302	$ 298	$ 288	$ 279	$ 279
Paid claims(1)	(35)	(31)	(66)	(37)	(35)	(28)	(30)	(130)
Increase in reserves	62	35	97	32	39	38	39	148
Ending Reserves	$ 328	$ 301	$328	$ 297	$ 302	$ 298	$ 288	$ 297
Loan Amount(2),(3)								
Over $550K	21%	20%		19%	19%	19%	18%	
$400K to $550K	22	22		22	22	21	21	
$250K to $400K	33	32		33	33	33	34	
$100K to $250K	20	21		21	21	22	22	
$100K or Less	4	5		5	5	5	5	
Total	100%	100%		100%	100%	100%	100%	
Average Primary Loan Size (in thousands)(3)	$ 246	$ 240		$ 238	$ 236	$ 235	$ 233	

All amounts presented in Australian dollars.

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

U.S. Life Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	$ 712	$ 718	$1,430	$ 722	$ 717	$ 713	$ 709	$2,861
Net investment income	692	695	1,387	705	722	724	701	2,852
Net investment gains (losses)	118	(70)	48	23	11	(36)	84	82
Policy fees and other income	142	144	286	153	152	187	151	643
Total revenues	1,664	1,487	3,151	1,603	1,602	1,588	1,645	6,438
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	1,213	1,297	2,510	1,307	1,225	1,211	1,236	4,979
Interest credited	97	100	197	101	106	106	106	419
Acquisition and operating expenses, net of deferrals	147	151	298	156	158	142	148	604
Amortization of deferred acquisition costs and intangibles	83	87	170	150	89	67	66	372
Interest expense	—	5	5	4	4	4	5	17
Total benefits and expenses	1,540	1,640	3,180	1,718	1,582	1,530	1,561	6,391
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	124	(153)	(29)	(115)	20	58	84	47
Provision (benefit) for income taxes	33	(27)	6	(19)	10	19	24	34
INCOME (LOSS) FROM CONTINUING OPERATIONS	91	(126)	(35)	(96)	10	39	60	13
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses, net[1]	(121)	67	(54)	(24)	(14)	35	(86)	(89)
Losses on early extinguishment of debt	—	4	4	—	—	—	—	—
Expenses related to restructuring	—	—	—	—	—	(1)	4	3
Taxes on adjustments	25	(15)	10	5	3	(7)	17	18
ADJUSTED OPERATING INCOME (LOSS)	$ (5)	$ (70)	$ (75)	$ (115)	$ (1)	$ 66	$ (5)	$ (55)

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

	2Q 2020	1Q 2020	Total 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019	Total 2019
Net investment (gains) losses, gross	$ (118)	$ 70	$ (48)	$ (23)	$ (11)	$ 36	$ (84)	$ (82)
Adjustment for DAC and other intangible amortization and certain benefit reserves	(3)	(3)	(6)	(1)	(3)	(1)	(2)	(7)
Net investment (gains) losses, net	$ (121)	$ 67	$ (54)	$ (24)	$ (14)	$ 35	$ (86)	$ (89)

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	$ 649	$ 642	$1,291	$ 663	$ 652	$ 640	$ 628	$2,583
Net investment income	422	419	841	424	432	428	406	1,690
Net investment gains (losses)	129	(55)	74	19	28	(15)	80	112
Policy fees and other income	—	—	—	—	(2)	2	—	—
Total revenues	1,200	1,006	2,206	1,106	1,110	1,055	1,114	4,385
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	876	928	1,804	925	916	896	927	3,664
Interest credited	—	—	—	—	—	—	—	—
Acquisition and operating expenses, net of deferrals	103	101	204	105	106	93	101	405
Amortization of deferred acquisition costs and intangibles	21	24	45	25	25	26	25	101
Interest expense	—	—	—	—	—	—	—	—
Total benefits and expenses	1,000	1,053	2,053	1,055	1,047	1,015	1,053	4,170
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	200	(47)	153	51	63	40	61	215
Provision (benefit) for income taxes	49	(4)	45	17	19	15	19	70
INCOME (LOSS) FROM CONTINUING OPERATIONS	151	(43)	108	34	44	25	42	145
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses	(129)	55	(74)	(19)	(28)	15	(80)	(112)
Expenses related to restructuring	—	—	—	—	—	(1)	2	1
Taxes on adjustments	26	(11)	15	4	5	(2)	16	23
ADJUSTED OPERATING INCOME (LOSS)	$ 48	$ 1	$ 49	$ 19	$ 21	$ 37	$ (20)	$ 57
RATIOS:								
Loss Ratio[1]	69%	78%	74%	76%	76%	74%	81%	77%
Gross Benefits Ratio[2]	135%	145%	140%	140%	140%	140%	148%	142%

