
**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**

November 2, 2021
Date of Report
(Date of earliest event reported)



GENWORTH FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
**(State or other jurisdiction
of incorporation)**

001-32195
**(Commission
File Number)**

80-0873306
**(I.R.S. Employer
Identification No.)**

6620 West Broad Street, Richmond, VA
(Address of principal executive offices)

23230
(Zip Code)

(804) 281-6000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

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

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On November 2, 2021, Genworth Financial, Inc. (the “Company”) issued (1) a press release announcing its financial results for the quarter ended September 30, 2021, 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 September 30, 2021, a copy of which is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

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

Item 9.01 Financial Statements and Exhibits.

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

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Press Release dated November 2, 2021
99.2	Financial Supplement for the quarter ended September 30, 2021
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: November 2, 2021

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

News Release

6620 West Broad Street
Richmond, VA 23230



Genworth Financial Announces Third Quarter 2021 Results

Third Quarter Net Income of \$314 Million and Adjusted Operating Income of \$239 Million

- Successfully completed initial public offering (IPO) of Enact Holdings, Inc. (Enact)
- Enact adjusted operating income of \$134 million, with 10 percent annual growth in primary insurance in force and a 14 percent loss ratio
- Enact's PMIERS¹ sufficiency ratio estimated at 181 percent, \$2,287 million above published requirements
- U.S. life insurance segment adjusted operating income of \$93 million driven by long term care insurance (LTC) results benefitting from in force rate actions and net investment income
- Holding company cash and liquid assets of \$638 million and \$809 million of holding company debt retired

Richmond, VA (November 2, 2021) – Genworth Financial, Inc. (NYSE: GNW) today reported results for the quarter ended September 30, 2021. The company reported net income² of \$314 million, or \$0.61 per diluted share, in the third quarter of 2021, compared with net income of \$418 million, or \$0.82 per diluted share, in the third quarter of 2020. The company reported adjusted operating income³ of \$239 million, or \$0.46 per diluted share, in the third quarter of 2021, compared with adjusted operating income of \$125 million, or \$0.25 per diluted share, in the third quarter of 2020.

“Genworth delivered another quarter of strong results,” said Tom McInerney, Genworth President and CEO. “At the same time, we continued to execute against our strategic plan, including the successful completion of the Enact IPO which improved Genworth’s financial position and drove ratings improvements at both Enact and Genworth. With this critical step behind us, we have a clearer path to reduce holding company debt to a more sustainable level, which in turn will enable Genworth to pursue other strategic priorities that are aimed at creating both near-term and long-term shareholder value.”

¹ Private Mortgage Insurer Eligibility Requirements.

² Unless otherwise stated, all references in this press release to net income (loss), net income (loss) per share, adjusted operating income (loss), adjusted operating income (loss) per share and book value per share should be read as net income (loss) available to Genworth’s common stockholders, net income (loss) available to Genworth’s common stockholders per diluted share, adjusted operating income (loss) available to Genworth’s common stockholders, adjusted operating income (loss) available to Genworth’s common stockholders per diluted share and book value available to Genworth’s common stockholders per share, respectively.

³ This is a financial measure that is not calculated based on U.S. Generally Accepted Accounting Principles (Non-GAAP). See the Use of Non-GAAP Measures section of this press release for additional information.

Strategic Highlights

- Completed IPO of Enact with net proceeds of \$529 million to Genworth, reducing ownership of Enact from 100 percent to 81.6 percent
- Received ratings upgrades from Moody's Investors Service and S&P Global Ratings following the IPO, in recognition of improvement in Genworth Holdings, Inc.'s credit risk profile and increased financial flexibility
- Significantly reduced holding company debt, including the retirement of the AXA S.A. (AXA) promissory note (\$296 million) and AXA's corresponding release of the 19.9% of Enact common stock pledged as collateral for the note, as well as the redemption of the remaining principal amount of the September 2021 debt maturity (\$513 million)
- Continued progress against LTC multi-year rate action plan, with \$117 million in annual premium rate increases and benefit reductions approved in the third quarter of 2021, bringing total net present value from LTC rate actions to over \$16.3 billion since 2012

Financial Performance

Consolidated Net Income & Adjusted Operating Income

	Three months ended September 30				Total % change
	2021		2020		
	Total	Per diluted share	Total	Per diluted share	
<i>(Amounts in millions, except per share)</i>					
Net income available to Genworth's common stockholders	\$ 314	\$0.61	\$ 418	\$0.82	(25)%
Adjusted operating income	\$ 239	\$0.46	\$ 125	\$0.25	91%
Weighted-average diluted shares	514.2		511.5		

	As of September 30	
	2021	2020
	Book value per share	\$ 30.11
Book value per share, excluding accumulated other comprehensive income (loss)	\$ 22.62	\$ 20.99

On September 16, 2021, the company completed the minority IPO of 18.4 percent of its U.S. mortgage insurance business, Enact, and as a result, net income attributable to noncontrolling interests in the Enact segment was \$4 million in the current quarter. The company's net income, before noncontrolling interests in the Enact segment, was \$318 million in the third quarter of 2021. The company's adjusted operating income, before noncontrolling interests in the Enact segment, for the third quarter of 2021 was \$243 million.

Net investment gains, net of taxes and other adjustments, increased net income by \$70 million in the current quarter. The investment gains were primarily driven by mark-to-market gains on limited partnership investments held in the LTC business. Net income in the third quarter of 2020 included \$277 million of investment gains, net of taxes and other adjustments.

Net investment income was \$859 million in the quarter, compared to \$844 million in the prior quarter and \$820 million in the prior year. Net investment income was higher than the prior quarter and prior year as a result of higher variable investment income, including income from limited partnerships, bond calls, commercial mortgage loan prepayments and the inflation impact on Treasury Inflation-Protected Securities (TIPS), primarily in the LTC business. The reported yield and the core yield³ for the quarter were 5.19 percent and 4.95 percent, respectively, compared to 5.11 percent and 4.85 percent, respectively, in the prior quarter.

Genworth's effective tax rate on income from continuing operations for the current quarter was approximately 18 percent. The effective tax rate was favorably impacted by higher tax benefits from a reduction in uncertain tax positions due to the expiration of certain statute of limitations, partially offset by 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.

The below table shows adjusted operating income (loss) by segment and for Corporate and Other activities:

Adjusted Operating Income (Loss) <i>(Amounts in millions)</i>	Q3 21	Q2 21	Q3 20
Enact	\$ 134	\$ 135	\$ 141
U.S. Life Insurance	93	71	14
Runoff	11	15	19
Corporate and Other	1	(27)	(49)
Total Adjusted Operating Income	\$ 239	\$ 194	\$ 125

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

Enact

Operating Metrics <i>(Dollar amounts in millions)</i>	Q3 21	Q2 21	Q3 20
Adjusted operating income	\$ 134	\$ 135	\$ 141
Primary new insurance written	\$24,000	\$26,700	\$26,600
Loss ratio	14%	12%	18%

Enact reported adjusted operating income of \$134 million, compared with \$135 million in the prior quarter and \$141 million in the prior year. Enact's primary insurance in force increased 10 percent versus the prior year from strong new insurance written (NIW), partially offset by low persistency. Primary NIW decreased 10 percent from the prior quarter and was also down 10 percent versus the prior year primarily from a smaller private mortgage insurance market. Earned premiums in the current quarter were flat compared to the prior quarter and lower than the prior year as insurance in force growth was offset by a decrease in single premium policy cancellations, the continued lapse of older, higher priced policies and higher ceded premiums. In addition, interest expense was higher in the current quarter versus the prior year from a full quarter's interest expense on the August 2020 debt issuance.

Enact's current quarter results reflected losses of \$34 million and a loss ratio of 14 percent. Results in the prior quarter and prior year reflected losses of \$30 million and \$45 million, and a loss ratio of 12 percent and 18 percent, respectively. New delinquencies in the current quarter were 7,427, an increase of eight percent from 6,862 in the prior quarter driven by a seasonal increase. Current quarter new delinquencies decreased 55 percent from 16,664 in the prior year. Losses in the prior year were favorably impacted by incurred but not reported (IBNR) development of \$23 million that did not recur. Despite the sequential increase in new delinquencies, the current quarter new delinquency rate of 0.8 percent remained consistent with pre-pandemic levels. Approximately 36 percent of new primary delinquencies in the current quarter were reported in forbearance plans which may cure at elevated rates.

U.S. Life Insurance

Adjusted Operating Income (Loss) <i>(Amounts in millions)</i>	Q3 21	Q2 21	Q3 20
Long Term Care Insurance	\$ 133	\$ 98	\$ 59
Life Insurance	(68)	(40)	(69)
Fixed Annuities	28	13	24
Total U.S. Life Insurance	<u>\$ 93</u>	<u>\$ 71</u>	<u>\$ 14</u>

Long Term Care Insurance In Force Rate Action Performance <i>(Amounts in millions)</i>	Q3 21	Q2 21	Q3 20
Adjusted Operating Income from In Force Rate Actions ^{4,5}	\$ 304	\$ 310	\$ 238

Long Term Care Insurance

Long term care insurance reported adjusted operating income of \$133 million, compared with \$98 million in the prior quarter and \$59 million in the prior year. Earnings from in force rate actions were more favorable than the prior year, driven primarily by higher benefit reductions, which included policyholder benefit reduction elections made as part of a legal settlement, net of litigation expenses and taxes. LTC results also reflected higher net investment income of \$45 million after-tax versus the prior year and \$7 million after-tax versus the prior quarter from limited partnerships, bond calls, commercial mortgage loan prepayments and gains on TIPS.