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	$ 63	$ 76	$ 139	$ 59	$ 65	$ 73	$ 81	$ 278
Net investment income	127	130	257	128	133	130	133	524
Net investment gains (losses)	5	1	6	6	(2)	(3)	10	11
Policy fees and other income	140	141	281	150	151	182	148	631
Total revenues	335	348	683	343	347	382	372	1,444
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	289	302	591	335	228	244	242	1,049
Interest credited	57	59	116	58	60	58	58	234
Acquisition and operating expenses, net of deferrals	34	39	73	39	40	37	34	150
Amortization of deferred acquisition costs and intangibles	53	44	97	109	50	28	27	214
Interest expense	—	5	5	4	4	4	5	17
Total benefits and expenses	433	449	882	545	382	371	366	1,664
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(98)	(101)	(199)	(202)	(35)	11	6	(220)
Provision (benefit) for income taxes	(21)	(22)	(43)	(43)	(8)	3	1	(47)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(77)	(79)	(156)	(159)	(27)	8	5	(173)
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses	(5)	(1)	(6)	(6)	2	3	(10)	(11)
Losses on early extinguishment of debt	—	4	4	—	—	—	—	—
Expenses related to restructuring	—	—	—	—	—	—	1	1
Taxes on adjustments	1	(1)	—	1	—	(1)	2	2
ADJUSTED OPERATING INCOME (LOSS)	$ (81)	$ (77)	$(158)	$(164)	$ (25)	$ 10	$ (2)	$ (181)

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	$—	$—	$—	$—	$—	$—	$—	$ —
Net investment income	143	146	289	153	157	166	162	638
Net investment gains (losses)	(16)	(16)	(32)	(2)	(15)	(18)	(6)	(41)
Policy fees and other income	2	3	5	3	3	3	3	12
Total revenues	129	133	262	154	145	151	159	609
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	48	67	115	47	81	71	67	266
Interest credited	40	41	81	43	46	48	48	185
Acquisition and operating expenses, net of deferrals	10	11	21	12	12	12	13	49
Amortization of deferred acquisition costs and intangibles	9	19	28	16	14	13	14	57
Interest expense	—	—	—	—	—	—	—	—
Total benefits and expenses	107	138	245	118	153	144	142	557
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	22	(5)	17	36	(8)	7	17	52
Provision (benefit) for income taxes	5	(1)	4	7	(1)	1	4	11
INCOME (LOSS) FROM CONTINUING OPERATIONS	17	(4)	13	29	(7)	6	13	41
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses, net[1]	13	13	26	1	12	17	4	34
Expenses related to restructuring	—	—	—	—	—	—	1	1
Taxes on adjustments	(2)	(3)	(5)	—	(2)	(4)	(1)	(7)
ADJUSTED OPERATING INCOME	$ 28	$ 6	$ 34	$ 30	$ 3	$ 19	$ 17	$ 69

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

Net investment (gains) losses, gross	$ 16	$ 16	$ 32	$ 2	$ 15	$ 18	$ 6	$ 41
Adjustment for DAC and other intangible amortization and certain benefit reserves	(3)	(3)	(6)	(1)	(3)	(1)	(2)	(7)
Net investment (gains) losses, net	$ 13	$ 13	$ 26	$ 1	$ 12	$ 17	$ 4	$ 34