⁴ Excludes reserve updates resulting from profits followed by losses.

⁵ Includes estimated premium tax, commissions, and other expenses, net of tax of \$(61) million, \$(69) million and \$(12) million in the third quarter 2021, second quarter 2021 and third quarter 2020, respectively. Also includes estimated impacts from a legal settlement, net of tax and litigation expenses, of \$48 million and \$71 million in the third quarter 2021 and second quarter 2021, respectively.

Claim and active policy terminations in the current quarter were higher compared to the prior quarter but lower compared to the prior year. Higher claim terminations in recent quarters were assumed to be driven by the COVID-19 pandemic and temporary in nature resulting in the establishment, beginning in the fourth quarter of 2020, of a temporary COVID-19 mortality adjustment assuming that the company's mortality experience on the most vulnerable claimants was accelerated, leaving its overall claim population less likely to terminate compared to the pre-pandemic average population. In the current quarter, the company made minimal adjustments to this reserve, leaving a pre-tax balance of \$142 million as of September 30, 2021. As the COVID-19 pandemic continues to develop, short-term mortality experience may fluctuate, and the company would increase or decrease the COVID-19 mortality adjustment accordingly.

New claim incidence increased versus the prior quarter but has remained lower than pre-pandemic levels. With the historically low new claim incidence, favorable development on IBNR claim reserves has continued, but to a lesser extent. Since the second quarter of 2020, IBNR has been strengthened to reflect the company's assumption that incidence during the COVID-19 pandemic has been temporarily delayed. In the current quarter, given the increase in incidence, IBNR was reduced by \$17 million after-tax, compared to a strengthening of \$19 million after-tax in the prior year.

Life Insurance

Life insurance reported an adjusted operating loss of \$68 million, compared with adjusted operating losses of \$40 million in the prior quarter and \$69 million in the prior year. Mortality, attributable in part to the COVID-19 pandemic, was higher compared to both the prior quarter and the prior year. Current quarter results also included a \$30 million after-tax charge related to recoverability testing for deferred acquisition costs (DAC) in the company's universal life insurance products versus a \$13 million after-tax charge related to these products in the prior quarter. Results in the prior year reflected higher DAC amortization compared to the current year, as the large 20-year level-premium term life insurance block written at the end of 2000 entered its post-level premium period, as well as higher 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.

Fixed Annuities

Fixed annuities reported adjusted operating income of \$28 million, compared with \$13 million in the prior quarter and \$24 million in the prior year. Results in the current quarter reflected a reduction in fixed indexed annuity reserves from higher interest rates. Mortality in the single premium immediate annuity product was favorable versus the prior quarter but unfavorable versus the prior year.

Runoff

Runoff reported adjusted operating income of \$11 million, compared with \$15 million in the prior quarter and \$19 million in the prior year. Current quarter results in the variable annuity products were unfavorable compared to both the prior quarter and the prior year from equity market performance. Mortality experience in the corporate-owned life insurance business was also higher in the current quarter.

Corporate And Other

Corporate and Other reported adjusted operating income of \$1 million, compared to adjusted operating losses of \$27 million in the prior quarter and \$49 million in the prior year. Results in the current quarter included tax benefits of \$21 million from a reduction in uncertain tax positions due to the expiration of certain statute of limitations. Interest expense was also lower in the current quarter from the reduction of holding company debt.

Capital & Liquidity

Genworth maintains the following capital positions in its operating subsidiaries:

Key Capital & Liquidity Metrics <i>(Dollar amounts in millions)</i>	Q3 21	Q2 21	Q3 20
Enact			
Consolidated Risk-To-Capital Ratio ⁶	11.8:1	11.8:1	12.1:1
Genworth Mortgage Insurance Corporation Risk-To-Capital Ratio ⁶	11.9:1	12.0:1	12.3:1
Private Mortgage Insurer Eligibility Requirements (PMIERS) Sufficiency Ratio ^{6,7}	181%	165%	132%
U.S. Life Insurance Companies			
Consolidated Risk-Based Capital (RBC) Ratio ⁶	290%	272%	239%
Holding Company Cash and Liquid Assets ^{8,9}	\$ 638	\$ 842	\$ 814

Key Points

- Enact's PMIERS sufficiency ratio is estimated to be 181 percent, \$2,287 million above published PMIERS requirements¹⁰. The PMIERS sufficiency ratio was up sixteen points, or \$346 million, sequentially, driven in part by the completion of an insurance linked notes transaction, which added \$372 million of additional PMIERS capital credit as of September 30, 2021, elevated lapse from prevailing low interest rates, business cash flows and lower delinquencies, partially offset by NIW and amortization of existing reinsurance transactions;

⁶ Company estimate for the third quarter of 2021 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 the published PMIERS. As of September 30, 2021, June 30, 2021 and September 30, 2020, the PMIERS sufficiency ratios were \$2,287 million, \$1,941 million and \$1,074 million, respectively, of available assets above the published 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 \$588 million, \$742 million and \$814 million of cash, cash equivalents and restricted cash as of September 30, 2021, June 30, 2021 and September 30, 2020, respectively, which included \$74 million of restricted cash and cash equivalents as of September 30, 2020. Genworth Holdings, Inc. also held \$50 million and \$100 million in U.S. government securities as of September 30, 2021 and June 30, 2021, respectively, which included \$3 million and \$19 million, respectively, of restricted assets.

¹⁰ The GSEs have imposed certain capital restrictions on the Enact business which remain in effect until certain conditions are met. These restrictions currently require Genworth Mortgage Insurance Corporation, the company's principal U.S. mortgage insurance subsidiary, to maintain 115 percent of PMIERS minimum required assets among other restrictions.

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- PMIERS sufficiency benefited from a 0.30 multiplier applied to the risk based required asset factor for certain non-performing loans, which resulted in a reduction of the published PMIERS required assets by an estimated \$570 million at the end of the current quarter, compared to \$760 million at the end of the prior quarter and \$1,217 million at the end of the third quarter 2020. These amounts are gross of incremental reinsurance benefits from the elimination of the 0.30 multiplier;
 - U.S. life insurance companies' consolidated statutory risk-based capital is estimated to be 290 percent, up from the prior quarter primarily from LTC earnings driven by premium rate increases and benefit reductions, including the impacts from a legal settlement, favorable investment performance, and favorable claim and active policy terminations; and
 - The holding company ended the quarter with \$638 million of cash and liquid assets, including \$3 million that is restricted. Cash sources in the quarter included \$529 million of net proceeds from the execution of the minority IPO of Enact and cash tax inflows of \$96 million from intercompany tax arrangements. During the current quarter, the company redeemed all of its remaining \$513 million of outstanding principal due in September 2021 for approximately \$532 million, which included the principal amount, a make-whole premium and accrued and unpaid interest. In addition, the AXA promissory note of \$296 million was fully retired following the Enact IPO. The parent holding company public debt outstanding was \$1.7 billion as of September 30, 2021.

About Genworth Financial

Genworth Financial, Inc. (NYSE: GNW) is a Fortune 500 provider of products, services and solutions that help families address the financial challenges of aging. Headquartered in Richmond, Virginia, Genworth applies its nearly 150 years of experience each day to helping people navigate caregiving options and fund their long term care needs. Genworth is also the parent company of publicly traded Enact (Nasdaq: ACT), a leading U.S. mortgage insurance provider. For more information on Genworth, visit genworth.com. From time to time Enact separately releases financial and other information about its operations. This information can be found at ir.enactmi.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.

Conference Call And Financial Supplement Information

This press release and the third quarter 2021 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 November 3, 2021. Investors are encouraged to review these materials.

Genworth will conduct a conference call on November 3, 2021 at 9:00 a.m. (ET) to discuss the quarter's results. Genworth's conference call will be accessible via telephone and the Internet. The dial-in number for Genworth's November 3rd conference call is 888-208-1820 or 323-794-2110 (outside the U.S.); conference ID # 2955563. 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 # 2955563 through November 17, 2021. The webcast will also be archived on the company's website for one year.

Prior to Genworth's conference call, Enact will hold a conference call on November 3, 2021 at 8:00 a.m. (ET) to discuss its results from the third quarter. Enact's conference call will be accessible via telephone and the Internet. Enact's November 3rd conference call is 833-730-3978 or 720-405-2123 (outside the U.S.); conference ID # 8756793. To participate in the call by webcast, register at <http://ir.enactmi.com/news-and-events/events> at least 15 minutes prior to the webcast to download and install any necessary software.

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), 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. 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 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 third quarter of 2021, the company paid a pre-tax make-whole premium of \$6 million related to the early redemption of Genworth Holdings, Inc.’s senior notes originally scheduled to mature in September 2021. This transaction was excluded from adjusted operating income (loss) as it relates to gains (losses) on the early extinguishment of debt.

The company recorded a pre-tax expense of \$3 million and \$5 million in the third and second quarters of 2021, respectively, related to restructuring costs as it continues to evaluate and appropriately size its organizational needs and expenses. There were no infrequent or unusual items excluded from adjusted operating income (loss) during the periods presented.