Runoff Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Net investment income	$54	$ 49	$103	$ 45	$ 48	$ 47	$ 47	$187
Net investment gains (losses)	4	(75)	(71)	(12)	(9)	(4)	—	(25)
Policy fees and other income	32	33	65	35	35	35	35	140
Total revenues	90	7	97	68	74	78	82	302
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	4	20	24	5	8	13	1	27
Interest credited	42	41	83	37	40	40	41	158
Acquisition and operating expenses, net of deferrals	11	13	24	13	13	13	13	52
Amortization of deferred acquisition costs and intangibles	(1)	17	16	2	10	4	2	18
Total benefits and expenses	56	91	147	57	71	70	57	255
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	34	(84)	(50)	11	3	8	25	47
Provision (benefit) for income taxes	6	(18)	(12)	2	—	1	5	8
INCOME (LOSS) FROM CONTINUING OPERATIONS	28	(66)	(38)	9	3	7	20	39
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses, net[(1)]	(5)	67	62	10	9	2	—	21
Taxes on adjustments	1	(14)	(13)	(2)	(2)	—	—	(4)
ADJUSTED OPERATING INCOME (LOSS)	$24	$(13)	$ 11	$ 17	$ 10	$ 9	$ 20	$ 56

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

	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Net investment (gains) losses, gross	$ (4)	$ 75	$ 71	$ 12	$ 9	$ 4	$—	$ 25
Adjustment for DAC and other intangible amortization and certain benefit reserves	(1)	(8)	(9)	(2)	—	(2)	—	(4)
Net investment (gains) losses, net	$ (5)	$ 67	$ 62	$ 10	$ 9	$ 2	$—	$ 21

Corporate and Other

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	$ 2	$ 2	$ 4	$ 2	$ 2	$ 2	$ 2	$ 8
Net investment income	1	6	7	3	2	2	2	9
Net investment gains (losses)	(28)	46	18	(8)	5	(7)	(21)	(31)
Policy fees and other income	(1)	1	—	(1)	2	—	1	2
Total revenues	(26)	55	29	(4)	11	(3)	(16)	(12)
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	2	1	3	1	—	1	1	3
Acquisition and operating expenses, net of deferrals	—	18	18	12	8	13	13	46
Amortization of deferred acquisition costs and intangibles	1	—	1	2	1	—	—	3
Interest expense	42	46	88	54	53	54	53	214
Total benefits and expenses	45	65	110	69	62	68	67	266
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(71)	(10)	(81)	(73)	(51)	(71)	(83)	(278)
Provision (benefit) for income taxes	(12)	2	(10)	(16)	(21)	(7)	(9)	(53)
LOSS FROM CONTINUING OPERATIONS	(59)	(12)	(71)	(57)	(30)	(64)	(74)	(225)
ADJUSTMENTS TO LOSS FROM CONTINUING OPERATIONS:								
Net investment (gains) losses	28	(46)	(18)	8	(5)	7	21	31
(Gains) losses on early extinguishment of debt	(3)	8	5	—	—	—	—	—
Expenses related to restructuring	1	1	2	—	—	1	—	1
Taxes on adjustments	(5)	8	3	(1)	—	(1)	(5)	(7)
ADJUSTED OPERATING LOSS	$ (38)	$ (41)	$ (79)	$ (50)	$ (35)	$ (57)	$ (58)	$(200)

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

Additional Financial Data

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

Investments Summary
(amounts in millions)