The tables at the end of this press release provide a reconciliation of net income available to Genworth Financial, Inc.'s common stockholders to adjusted operating income for the three months ended September 30, 2021 and 2020, as well as for the three months ended June 30, 2021, 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 businesses at the U.S. corporate federal income tax rate of 21 percent. Each segment is then adjusted to reflect the unique tax attributes of that segment such as permanent differences between U.S. GAAP and 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 included in the company's Enact segment. 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 for the company's Enact segment. Insurance in force is a measure of the aggregate unpaid principal balance as of the respective reporting date for loans the company insures. Risk in force is based on the coverage percentage applied to the estimated current outstanding loan balance. 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 company's Enact segment, 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 included in the company's U.S. Life Insurance segment, 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.

Management also regularly monitors and reports adjusted operating income from in force rate actions in the long term care insurance business included in the company's U.S. Life Insurance segment. Adjusted operating income from in force rate actions includes premium rate increases and associated benefit reductions on its long term care insurance products implemented since 2012, which are net of estimated premium tax, commissions, and other expenses on an after-tax basis. Estimates for in force rate actions reflect certain simplifying assumptions that may vary materially from actual historical results, including but not limited to a uniform rate of coinsurance and premium taxes in addition to consistent policyholder behavior over time. Actual behavior may differ significantly from these assumptions. In addition, estimates exclude reserve updates resulting from profits followed by losses. The company considers adjusted operating income from in force rate actions to be a measure of its operating performance because it helps bring older generation long term care insurance blocks closer to a break-even point over time and helps bring the loss ratios on newer long term care insurance blocks back towards their original pricing.

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 future reductions of debt, potential dividends or share repurchases, and future strategic investments, including a new long term care insurance joint venture, 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:

- *the company may be unable to successfully execute its strategic plans* including: reducing the company’s debt maturities and other near-term liabilities and financial obligations, reducing costs, stabilizing its U.S. life insurance businesses without additional capital contributions, improving overall capital and ratings; establishing a new long term care insurance joint venture with a strategic partner; an inability to establish new long term care insurance business or product offerings due to commercial and/or regulatory challenges; 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; an inability to increase the capital needed in the company’s businesses in a timely manner and on anticipated terms, including through improved business performance, reinsurance or similar transactions, asset sales, debt issuances, securities offerings or otherwise, in each case as and when required; 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; an inability to achieve anticipated cost-savings in a timely manner; and adverse tax or accounting charges;
- *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 we expect to complete and carry out in the fourth quarter of 2021); 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 2021, including risks that additional information obtained in finalizing our claim reserves and margin reviews in the fourth quarter of 2021 or other changes to assumptions or methodologies materially affect margins; 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 we expect to complete and carry out in the fourth quarter of 2021); 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); and changes in valuation of fixed maturity and equity securities;
- *liquidity, financial strength ratings, credit and counterparty risks* including: the impact on holding company liquidity caused by the inability to receive dividends or other returns of capital from Enact Holdings, including as a result of the COVID-19 pandemic; continued availability of capital and financing; future adverse rating agency actions against the company or Enact Holdings, including with respect to rating downgrades or potential downgrades or being put on review for potential downgrade, all of which could have adverse implications, 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; defaults on the company's commercial mortgage loans; defaults on mortgage loans or other assets underlying the company's investments in its mortgage-backed and asset-backed securities and volatility in performance;

- *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, inflation, supply chain disruptions, 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 the company's Enact segment; 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 Enact Holdings, 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; inability to continue to maintain the private mortgage insurer eligibility requirements (PMIERS); risks on Enact Holdings' ability to pay its holding company dividends as a result of the government-sponsored enterprises' (GSEs) amendments to PMIERS in response to COVID-19 or additional PMIERS requirements or other restrictions that the GSEs may place on the ability of Enact Holdings to pay dividends to its holding company; 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 in 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 Enact segment; additional restrictions placed on the Enact segment by government and government-owned enterprises and the GSEs in connection with additional capital transactions; 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;
- *operational risks* including: the inability to retain, attract and motivate qualified employees or senior management; 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; 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, business continuity plans and failures to safeguard or breaches of 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 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: the occurrence of natural or man-made disasters or a pandemic, similar to 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 September 30,		Three months ended June 30,
	2021	2020	2021
Revenues:			
Premiums	\$ 944	\$ 963	\$ 947
Net investment income	859	820	844
Net investment gains (losses)	88	351	70
Policy fees and other income	179	184	180
Total revenues	<u>2,070</u>	<u>2,318</u>	<u>2,041</u>
Benefits and expenses:			
Benefits and other changes in policy reserves	1,143	1,273	1,161
Interest credited	123	137	127
Acquisition and operating expenses, net of deferrals	290	235	304
Amortization of deferred acquisition costs and intangibles	106	94	86
Interest expense	35	47	43
Total benefits and expenses	<u>1,697</u>	<u>1,786</u>	<u>1,721</u>
Income from continuing operations before income taxes	373	532	320
Provision for income taxes	67	130	75
Income from continuing operations	306	402	245
Income (loss) from discontinued operations, net of taxes	12	34	(5)
Net income	318	436	240
Less: net income from continuing operations attributable to noncontrolling interests	4	—	—
Less: net income from discontinued operations attributable to noncontrolling interests	—	18	—
Net income available to Genworth Financial, Inc.'s common stockholders	<u>\$ 314</u>	<u>\$ 418</u>	<u>\$ 240</u>
Net income (loss) available to Genworth Financial, Inc.'s common stockholders:			
Income from continuing operations available to Genworth Financial, Inc.'s common stockholders	\$ 302	\$ 402	\$ 245
Income (loss) from discontinued operations available to Genworth Financial, Inc.'s common stockholders	12	16	(5)
Net income available to Genworth Financial, Inc.'s common stockholders	<u>\$ 314</u>	<u>\$ 418</u>	<u>\$ 240</u>
Income from continuing operations available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	<u>\$ 0.59</u>	<u>\$ 0.79</u>	<u>\$ 0.48</u>
Diluted	<u>\$ 0.59</u>	<u>\$ 0.79</u>	<u>\$ 0.47</u>
Net income available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	<u>\$ 0.62</u>	<u>\$ 0.83</u>	<u>\$ 0.47</u>
Diluted	<u>\$ 0.61</u>	<u>\$ 0.82</u>	<u>\$ 0.47</u>
Weighted-average common shares outstanding:			
Basic	<u>507.4</u>	<u>505.6</u>	<u>507.0</u>
Diluted	<u>514.2</u>	<u>511.5</u>	<u>515.0</u>

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

	Three months ended September 30,		Three months ended June 30,
	2021	2020	2021
Net income available to Genworth Financial, Inc.'s common stockholders	\$ 314	\$ 418	\$ 240
Add: net income from continuing operations attributable to noncontrolling interests	4	—	—
Add: net income from discontinued operations attributable to noncontrolling interests	—	18	—
Net income	318	436	240
Less: income (loss) from discontinued operations, net of taxes	12	34	(5)
Income from continuing operations	306	402	245
Less: net income from continuing operations attributable to noncontrolling interests	4	—	—
Income from continuing operations available to Genworth Financial, Inc.'s common stockholders	302	402	245
Adjustments to income from continuing operations available to Genworth Financial, Inc.'s common stockholders:			
Net investment (gains) losses, net ¹¹	(88)	(350)	(70)
(Gains) losses on early extinguishment of debt	6	—	—
Expenses related to restructuring	3	—	5
Taxes on adjustments	16	73	14
Adjusted operating income	<u>\$ 239</u>	<u>\$ 125</u>	<u>\$ 194</u>
Adjusted operating income (loss):			
Enact segment	\$ 134	\$ 141	\$ 135
U.S. Life Insurance segment:			
Long Term Care Insurance	133	59	98
Life Insurance	(68)	(69)	(40)
Fixed Annuities	28	24	13
Total U.S. Life Insurance segment	<u>93</u>	<u>14</u>	<u>71</u>
Runoff segment	11	19	15
Corporate and Other	1	(49)	(27)
Adjusted operating income	<u>\$ 239</u>	<u>\$ 125</u>	<u>\$ 194</u>
Net income available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	<u>\$ 0.62</u>	<u>\$ 0.83</u>	<u>\$ 0.47</u>
Diluted	<u>\$ 0.61</u>	<u>\$ 0.82</u>	<u>\$ 0.47</u>
Adjusted operating income per share:			
Basic	<u>\$ 0.47</u>	<u>\$ 0.25</u>	<u>\$ 0.38</u>
Diluted	<u>\$ 0.46</u>	<u>\$ 0.25</u>	<u>\$ 0.38</u>
Weighted-average common shares outstanding:			
Basic	<u>507.4</u>	<u>505.6</u>	<u>507.0</u>
Diluted	<u>514.2</u>	<u>511.5</u>	<u>515.0</u>

¹¹ For the three months ended September 30, 2020, net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves of \$1 million.

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

	Three months ended September 30, 2020
Adjusted operating income as previously reported	\$ 132
Remove Australia Mortgage Insurance segment adjusted operating income reported as discontinued operations	(7)
Adjustment for corporate overhead allocations, net of taxes ¹²	(4)
Tax adjustments ¹³	4
Re-presented adjusted operating income	<u>\$ 125</u>

¹² Expenses previously reported in the Australia Mortgage Insurance segment and moved to Corporate and Other activities.

¹³ Tax impacts resulting from the classification of Genworth Australia as discontinued operations.