	June 30, 2020		March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019	
	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total
Composition of Investment Portfolio										
Fixed maturity securities:										
Investment grade:										
Public fixed maturity securities[(1)]	$ 35,802	45%	$ 33,056	46%	$ 33,684	45%	$ 34,280	46%	$ 32,958	46%
Private fixed maturity securities	13,952	18	12,736	17	13,384	18	13,411	18	13,091	18
Residential mortgage-backed securities[(2)]	2,151	3	2,243	3	2,232	3	2,335	3	2,395	3
Commercial mortgage-backed securities	2,952	4	2,963	4	3,006	4	3,051	4	2,970	4
Other asset-backed securities	2,921	4	3,061	4	3,257	4	3,337	5	3,287	5
State and political subdivisions[(1)]	2,998	4	2,864	4	2,747	4	2,729	4	2,636	4
Non-investment grade fixed maturity securities	2,768	4	2,128	3	2,029	3	2,090	3	2,154	3
Equity securities:										
Common stocks and mutual funds	104	—	91	—	105	—	107	—	111	—
Preferred stocks	102	—	97	—	134	—	132	—	151	—
Commercial mortgage loans, net	6,917	9	6,915	10	6,963	9	7,033	10	7,019	10
Policy loans	2,182	3	2,052	3	2,058	3	2,069	3	2,076	3
Cash, cash equivalents, restricted cash and short-term investments	2,809	3	2,696	3	3,601	5	1,839	2	1,907	3
Securities lending	59	—	58	—	51	—	62	—	113	—
Other invested assets: Limited partnerships	764	1	671	1	634	1	565	1	512	1
Derivatives:										
Interest rate swaps	939	1	1,002	1	197	—	402	1	144	—
Foreign currency swaps	17	—	21	—	4	—	10	—	5	—
Equity index options	66	—	62	—	81	—	62	—	65	—
Other foreign currency contracts	2	—	16	—	8	—	13	—	8	—
Other	414	1	422	1	397	1	369	—	357	—
Total invested assets and cash	$ 77,919	100%	$ 73,154	100%	$ 74,572	100%	$ 73,896	100%	$ 71,959	100%
Public Fixed Maturity Securities—Credit Quality:										
NRSRO[(3)] Designation										
AAA	$ 10,805	25%	$ 11,025	27%	$ 10,160	24%	$ 10,561	25%	$ 10,195	24%
AA	3,636	8	3,554	8	3,536	8	3,758	9	3,674	9
A	11,970	27	11,268	27	12,315	29	12,040	28	11,690	28
BBB	16,780	37	14,807	35	15,041	36	15,418	35	14,768	36
BB	1,506	3	1,139	3	1,040	3	1,093	3	1,128	3
B	73	—	50	—	44	—	53	—	76	—
CCC and lower	24	—	21	—	26	—	25	—	25	—
Total public fixed maturity securities	$ 44,794	100%	$ 41,864	100%	$ 42,162	100%	$ 42,948	100%	$ 41,556	100%
Private Fixed Maturity Securities—Credit Quality:										
NRSRO[(3)] Designation										
AAA	$ 1,526	8%	$ 1,382	8%	$ 1,536	8%	$ 1,594	9%	$ 1,504	8%
AA	2,209	12	2,090	12	2,235	12	2,254	12	2,315	13
A	5,320	28	4,914	28	5,182	29	5,296	29	5,286	30
BBB	8,530	46	7,883	46	8,305	46	8,222	45	7,905	44
BB	994	5	819	5	844	5	851	5	865	5
B	160	1	98	1	73	—	66	—	58	—
CCC and lower	11	—	1	—	2	—	2	—	2	—
Total private fixed maturity securities	$ 18,750	100%	$ 17,187	100%	$ 18,177	100%	$ 18,285	100%	$ 17,935	100%

(1) Certain fixed maturity securities balances have been reclassified as of December 31, 2019 to conform to the current period presentation.
(2) The company does not have any material exposure to residential mortgage-backed securities collateralized debt obligations (CDOs).
(3) Nationally Recognized Statistical Rating Organizations.

Fixed Maturity Securities Summary
(amounts in millions)