Condensed Consolidated Balance Sheets
(Amounts in millions)
(Unaudited)

	September 30, 2021	December 31, 2020
Assets		
Cash, cash equivalents, restricted cash and invested assets	\$ 75,281	\$ 77,917
Deferred acquisition costs	1,193	1,487
Intangible assets	147	157
Reinsurance recoverable, net	16,671	16,819
Deferred tax and other assets	605	469
Separate account assets	5,978	6,081
Assets related to discontinued operations	—	2,817
Total assets	<u>\$ 99,875</u>	<u>\$ 105,747</u>
Liabilities and equity		
Liabilities:		
Future policy benefits	\$ 41,794	\$ 42,695
Policyholder account balances	19,607	21,503
Liability for policy and contract claims	11,743	11,486
Unearned premiums	685	775
Other liabilities	1,568	1,614
Long-term borrowings	2,412	3,403
Separate account liabilities	5,978	6,081
Liabilities related to discontinued operations	36	2,370
Total liabilities	<u>83,823</u>	<u>89,927</u>
Equity:		
Common stock	1	1
Additional paid-in capital	11,850	12,008
Accumulated other comprehensive income (loss)	3,800	4,425
Retained earnings	2,325	1,584
Treasury stock, at cost	(2,700)	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	<u>15,276</u>	<u>15,318</u>
Noncontrolling interests	776	502
Total equity	<u>16,052</u>	<u>15,820</u>
Total liabilities and equity	<u>\$ 99,875</u>	<u>\$ 105,747</u>

Reconciliation of Reported Yield to Core Yield

	Three months ended	
	September 30, 2021	June 30, 2021
(Assets - amounts in billions)		
Reported Total Invested Assets and Cash	\$ 74.7	\$ 75.2
Subtract:		
Securities lending	—	0.1
Unrealized gains (losses)	8.5	8.9
Adjusted End of Period Invested Assets and Cash	<u>\$ 66.2</u>	<u>\$ 66.2</u>
Average Invested Assets and Cash Used in Reported and Core Yield Calculation	<u>\$ 66.2</u>	<u>\$ 66.1</u>
(Income - amounts in millions)		
Reported Net Investment Income	\$ 859	\$ 844
Subtract:		
Bond calls and commercial mortgage loan prepayments	43	39
Other non-core items ¹⁴	(4)	3
Core Net Investment Income	<u>\$ 820</u>	<u>\$ 802</u>
Reported Yield	<u>5.19%</u>	<u>5.11%</u>
Core Yield	<u>4.95%</u>	<u>4.85%</u>

¹⁴ Includes cost basis adjustments on structured securities and various other immaterial items.

Third Quarter Financial Supplement

September 30, 2021



GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
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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.
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Dear Investor,

On September 20, 2021, the company completed a minority initial public offering of 18.4% of Enact Holdings, Inc. (Enact Holdings), an indirect subsidiary, and now reflects net income attributable to noncontrolling interests in its Enact segment (formerly known as the U.S. Mortgage Insurance segment). Differences in the results of operations between the company's Enact segment included herein and the Enact Holdings standalone results are predominantly due to the allocation of corporate overhead expenses, tax differences and operating results of Enact Holdings' mortgage insurance business in Mexico reported as Corporate and Other activities for Genworth Financial, Inc. but included in Enact Holdings' standalone results.

On March 3, 2021, the company completed a sale of its entire ownership interest of approximately 52% in Genworth Mortgage Insurance Australia Limited ("Genworth Australia") through an underwriting agreement. Genworth Australia, previously the primary business in the Australia Mortgage Insurance segment, is reported as discontinued operations for all periods presented. Accordingly, all prior periods reflected herein have been re-presented on this basis. The following table presents a reconciliation of adjusted operating income (loss) as previously reported to adjusted operating income (loss) re-presented to reflect the Australia mortgage insurance business as discontinued operations for the periods indicated:

(Amounts in millions)	2020				
	4Q	3Q	2Q	1Q	Total
ADJUSTED OPERATING INCOME (LOSS) AS PREVIOUSLY REPORTED	\$173	\$132	\$(21)	\$ 33	\$ 317
Remove Australia Mortgage Insurance segment adjusted operating (income) loss reported as discontinued operations	16	(7)	(1)	(9)	(1)
Adjustment for corporate overhead allocations, net of taxes(1)	(5)	(4)	(4)	(4)	(17)
Tax adjustments(2)	4	4	3	—	11
RE-PRESENTED ADJUSTED OPERATING INCOME (LOSS)	\$188	\$125	\$(23)	\$ 20	\$ 310

(1) Expenses previously reported in the Australia Mortgage Insurance segment and moved to Corporate and Other activities.

(2) Tax impacts resulting from the classification of Genworth Australia as discontinued operations.

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

Regards,

Investor Relations
InvestorInfo@genworth.com

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

This financial supplement includes the non-GAAP financial measures entitled “adjusted operating income (loss)” and “adjusted operating income (loss) per share.” Adjusted operating income (loss) per share is derived from adjusted operating income (loss). The chief operating decision maker evaluates segment performance and allocates resources on the basis of adjusted operating income (loss). The company defines adjusted operating income (loss) as income (loss) from continuing operations excluding the after-tax effects of income (loss) from continuing operations attributable to noncontrolling interests, net investment gains (losses), 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. 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 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 35).

In the third quarter of 2021, the company paid a pre-tax make-whole premium of \$6 million related to the early redemption of Genworth Holdings, Inc.’s (Genworth Holdings) senior notes originally scheduled to mature in September 2021. In the first quarter of 2021, the company repurchased \$146 million principal amount of Genworth Holdings’ senior notes due in September 2021 for a pre-tax loss of \$4 million. During 2020, the company repurchased \$84 million principal amount of Genworth Holdings’ senior notes with 2021 maturity dates for a pre-tax gain of \$3 million and \$1 million in the second and first quarters of 2020, 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 1, 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 \$3 million, \$5 million and \$21 million in the third, second and first quarters of 2021, respectively, and \$1 million in each of the fourth, 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 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 37 and 38 of this financial supplement.

GENWORTH FINANCIAL, INC.
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Results of Operations and Selected Operating Performance Measures

The company's chief operating decision maker evaluates segment performance and allocates resources on the basis of adjusted operating income (loss). The table on page 9 of this financial supplement provides a reconciliation of net income (loss) available to Genworth Financial, Inc.'s common stockholders to adjusted operating income (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 businesses at the U.S. corporate federal income tax rate of 21%. Each segment is then adjusted to reflect the unique tax attributes of that segment, such as permanent differences between U.S. GAAP and tax law. The difference between the consolidated provision for income taxes and the sum of the provision for income taxes in each segment is reflected in Corporate and Other activities.

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

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

Management regularly monitors and reports sales metrics as a measure of volume of new business generated in a period. Sales refer to new insurance written for mortgage insurance products included in the company's Enact segment. 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 for the company's Enact segment. Insurance in-force is a measure of the aggregate unpaid principal balance as of the respective reporting date for loans the company insures. Risk in-force is based on the coverage percentage applied to the estimated current outstanding loan balance. 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 U.S. mortgage insurance business included in the company's Enact segment, 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 included in the company's U.S. Life Insurance segment, 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.
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Financial Highlights
(amounts in millions, except per share data)

Balance Sheet Data	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Total Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income	\$ 11,476	\$ 11,330	\$ 11,083	\$ 10,893	\$ 10,615
Total accumulated other comprehensive income	3,800	3,834	3,675	4,425	4,141
Total Genworth Financial, Inc.'s stockholders' equity	<u>\$ 15,276</u>	<u>\$ 15,164</u>	<u>\$ 14,758</u>	<u>\$ 15,318</u>	<u>\$ 14,756</u>
Book value per share	\$ 30.11	\$ 29.89	\$ 29.14	\$ 30.28	\$ 29.19
Book value per share, excluding accumulated other comprehensive income	\$ 22.62	\$ 22.33	\$ 21.88	\$ 21.54	\$ 20.99
Common shares outstanding as of the balance sheet date	507.4	507.4	506.5	505.8	505.6

Twelve Month Rolling Average ROE	Twelve months ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
U.S. GAAP Basis ROE	9.1%	10.3%	4.0%	1.7%	(1.0)%
Operating ROE(1)	7.1%	6.2%	4.3%	2.9%	1.2%

Quarterly Average ROE	Three months ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
U.S. GAAP Basis ROE	11.0%	8.6%	6.8%	9.9%	16.1%
Operating ROE(1)	8.4%	6.9%	6.1%	7.0%	4.8%

Basic and Diluted Shares	Three months ended September 30, 2021	Nine months ended September 30, 2021
Weighted-average common shares used in basic earnings per share calculations	507.4	506.8
Potentially dilutive securities:		
Stock options, restricted stock units and stock appreciation rights	6.8	7.6
Weighted-average common shares used in diluted earnings per share calculations	<u>514.2</u>	<u>514.4</u>

(1) See page 37 herein for a reconciliation of U.S. GAAP Basis ROE to Operating ROE.

Consolidated Quarterly Results

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

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

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:									
Premiums	\$ 944	\$ 947	\$ 968	\$2,859	\$ 970	\$ 963	\$ 957	\$ 946	\$3,836
Net investment income	859	844	801	2,504	846	820	779	782	3,227
Net investment gains (losses)	88	70	33	191	147	351	93	(99)	492
Policy fees and other income	179	180	183	542	191	184	174	180	729
Total revenues	<u>2,070</u>	<u>2,041</u>	<u>1,985</u>	<u>6,096</u>	<u>2,154</u>	<u>2,318</u>	<u>2,003</u>	<u>1,809</u>	<u>8,284</u>
BENEFITS AND EXPENSES:									
Benefits and other changes in policy reserves	1,143	1,161	1,218	3,522	1,157	1,273	1,447	1,337	5,214
Interest credited	123	127	131	381	132	137	139	141	549
Acquisition and operating expenses, net of deferrals	290	304	275	869	253	235	210	237	935
Amortization of deferred acquisition costs and intangibles	106	86	77	269	174	94	87	108	463
Interest expense	35	43	51	129	55	47	42	51	195
Total benefits and expenses	<u>1,697</u>	<u>1,721</u>	<u>1,752</u>	<u>5,170</u>	<u>1,771</u>	<u>1,786</u>	<u>1,925</u>	<u>1,874</u>	<u>7,356</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	373	320	233	926	383	532	78	(65)	928
Provision (benefit) for income taxes	67	75	59	201	82	130	23	(5)	230
INCOME (LOSS) FROM CONTINUING OPERATIONS	306	245	174	725	301	402	55	(60)	698
Income (loss) from discontinued operations, net of taxes ⁽¹⁾	12	(5)	21	28	(35)	34	(473)	(12)	(486)
NET INCOME (LOSS)	318	240	195	753	266	436	(418)	(72)	212
Less: net income from continuing operations attributable to noncontrolling interests	4	—	—	4	—	—	—	—	—
Less: net income (loss) from discontinued operations attributable to noncontrolling interests	—	—	8	8	(1)	18	23	(6)	34
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	\$ 314	\$ 240	\$ 187	\$ 741	\$ 267	\$ 418	\$ (441)	\$ (66)	\$ 178
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:									
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders	\$ 302	\$ 245	\$ 174	\$ 721	\$ 301	\$ 402	\$ 55	\$ (60)	\$ 698
Income (loss) from discontinued operations available to Genworth Financial, Inc.'s common stockholders	12	(5)	13	20	(34)	16	(496)	(6)	(520)
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	\$ 314	\$ 240	\$ 187	\$ 741	\$ 267	\$ 418	\$ (441)	\$ (66)	\$ 178
Earnings (Loss) Per Share Data:									
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders per share									
Basic	\$ 0.59	\$ 0.48	\$ 0.35	\$ 1.42	\$ 0.60	\$ 0.79	\$ 0.11	\$ (0.12)	\$ 1.38
Diluted	\$ 0.59	\$ 0.47	\$ 0.34	\$ 1.40	\$ 0.59	\$ 0.79	\$ 0.11	\$ (0.12)	\$ 1.36
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share									
Basic	\$ 0.62	\$ 0.47	\$ 0.37	\$ 1.46	\$ 0.53	\$ 0.83	\$ (0.87)	\$ (0.13)	\$ 0.35
Diluted	\$ 0.61	\$ 0.47	\$ 0.37	\$ 1.44	\$ 0.52	\$ 0.82	\$ (0.86)	\$ (0.13)	\$ 0.35
Weighted-average common shares outstanding									
Basic	507.4	507.0	506.0	506.8	505.6	505.6	505.4	504.3	505.2
Diluted ⁽²⁾	514.2	515.0	513.8	514.4	512.5	511.5	512.5	504.3	511.6

- (1) Income (loss) from discontinued operations relates to the company's former Australia mortgage insurance business that was sold on March 3, 2021 and its former lifestyle protection insurance business that was sold on December 1, 2015. Refer to page 30 for operating results of Genworth Australia reported as discontinued operations. In the first quarter of 2021, due to the sale of Genworth Australia, the company recorded an after-tax favorable adjustment of \$11 million associated with a refinement to its tax matters agreement liability. During the third, second and first quarters of 2021 and the fourth, third and second quarters of 2020, the company recorded after-tax income (loss) of \$9 million, \$(4) million, \$(1) million, \$(30) million, \$(22) million and \$(520) million, respectively, related to a secured promissory note with AXA S.A. (AXA) resulting from a settlement agreement reached in 2020 regarding a dispute over payment protection insurance claims sold by the company's former lifestyle protection insurance business. During the first quarter of 2021 and the third quarter of 2020, based on an updated estimate, the company adjusted a liability associated with underwriting losses on a product sold by a distributor in the company's former lifestyle protection insurance business which resulted in an after-tax benefit (loss) of \$(4) million and \$23 million, respectively.
- (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
THIRD QUARTER 2021

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

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	\$ 314	\$ 240	\$ 187	\$ 741	\$ 267	\$ 418	\$ (441)	\$ (66)	\$ 178
Add: net income from continuing operations attributable to noncontrolling interests	4	—	—	4	—	—	—	—	—
Add: net income (loss) from discontinued operations attributable to noncontrolling interests	—	—	8	8	(1)	18	23	(6)	34
NET INCOME (LOSS)	318	240	195	753	266	436	(418)	(72)	212
Less: income (loss) from discontinued operations, net of taxes	12	(5)	21	28	(35)	34	(473)	(12)	(486)
INCOME (LOSS) FROM CONTINUING OPERATIONS	306	245	174	725	301	402	55	(60)	698
Less: net income from continuing operations attributable to noncontrolling interests	4	—	—	4	—	—	—	—	—
INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	302	245	174	721	301	402	55	(60)	698
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:									
Net investment (gains) losses, net ⁽¹⁾	(88)	(70)	(33)	(191)	(144)	(350)	(97)	88	(503)
(Gains) losses on early extinguishment of debt	6	—	4	10	—	—	(3)	12	9
Expenses related to restructuring	3	5	21	29	1	—	1	1	3
Taxes on adjustments	16	14	2	32	30	73	21	(21)	103
ADJUSTED OPERATING INCOME (LOSS)	\$ 239	\$ 194	\$ 168	\$ 601	\$ 188	\$ 125	\$ (23)	\$ 20	\$ 310
ADJUSTED OPERATING INCOME (LOSS):									
Enact segment	\$ 134	\$ 135	\$ 126	\$ 395	\$ 95	\$ 141	\$ (3)	\$ 148	\$ 381
U.S. Life Insurance segment:									
Long-Term Care Insurance	133	98	95	326	129	59	48	1	237
Life Insurance	(68)	(40)	(63)	(171)	(20)	(69)	(81)	(77)	(247)
Fixed Annuities	28	13	30	71	20	24	28	6	78
Total U.S. Life Insurance segment	93	71	62	226	129	14	(5)	(70)	68
Runoff segment	11	15	12	38	13	19	24	(13)	43
Corporate and Other	1	(27)	(32)	(58)	(49)	(49)	(39)	(45)	(182)
ADJUSTED OPERATING INCOME (LOSS)	\$ 239	\$ 194	\$ 168	\$ 601	\$ 188	\$ 125	\$ (23)	\$ 20	\$ 310
Earnings (Loss) Per Share Data:									
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share									
Basic	\$ 0.62	\$ 0.47	\$ 0.37	\$ 1.46	\$ 0.53	\$ 0.83	\$ (0.87)	\$ (0.13)	\$ 0.35
Diluted	\$ 0.61	\$ 0.47	\$ 0.37	\$ 1.44	\$ 0.52	\$ 0.82	\$ (0.86)	\$ (0.13)	\$ 0.35
Adjusted operating income (loss) per share									
Basic	\$ 0.47	\$ 0.38	\$ 0.33	\$ 1.19	\$ 0.37	\$ 0.25	\$ (0.05)	\$ 0.04	\$ 0.61
Diluted	\$ 0.46	\$ 0.38	\$ 0.33	\$ 1.17	\$ 0.37	\$ 0.25	\$ (0.05)	\$ 0.04	\$ 0.61
Weighted-average common shares outstanding									
Basic	507.4	507.0	506.0	506.8	505.6	505.6	505.4	504.3	505.2
Diluted ⁽²⁾	514.2	515.0	513.8	514.4	512.5	511.5	512.5	504.3	511.6

(1) Net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves (see page 35 for reconciliation).

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Consolidated Balance Sheets
(amounts in millions)

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
ASSETS					
Investments:					
Fixed maturity securities available-for-sale, at fair value(1)	\$ 61,274	\$ 61,649	\$ 60,231	\$ 63,495	\$ 62,372
Equity securities, at fair value	156	147	238	386	575
Commercial mortgage loans(2)	6,916	6,912	6,787	6,774	6,911
Less: Allowance for credit losses	(30)	(33)	(32)	(31)	(31)
Commercial mortgage loans, net	6,886	6,879	6,755	6,743	6,880
Policy loans	2,067	2,083	1,976	1,978	2,153
Other invested assets	2,335	2,260	1,759	2,099	2,171
Total investments	72,718	73,018	70,959	74,701	74,151
Cash, cash equivalents and restricted cash	1,937	2,214	1,964	2,561	2,740
Accrued investment income	626	573	704	655	635
Deferred acquisition costs	1,193	1,212	1,247	1,487	1,585
Intangible assets	147	151	155	157	165
Reinsurance recoverable	16,722	16,716	16,788	16,864	16,832
Less: Allowance for credit losses	(51)	(50)	(44)	(45)	(44)
Reinsurance recoverable, net	16,671	16,666	16,744	16,819	16,788
Other assets	396	403	439	404	419
Deferred tax asset	209	211	314	65	201
Separate account assets	5,978	6,202	6,032	6,081	5,700
Assets related to discontinued operations (3)	—	—	—	2,817	2,541
Total assets	<u>\$ 99,875</u>	<u>\$ 100,650</u>	<u>\$ 98,558</u>	<u>\$ 105,747</u>	<u>\$ 104,925</u>

(1) Amortized cost of \$53,181 million, \$53,111 million, \$53,470 million, \$53,417 million and \$53,241 million as of September 30, 2021, June 30, 2021, March 31, 2021, December 31, 2020 and September 30, 2020, respectively, and allowance for credit losses of \$—, \$—, \$3 million, \$4 million and \$5 million as of September 30, 2021, June 30, 2021, March 31, 2021, December 31, 2020 and September 30, 2020, respectively.