	June 30, 2020		March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019	
	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total
Fixed Maturity Securities—Security Sector:										
U.S. government, agencies and government-sponsored enterprises	$ 5,602	9%	$ 5,771	10%	$ 5,025	8%	$ 5,254	9%	$ 4,987	8%
State and political subdivisions(1)	2,998	5	2,864	5	2,747	5	2,729	4	2,636	4
Foreign government	1,542	2	1,201	2	1,350	2	1,359	2	1,336	2
U.S. corporate(1)	34,395	54	31,077	52	32,111	54	32,424	54	31,329	53
Foreign corporate	10,885	17	9,799	17	10,525	17	10,656	17	10,462	18
Residential mortgage-backed securities	2,184	3	2,273	4	2,270	4	2,375	4	2,436	4
Commercial mortgage-backed securities	2,970	5	2,981	5	3,026	5	3,071	5	2,989	5
Other asset-backed securities	2,968	5	3,085	5	3,285	5	3,365	5	3,316	6
Total fixed maturity securities	$ 63,544	100%	$ 59,051	100%	$ 60,339	100%	$ 61,233	100%	$ 59,491	100%
Corporate Bond Holdings—Industry Sector:										
Investment Grade:										
Finance and insurance	$ 10,611	23%	$ 9,523	23%	$ 9,881	23%	$ 9,995	22%	$ 9,669	23%
Utilities	6,052	13	5,555	14	5,743	14	5,868	14	5,697	14
Energy	3,193	7	2,799	7	3,699	9	3,801	9	3,732	9
Consumer—non-cyclical	6,836	15	6,163	15	6,247	15	6,293	15	6,043	14
Consumer—cyclical	2,076	5	1,856	4	1,937	5	2,003	5	1,836	4
Capital goods	3,511	8	3,076	8	3,161	7	3,243	8	3,108	7
Industrial	2,210	5	2,063	5	2,201	5	2,188	5	2,093	5
Technology and communications	4,221	9	3,966	10	3,966	9	3,919	9	3,821	10
Transportation	2,151	5	2,047	5	2,127	5	2,189	5	2,121	5
Other(1)	1,847	4	1,855	4	1,839	4	1,691	4	1,719	4
Subtotal	42,708	94	38,903	95	40,801	96	41,190	96	39,839	95
Non-Investment Grade:										
Finance and insurance	258	1	211	1	212	1	208	—	216	1
Utilities	97	—	77	—	83	—	85	—	100	—
Energy	676	1	391	1	319	1	346	1	331	1
Consumer—non-cyclical	218	1	196	1	138	—	138	—	155	—
Consumer—cyclical	297	1	225	1	220	1	233	1	243	1
Capital goods	130	—	149	—	155	—	137	—	157	—
Industrial	288	1	193	—	183	—	224	1	207	—
Technology and communications	437	1	418	1	417	1	425	1	465	2
Transportation	49	—	29	—	8	—	8	—	8	—
Other	122	—	84	—	100	—	86	—	70	—
Subtotal	2,572	6	1,973	5	1,835	4	1,890	4	1,952	5
Total	$ 45,280	100%	$ 40,876	100%	$ 42,636	100%	$ 43,080	100%	$ 41,791	100%
Fixed Maturity Securities—Contractual Maturity Dates:										
Due in one year or less	$ 1,517	2%	$ 1,421	2%	$ 1,434	2%	$ 1,587	3%	$ 1,684	3%
Due after one year through five years	10,054	16	8,949	15	9,381	16	9,655	16	9,689	16
Due after five years through ten years	14,478	23	12,642	21	12,296	20	12,387	20	11,985	20
Due after ten years	29,373	46	27,700	48	28,647	48	28,793	47	27,392	46
Subtotal	55,422	87	50,712	86	51,758	86	52,422	86	50,750	85
Mortgage and asset-backed securities	8,122	13	8,339	14	8,581	14	8,811	14	8,741	15
Total fixed maturity securities	$ 63,544	100%	$ 59,051	100%	$ 60,339	100%	$ 61,233	100%	$ 59,491	100%

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

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
U.S. GAAP Net Investment Income								
Fixed maturity securities—taxable	$ 601	$ 622	$1,223	$ 616	$ 631	$ 634	$ 613	$2,494
Fixed maturity securities—non-taxable	1	2	3	2	2	2	2	8
Commercial mortgage loans	84	85	169	94	87	85	82	348
Equity securities	2	2	4	3	4	5	4	16
Other invested assets	52	49	101	50	49	47	44	190
Limited partnerships	14	(2)	12	4	13	12	15	44
Policy loans	49	49	98	42	47	45	46	180
Cash, cash equivalents, restricted cash and short-term investments	4	11	15	9	8	11	11	39
Gross investment income before expenses and fees	807	818	1,625	820	841	841	817	3,319
Expenses and fees	(21)	(25)	(46)	(26)	(25)	(25)	(23)	(99)
Net investment income	$ 786	$ 793	$1,579	$ 794	$ 816	$ 816	$ 794	$3,220
Annualized Yields								
Fixed maturity securities—taxable	4.4%	4.6%	4.5%	4.6%	4.7%	4.7%	4.6%	4.6%
Fixed maturity securities—non-taxable	2.6%	5.2%	4.1%	6.0%	6.1%	6.1%	6.1%	6.1%
Commercial mortgage loans	4.9%	4.9%	4.9%	5.4%	5.0%	4.9%	4.8%	5.0%
Equity securities	4.1%	3.8%	3.8%	5.0%	6.4%	7.8%	6.1%	6.3%
Other invested assets(1)	49.8%	47.8%	49.0%	52.2%	54.0%	56.1%	65.7%	57.2%
Limited partnerships(2)	7.8%	(1.2)%	3.5%	2.7%	9.7%	9.9%	13.8%	8.5%
Policy loans	9.3%	9.5%	9.3%	8.1%	9.1%	8.8%	9.5%	8.9%
Cash, cash equivalents, restricted cash and short-term investments	0.6%	1.4%	1.0%	1.3%	1.7%	2.2%	2.1%	1.7%
Gross investment income before expenses and fees	4.8%	4.9%	4.8%	4.9%	5.1%	5.1%	5.0%	5.0%
Expenses and fees	(0.1)%	(0.2)%	(0.1)%	(0.2)%	(0.2)%	(0.1)%	(0.2)%	(0.1)%
Net investment income	4.7%	4.7%	4.7%	4.7%	4.9%	5.0%	4.8%	4.9%

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

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

	2020			2019				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Net realized gains (losses) on available-for-sale securities:								
Fixed maturity securities:								
U.S. corporate	$ 2	$ 2	$ 4	$ (2)	$ 11	$ (16)	$ 30	$ 23
U.S. government, agencies and government-sponsored enterprises	94	—	94	—	—	2	33	35
Foreign corporate	4	—	4	1	1	(1)	(1)	—
Foreign government	10	5	15	4	2	2	—	8
State and political subdivisions	—	—	—	—	—	—	—	—
Mortgage-backed securities	4	—	4	—	1	1	(2)	—
Asset-backed securities	(2)	—	(2)	—	—	—	(1)	(1)
Foreign exchange	2	6	8	2	1	1	(1)	3
Total net realized gains (losses) on available-for-sale securities	114	13	127	5	16	(11)	58	68
Impairments:								
Bank loans	—	—	—	(1)	—	—	—	(1)
Total impairments	—	—	—	(1)	—	—	—	(1)
Net change in allowance for credit losses on available-for-sale fixed maturity securities	(7)	—	(7)	—	—	—	—	—
Net realized gains (losses) on equity securities sold	—	—	—	—	6	—	3	9
Net unrealized gains (losses) on equity securities still held	9	(19)	(10)	1	(4)	5	12	14
Limited partnerships	37	(40)	(3)	19	6	(11)	15	29
Commercial mortgage loans	1	—	1	(1)	(1)	1	(1)	(2)
Derivative instruments	10	(105)	(95)	(1)	(29)	(30)	(12)	(72)
Other	(5)	(1)	(6)	1	4	—	—	5
Net investment gains (losses), gross	159	(152)	7	23	(2)	(46)	75	50
Adjustment for DAC and other intangible amortization and certain benefit reserves	4	11	15	3	3	3	2	11
Adjustment for net investment (gains) losses attributable to noncontrolling interests	(32)	26	(6)	(9)	4	—	(6)	(11)
Net investment gains (losses), net	$131	$(115)	$ 16	$ 17	$ 5	$ (43)	$ 71	$ 50

Reconciliations of Non-GAAP Measures

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2020

Reconciliation of Operating ROE
(amounts in millions)