(2) Net of unamortized balance of loan origination fees and costs of \$4 million as of September 30, 2021, June 30, 2021, March 31, 2021, December 31, 2020 and September 30, 2020.

(3) Prior to the sale on March 3, 2021, the assets of Genworth Australia were segregated in the consolidated balance sheets. The major asset categories of Genworth Australia reported as discontinued operations were as follows:

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
ASSETS					
Investments:					
Fixed maturity securities available-for-sale, at fair value	\$ —	\$ —	\$ —	\$ 2,295	\$ 2,044
Equity securities, at fair value	—	—	—	90	54
Other invested assets	—	—	—	154	231
Total investments	—	—	—	2,539	2,329
Cash, cash equivalents and restricted cash	—	—	—	95	40
Accrued investment income	—	—	—	16	15
Deferred acquisition costs	—	—	—	42	38
Intangible assets	—	—	—	43	44
Other assets	—	—	—	40	26
Deferred tax asset	—	—	—	42	49
Assets related to discontinued operations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,817</u>	<u>\$ 2,541</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Consolidated Balance Sheets
(amounts in millions)

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
LIABILITIES AND EQUITY					
Liabilities:					
Future policy benefits	\$ 41,794	\$ 42,165	\$ 40,634	\$ 42,695	\$ 41,995
Policyholder account balances	19,607	19,944	19,999	21,503	22,731
Liability for policy and contract claims	11,743	11,546	11,415	11,486	11,135
Unearned premiums	685	695	728	775	794
Other liabilities	1,568	1,664	1,710	1,614	1,822
Long-term borrowings	2,412	2,924	2,922	3,403	3,401
Separate account liabilities	5,978	6,202	6,032	6,081	5,700
Liabilities related to discontinued operations (1)	36	346	360	2,370	2,115
Total liabilities	83,823	85,486	83,800	89,927	89,693
Equity:					
Common stock	1	1	1	1	1
Additional paid-in capital	11,850	12,018	12,011	12,008	11,997
Accumulated other comprehensive income (loss)	3,800	3,834	3,675	4,425	4,141
Retained earnings	2,325	2,011	1,771	1,584	1,317
Treasury stock, at cost	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	15,276	15,164	14,758	15,318	14,756
Noncontrolling interests	776	—	—	502	476
Total equity	16,052	15,164	14,758	15,820	15,232
Total liabilities and equity	\$ 99,875	\$100,650	\$ 98,558	\$ 105,747	\$ 104,925

- (1) Liabilities related to discontinued operations relates to a liability recorded in connection with a settlement agreement reached with AXA involving the sale of the company's former lifestyle protection insurance business. Liabilities related to discontinued operations also includes an unrelated liability associated with underwriting losses on a product sold by a distributor in the company's former lifestyle protection insurance business. In addition, prior to the sale on March 3, 2021, the liabilities of Genworth Australia were segregated in the consolidated balance sheets. The major liability categories of Genworth Australia reported as discontinued operations were as follows:

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
LIABILITIES					
Liability for policy and contract claims	\$ —	\$ —	\$ —	\$ 331	\$ 238
Unearned premiums	—	—	—	1,193	1,052
Other liabilities	—	—	—	104	91
Long-term borrowings	—	—	—	145	169
Liabilities related to discontinued operations	\$ —	\$ —	\$ —	\$ 1,773	\$ 1,550

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Consolidated Balance Sheet by Segment
(amounts in millions)

	September 30, 2021				
	Enact	U.S. Life Insurance	Runoff	Corporate and Other ⁽¹⁾	Total
ASSETS					
Cash and investments	\$5,871	\$ 64,627	\$2,616	\$ 2,167	\$75,281
Deferred acquisition costs and intangible assets	39	1,175	115	11	1,340
Reinsurance recoverable, net	—	16,017	654	—	16,671
Deferred tax and other assets	77	426	55	47	605
Separate account assets	—	—	5,978	—	5,978
Total assets	<u>\$5,987</u>	<u>\$ 82,245</u>	<u>\$9,418</u>	<u>\$ 2,225</u>	<u>\$99,875</u>
LIABILITIES AND EQUITY					
Liabilities:					
Future policy benefits	\$ —	\$ 41,792	\$ 2	\$ —	\$41,794
Policyholder account balances	—	16,603	3,004	—	19,607
Liability for policy and contract claims	648	11,065	20	10	11,743
Unearned premiums	255	427	3	—	685
Other liabilities	122	741	40	665	1,568
Borrowings	740	—	—	1,672	2,412
Separate account liabilities	—	—	5,978	—	5,978
Liabilities related to discontinued operations	—	—	—	36	36
Total liabilities	<u>1,765</u>	<u>70,628</u>	<u>9,047</u>	<u>2,383</u>	<u>83,823</u>
Equity:					
Allocated equity, excluding accumulated other comprehensive income (loss)	3,337	7,907	365	(133)	11,476
Allocated accumulated other comprehensive income (loss)	109	3,710	6	(25)	3,800
Total Genworth Financial, Inc.'s stockholders' equity	3,446	11,617	371	(158)	15,276
Noncontrolling interests	776	—	—	—	776
Total equity	<u>4,222</u>	<u>11,617</u>	<u>371</u>	<u>(158)</u>	<u>16,052</u>
Total liabilities and equity	<u>\$5,987</u>	<u>\$ 82,245</u>	<u>\$9,418</u>	<u>\$ 2,225</u>	<u>\$99,875</u>

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Consolidated Balance Sheet by Segment
(amounts in millions)

	June 30, 2021				
	Enact	U.S. Life Insurance	Runoff	Corporate and Other ⁽¹⁾	Total
ASSETS					
Cash and investments	\$5,735	\$ 65,209	\$2,548	\$ 2,313	\$ 75,805
Deferred acquisition costs and intangible assets	40	1,195	117	11	1,363
Reinsurance recoverable, net	—	16,001	665	—	16,666
Deferred tax and other assets	70	117	61	366	614
Separate account assets	—	—	6,202	—	6,202
Total assets	<u>\$5,845</u>	<u>\$ 82,522</u>	<u>\$9,593</u>	<u>\$ 2,690</u>	<u>\$100,650</u>
LIABILITIES AND EQUITY					
Liabilities:					
Future policy benefits	\$ —	\$ 42,163	\$ 2	\$ —	\$ 42,165
Policyholder account balances	—	16,968	2,976	—	19,944
Liability for policy and contract claims	624	10,897	15	10	11,546
Unearned premiums	264	428	3	—	695
Other liabilities	107	770	43	744	1,664
Borrowings	739	—	—	2,185	2,924
Separate account liabilities	—	—	6,202	—	6,202
Liabilities related to discontinued operations	—	—	—	346	346
Total liabilities	<u>1,734</u>	<u>71,226</u>	<u>9,241</u>	<u>3,285</u>	<u>85,486</u>
Equity:					
Allocated equity, excluding accumulated other comprehensive income (loss)	3,951	7,613	345	(579)	11,330
Allocated accumulated other comprehensive income (loss)	160	3,683	7	(16)	3,834
Total Genworth Financial, Inc.'s stockholders' equity	4,111	11,296	352	(595)	15,164
Noncontrolling interests	—	—	—	—	—
Total equity	<u>4,111</u>	<u>11,296</u>	<u>352</u>	<u>(595)</u>	<u>15,164</u>
Total liabilities and equity	<u>\$5,845</u>	<u>\$ 82,522</u>	<u>\$9,593</u>	<u>\$ 2,690</u>	<u>\$100,650</u>

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Deferred Acquisition Costs Rollforward
(amounts in millions)

	<u>Enact</u>	<u>U.S. Life</u> <u>Insurance</u>	<u>Runoff</u>	<u>Total</u>
Unamortized balance as of June 30, 2021	\$ 28	\$ 2,496	\$ 142	\$ 2,666
Costs deferred	3	—	—	3
Amortization, net of interest accretion	(3)	(92)	(6)	(101)
Unamortized balance as of September 30, 2021	28	2,404	136	2,568
Effect of accumulated net unrealized investment (gains) losses	—	(1,351)	(24)	(1,375)
Balance as of September 30, 2021	<u>\$ 28</u>	<u>\$ 1,053</u>	<u>\$ 112</u>	<u>\$ 1,193</u>

Enact Segment

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GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Adjusted Operating Income (Loss) and Sales—Enact Segment
(amounts in millions)

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:									
Premiums	\$ 243	\$ 243	\$ 252	\$ 738	\$ 251	\$ 251	\$ 243	\$ 226	\$ 971
Net investment income	36	35	35	106	35	34	31	33	133
Net investment gains (losses)	1	(2)	(1)	(2)	(1)	(2)	(1)	—	(4)
Policy fees and other income	1	—	2	3	2	1	1	2	6
Total revenues	<u>281</u>	<u>276</u>	<u>288</u>	<u>845</u>	<u>287</u>	<u>284</u>	<u>274</u>	<u>261</u>	<u>1,106</u>
BENEFITS AND EXPENSES:									
Benefits and other changes in policy reserves	34	30	55	119	89	45	228	19	381
Acquisition and operating expenses, net of deferrals	55	63	57	175	55	54	47	50	206
Amortization of deferred acquisition costs and intangibles	3	4	4	11	10	3	4	4	21
Interest expense	13	12	13	38	12	6	—	—	18
Total benefits and expenses	<u>105</u>	<u>109</u>	<u>129</u>	<u>343</u>	<u>166</u>	<u>108</u>	<u>279</u>	<u>73</u>	<u>626</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	<u>176</u>	<u>167</u>	<u>159</u>	<u>502</u>	<u>121</u>	<u>176</u>	<u>(5)</u>	<u>188</u>	<u>480</u>
Provision (benefit) for income taxes	38	35	34	107	26	37	(1)	40	102
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>138</u>	<u>132</u>	<u>125</u>	<u>395</u>	<u>95</u>	<u>139</u>	<u>(4)</u>	<u>148</u>	<u>378</u>
Less: net income from continuing operations attributable to noncontrolling interests	4	—	—	4	—	—	—	—	—
INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	<u>134</u>	<u>132</u>	<u>125</u>	<u>391</u>	<u>95</u>	<u>139</u>	<u>(4)</u>	<u>148</u>	<u>378</u>
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:									
Net investment (gains) losses	(1)	2	1	2	1	2	1	—	4
Expenses related to restructuring	1	2	—	3	—	—	—	—	—
Taxes on adjustments	—	(1)	—	(1)	(1)	—	—	—	(1)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 134</u>	<u>\$ 135</u>	<u>\$ 126</u>	<u>\$ 395</u>	<u>\$ 95</u>	<u>\$ 141</u>	<u>\$ (3)</u>	<u>\$ 148</u>	<u>\$ 381</u>
SALES:									
Primary New Insurance Written (NIW)	\$24,000	\$26,700	\$24,900	\$75,600	\$27,000	\$26,600	\$28,400	\$17,900	\$99,900

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Primary New Insurance Written Metrics—Enact Segment
(amounts in millions)

	2021						2020							
	3Q		2Q		1Q		4Q		3Q		2Q		1Q	
	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW
Product														
Monthly	\$21,500	90%	\$24,900	94%	\$23,400	94%	\$24,700	92%	\$23,400	88%	\$25,800	91%	\$16,200	91%
Single	2,400	10	1,700	6	1,400	6	2,200	8	3,100	12	2,500	9	1,500	8
Other(1)	100	—	100	—	100	—	100	—	100	—	100	—	200	1
Total Primary	\$24,000	100%	\$26,700	100%	\$24,900	100%	\$27,000	100%	\$26,600	100%	\$28,400	100%	\$17,900	100%
Origination														
Purchase	\$21,000	88%	\$21,100	79%	\$15,500	62%	\$17,800	66%	\$20,000	75%	\$17,400	61%	\$12,000	67%
Refinance	3,000	12	5,600	21	9,400	38	9,200	34	6,600	25	11,000	39	5,900	33
Total Primary	\$24,000	100%	\$26,700	100%	\$24,900	100%	\$27,000	100%	\$26,600	100%	\$28,400	100%	\$17,900	100%
FICO Scores														
Over 760	\$10,700	45%	\$11,800	44%	\$10,500	42%	\$10,500	39%	\$11,300	43%	\$12,300	43%	\$ 7,500	42%
740 - 759	3,800	16	4,000	15	3,800	15	4,300	16	4,100	15	4,800	17	3,200	18
720 - 739	3,200	13	3,500	13	3,400	14	4,000	15	3,500	13	4,200	15	2,600	14
700 - 719	2,700	11	3,100	12	3,000	12	3,600	13	3,100	12	3,300	11	2,200	12
680 - 699	1,900	8	2,500	9	2,500	10	2,700	10	2,400	9	2,200	8	1,500	8
660 - 679 (2)	1,000	4	1,100	4	1,000	4	1,100	4	1,300	5	900	3	500	3
640 - 659	500	2	500	2	500	2	600	2	600	2	500	2	300	2
620 - 639	200	1	200	1	200	1	200	1	300	1	200	1	100	1
<620	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Primary	\$24,000	100%	\$26,700	100%	\$24,900	100%	\$27,000	100%	\$26,600	100%	\$28,400	100%	\$17,900	100%
Loan-To-Value Ratio														
95.01% and above	\$ 3,400	14%	\$ 2,800	11%	\$ 2,200	9%	\$ 2,900	11%	\$ 3,700	14%	\$ 3,200	11%	\$ 1,800	10%
90.01% to 95.00%	8,800	37	10,700	40	9,500	38	11,100	41	11,700	44	12,300	43	7,700	43
85.01% to 90.00%	7,500	31	8,600	32	8,400	34	8,100	30	7,100	27	8,100	29	5,500	31
85.00% and below	4,300	18	4,600	17	4,800	19	4,900	18	4,100	15	4,800	17	2,900	16
Total Primary	\$24,000	100%	\$26,700	100%	\$24,900	100%	\$27,000	100%	\$26,600	100%	\$28,400	100%	\$17,900	100%
Debt-To-Income Ratio														
45.01% and above	\$ 4,200	17%	\$ 3,300	12%	\$ 2,600	10%	\$ 3,100	11%	\$ 3,100	12%	\$ 4,000	14%	\$ 3,500	20%
38.01% to 45.00%	7,900	33	9,200	35	8,700	35	10,200	38	9,900	37	9,600	34	6,000	33
38.00% and below	11,900	50	14,200	53	13,600	55	13,700	51	13,600	51	14,800	52	8,400	47
Total Primary	\$24,000	100%	\$26,700	100%	\$24,900	100%	\$27,000	100%	\$26,600	100%	\$28,400	100%	\$17,900	100%

(1) Includes loans with annual and split payment types.

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Other Metrics—Enact Segment
(dollar amounts in millions)

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Primary Insurance In-Force⁽¹⁾	\$222,500	\$217,500	\$210,200		\$207,900	\$203,100	\$197,000	\$188,000	
Risk In-Force									
Primary ⁽²⁾	\$ 55,866	\$ 54,643	\$ 52,866		\$ 52,475	\$ 51,393	\$ 49,868	\$ 47,740	
Pool	117	123	134		146	156	169	179	
Total Risk In-Force	<u>\$ 55,983</u>	<u>\$ 54,766</u>	<u>\$ 53,000</u>		<u>\$ 52,621</u>	<u>\$ 51,549</u>	<u>\$ 50,037</u>	<u>\$ 47,919</u>	
Expense Ratio (Net Earned Premiums)⁽³⁾	24%	27%	24%	25%	26%	23%	21%	24%	23%
Primary Persistency	65%	63%	56%	61%	57%	59%	59%	74%	59%
Combined Risk To Capital Ratio⁽⁴⁾	11.8:1	11.8:1	11.7:1		12.1:1	12.1:1	12.0:1	12.2:1	
GMICO Risk To Capital Ratio^{(4),(5)}	11.9:1	12.0:1	11.9:1		12.3:1	12.3:1	12.2:1	12.4:1	
PMIERS Available Assets⁽⁶⁾	\$ 5,126	\$ 4,926	\$ 4,769		\$ 4,588	\$ 4,451	\$ 4,218	\$ 3,974	
PMIERS Required Assets⁽⁶⁾	\$ 2,839	\$ 2,985	\$ 3,005		\$ 3,359	\$ 3,377	\$ 2,943	\$ 2,803	
Available Assets Above PMIERS Requirements⁽⁶⁾	\$ 2,287	\$ 1,941	\$ 1,764		\$ 1,229	\$ 1,074	\$ 1,275	\$ 1,171	
PMIERS Sufficiency Ratio⁽⁶⁾	181%	165%	159%		137%	132%	143%	142%	
Average Primary Loan Size (in thousands)	\$ 237	\$ 233	\$ 228		\$ 225	\$ 222	\$ 220	\$ 217	

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

- (1) Primary insurance in-force represents aggregate unpaid balance for loans the company insures. Original loan balances are primarily used to determine premiums.
- (2) Primary risk in-force represents risk on current loan balances as provided by servicers, lenders and investors and conforms to the presentation under the Private Mortgage Insurer Eligibility Requirements (PMIERS).
- (3) The ratio of an insurer's general expenses to net earned premiums. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles. Expenses associated with strategic transaction preparations and restructuring costs increased the expense ratio by two percentage points for the three months ended June 30, 2021.
- (4) Certain states limit a private mortgage insurer's risk in-force to 25 times the total of the insurer's policyholders' surplus plus the statutory contingency reserve, commonly known as the "risk to capital" requirement. The current period risk to capital ratio is an estimate due to the timing of the filing of statutory statements and is prepared consistent with the presentation of the statutory financial statements in the combined annual statement of the company's U.S. mortgage insurance subsidiaries.
- (5) Genworth Mortgage Insurance Corporation (GMICO), the company's principal U.S. mortgage insurance subsidiary.
- (6) 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 and does not take into consideration the impact of restrictions recently imposed by the government-sponsored enterprises (GSEs). The GSEs have imposed certain capital restrictions on the company's Enact segment which remain in effect until certain conditions are met. These restrictions currently require GMICO to maintain 115% of published PMIERS minimum required assets among other restrictions.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Loss Metrics—Enact Segment
(amounts in millions)