Twelve Month Rolling Average ROE	**Twelve months ended**				
	June 30, 2020	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**
U.S. GAAP Basis ROE					
Net income (loss) available to Genworth Financial, Inc.'s common stockholders for the twelve months ended[1]	$ (506)	$ 103	$ 343	$ 31	$ 159
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income[2]	$10,618	$ 10,695	$ 10,650	$ 10,646	$10,609
U.S. GAAP Basis ROE[1]/[2]	(4.8)%	1.0%	3.2%	0.3%	1.5%
Operating ROE					
Adjusted operating income for the twelve months ended[1]	$ 159	$ 358	$ 420	$ 91	$ 67
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income[2]	$10,618	$ 10,695	$ 10,650	$ 10,646	$10,609
Operating ROE[1]/[2]	1.5%	3.3%	3.9%	0.9%	0.6%

Quarterly Average ROE	**Three months ended**				
	June 30, 2020	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**
U.S. GAAP Basis ROE					
Net income (loss) available to Genworth Financial, Inc.'s common stockholders for the period ended[3]	$ (441)	$ (66)	$ (17)	$ 18	$ 168
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income[4]	$10,415	$ 10,693	$ 10,759	$ 10,755	$10,663
Annualized U.S. GAAP Quarterly Basis ROE[3]/[4]	(16.9)%	(2.5)%	(0.6)%	0.7%	6.3%
Operating ROE					
Adjusted operating income (loss) for the period ended[3]	$ (21)	$ 33	$ 24	$ 123	$ 178
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income[4]	$10,415	$ 10,693	$ 10,759	$ 10,755	$10,663
Annualized Operating Quarterly Basis ROE[3]/[4]	(0.8)%	1.2%	0.9%	4.6%	6.7%

Non-GAAP Definition for Operating ROE

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

(1) The twelve months ended information is derived by adding the four quarters of net income (loss) available to Genworth Financial, Inc.'s common stockholders and adjusted operating income (loss) from page 9 herein.

(2) Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income, is derived by averaging ending Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income, for the most recent five quarters.

(3) Net income (loss) available to Genworth Financial, Inc.'s common stockholders and adjusted operating income (loss) from page 9 herein.

(4) Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income, is derived by averaging ending Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income.

Reconciliation of Reported Yield to Core Yield

		2020			2019				
	(Assets—amounts in billions)	**2Q**	**1Q**	**Total**	**4Q**	**3Q**	**2Q**	**1Q**	**Total**
	Reported—Total Invested Assets and Cash	$77.9	$73.2	$ 77.9	$74.6	$73.9	$72.0	$69.5	$ 74.6
	Subtract:								
	Securities lending	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Unrealized gains (losses)	9.7	6.0	9.7	6.9	7.5	5.7	3.7	6.9
	Adjusted end of period invested assets and cash	$68.1	$67.1	$ 68.1	$67.6	$66.3	$66.2	$65.7	$ 67.6
(A)	**Average Invested Assets and Cash Used in Reported and Core Yield Calculation**	$67.6	$67.3	$ 67.6	$66.9	$66.2	$66.0	$65.7	$ 66.3
	(Income—amounts in millions)								
(B)	**Reported—Net Investment Income**	$ 786	$ 793	$1,579	$ 794	$ 816	$ 816	$ 794	$3,220
	Subtract:								
	Bond calls and commercial mortgage loan prepayments	8	16	24	23	13	7	6	49
	Other non-core items[1]	2	7	9	(2)	8	7	2	15
(C)	**Core Net Investment Income**	$ 776	$ 770	$1,546	$ 773	$ 795	$ 802	$ 786	$3,156
(B) / (A)	**Reported Yield**	4.65%	4.71%	4.67%	4.74%	4.93%	4.95%	4.83%	4.86%
(C) / (A)	**Core Yield**	4.59%	4.57%	4.57%	4.62%	4.80%	4.86%	4.79%	4.76%

Note: Yields have been annualized.

Non-GAAP Definition for Core Yield

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

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

Corporate Information

Financial Strength Ratings As Of July 28, 2020

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

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

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

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

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

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

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

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

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