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	
Average Paid Claim (in thousands) ⁽¹⁾	\$26.7	\$63.1	\$54.7		\$47.2	\$55.6	\$47.1	\$45.0	
Average Reserve Per Primary Delinquency (in thousands) ⁽²⁾	\$21.2	\$17.5	\$13.6		\$11.5	\$ 8.8	\$ 7.1	\$13.1	
Reserves:									
Primary direct case	\$ 613	\$ 589	\$ 564		\$ 517	\$ 436	\$ 379	\$ 202	
All other ⁽³⁾	35	35	39		38	38	60	28	
Total Reserves	<u>\$ 648</u>	<u>\$ 624</u>	<u>\$ 603</u>		<u>\$ 555</u>	<u>\$ 474</u>	<u>\$ 439</u>	<u>\$ 230</u>	<u>\$ 233</u>
Beginning Reserves	\$ 624	\$ 603	\$ 555	\$ 555	\$ 474	\$ 439	\$ 230	\$ 233	\$ 233
Paid claims	(10)	(9)	(7)	(26)	(8)	(10)	(19)	(22)	(59)
Increase in reserves	34	30	55	119	89	45	228	19	381
Ending Reserves	<u>\$ 648</u>	<u>\$ 624</u>	<u>\$ 603</u>	<u>\$ 648</u>	<u>\$ 555</u>	<u>\$ 474</u>	<u>\$ 439</u>	<u>\$ 230</u>	<u>\$ 555</u>
Loss Ratio⁽⁴⁾	14%	12%	22%	16%	35%	18%	94%	8%	39%

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) Average paid claim in the third quarter of 2021 includes payment in relation to an agreement on non-performing loans.
- (2) Primary direct case reserves divided by primary delinquency count.
- (3) Other includes loss adjustment expenses, pool, incurred but not reported and reinsurance reserves.
- (4) The ratio of benefits and other changes in policy reserves to net earned premiums.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Delinquency Metrics—Enact Segment
(dollar amounts in millions)

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Primary Loans									
Primary loans in-force	936,934	933,616	922,186		924,624	913,974	896,232	868,111	
Primary delinquent loans	28,904	33,568	41,332		44,904	49,692	53,587	15,417	
Primary delinquency rate	3.08%	3.60%	4.48%		4.86%	5.44%	5.98%	1.78%	
Beginning Number of Primary Delinquencies	33,568	41,332	44,904	44,904	49,692	53,587	15,417	16,392	16,392
New delinquencies	7,427	6,862	10,053	24,342	11,923	16,664	48,373	8,114	85,074
Delinquency cures	(11,746)	(14,473)	(13,478)	(39,697)	(16,548)	(20,404)	(9,795)	(8,649)	(55,396)
Paid claims	(343)	(143)	(134)	(620)	(152)	(152)	(404)	(440)	(1,148)
Rescissions and claim denials	(2)	(10)	(13)	(25)	(11)	(3)	(4)	—	(18)
Ending Number of Primary Delinquencies	28,904	33,568	41,332	28,904	44,904	49,692	53,587	15,417	44,904
Composition of Cures									
Reported delinquent and cured-intraquarter	1,143	1,149	1,549		1,433	1,939	3,992	2,236	
Number of missed payments delinquent prior to cure:									
3 payments or less	3,080	4,179	4,812		5,567	13,022	4,522	4,850	
4 - 11 payments	3,492	6,055	6,849		9,347	5,239	1,122	1,389	
12 payments or more	4,031	3,090	268		201	204	159	174	
Total	11,746	14,473	13,478		16,548	20,404	9,795	8,649	
Primary Delinquencies by Missed Payment Status									
3 payments or less	6,192	6,030	8,296		10,484	13,904	43,158	7,650	
4 - 11 payments	9,021	12,378	21,011		30,324	32,366	7,448	4,909	
12 payments or more	13,691	15,160	12,025		4,096	3,422	2,981	2,858	
Primary Delinquencies	28,904	33,568	41,332		44,904	49,692	53,587	15,417	

	September 30, 2021		
	Direct Case Reserves	Risk In-Force	Reserves as % of Risk In-Force
Primary Direct Case Reserves(1) and Percentage Reserved by Payment Status			
3 payments or less in default	\$ 32	\$ 320	10%
4 - 11 payments in default	128	528	24%
12 payments or more in default	453	813	56%
Total	\$ 613	\$ 1,661	37%

	December 31, 2020		
	Direct Case Reserves	Risk In-Force	Reserves as % of Risk In-Force
Primary Direct Case Reserves(1) and Percentage Reserved by Payment Status			
3 payments or less in default	\$ 43	\$ 549	8%
4 - 11 payments in default	331	1,853	18%
12 payments or more in default	143	204	70%
Total	\$ 517	\$ 2,606	20%

(1) Primary direct case reserves exclude loss adjustment expenses, incurred but not reported and reinsurance reserves.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Portfolio Quality Metrics—Enact Segment
(amounts in millions)

Policy Year	September 30, 2021						
	Average Rate(1)	% of Direct Case Reserves(2)	Primary Insurance In-Force	% of Total	Primary Risk In-Force	% of Total	Delinquency Rate
2004 and prior	6.19%	3%	\$ 583	— %	\$ 167	— %	14.96%
2005 to 2008	5.57%	24	8,380	4	2,142	4	11.14%
2009 to 2013	4.28%	3	1,656	1	441	1	6.03%
2014	4.49%	3	2,293	1	621	1	5.81%
2015	4.17%	5	5,087	2	1,355	2	4.67%
2016	3.89%	8	10,082	4	2,676	5	4.31%
2017	4.26%	10	10,185	5	2,631	5	5.31%
2018	4.78%	13	10,568	5	2,656	5	6.51%
2019	4.20%	18	24,884	11	6,239	11	4.43%
2020	3.24%	12	75,785	34	18,965	34	1.43%
2021	3.04%	1	72,961	33	17,973	32	0.24%
Total	3.57%	100%	\$ 222,464	100%	\$ 55,866	100%	3.08%

Loan-to-value ratio	September 30, 2021		June 30, 2021		September 30, 2020	
	Primary Risk In-Force	Percent of Primary Risk In-Force	Primary Risk In-Force	Percent of Primary Risk In-Force	Primary Risk In-Force	Percent of Primary Risk In-Force
95.01% and above	\$ 9,490	17%	\$ 9,228	17%	\$ 9,196	18%
90.01% to 95.00%	27,509	49	27,308	50	26,403	51
85.01% to 90.00%	15,322	28	14,776	27	13,188	26
85.00% and below	3,545	6	3,331	6	2,606	5
Total	\$ 55,866	100%	\$ 54,643	100%	\$ 51,393	100%

Credit Quality	September 30, 2021		June 30, 2021		September 30, 2020	
	Primary Risk In-Force	Percent of Primary Risk In-Force	Primary Risk In-Force	Percent of Primary Risk In-Force	Primary Risk In-Force	Percent of Primary Risk In-Force
Over 760	\$ 21,767	39%	\$ 20,908	38%	\$ 19,549	38%
740 - 759	8,824	16	8,628	16	8,424	16
720 - 739	7,966	14	7,879	14	7,489	15
700 - 719	6,923	12	6,848	13	6,288	12
680 - 699	5,383	10	5,385	10	4,864	9
660 - 679 (3)	2,568	5	2,531	5	2,331	5
640 - 659	1,497	3	1,494	3	1,423	3
620 - 639	705	1	720	1	725	1
<620	233	—	250	—	300	1
Total	\$ 55,866	100%	\$ 54,643	100%	\$ 51,393	100%

- (1) Average annual mortgage interest rate weighted by insurance in-force.
(2) Direct primary case reserves exclude loss adjustment expenses, incurred but not reported and reinsurance reserves.
(3) Loans with unknown FICO scores are included in the 660-679 category.

U.S. Life Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

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

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:									
Premiums	\$ 699	\$ 703	\$ 714	\$2,116	\$ 717	\$ 711	\$ 712	\$ 718	\$2,858
Net investment income	773	763	716	2,252	765	726	692	695	2,878
Net investment gains (losses)	87	66	42	195	121	348	118	(70)	517
Policy fees and other income	144	145	148	437	157	152	142	144	595
Total revenues	<u>1,703</u>	<u>1,677</u>	<u>1,620</u>	<u>5,000</u>	<u>1,760</u>	<u>1,937</u>	<u>1,664</u>	<u>1,487</u>	<u>6,848</u>
BENEFITS AND EXPENSES:									
Benefits and other changes in policy reserves	1,097	1,129	1,155	3,381	1,050	1,221	1,213	1,297	4,781
Interest credited	85	87	90	262	91	95	97	100	383
Acquisition and operating expenses, net of deferrals	211	219	192	622	164	158	147	151	620
Amortization of deferred acquisition costs and intangibles	96	77	68	241	161	87	83	87	418
Interest expense	—	—	—	—	—	—	—	5	5
Total benefits and expenses	<u>1,489</u>	<u>1,512</u>	<u>1,505</u>	<u>4,506</u>	<u>1,466</u>	<u>1,561</u>	<u>1,540</u>	<u>1,640</u>	<u>6,207</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	214	165	115	494	294	376	124	(153)	641
Provision (benefit) for income taxes	53	42	32	127	70	87	33	(27)	163
INCOME (LOSS) FROM CONTINUING OPERATIONS	161	123	83	367	224	289	91	(126)	478
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:									
Net investment (gains) losses, net ⁽¹⁾	(87)	(67)	(41)	(195)	(123)	(348)	(121)	67	(525)
Losses on early extinguishment of debt	—	—	—	—	—	—	—	4	4
Expenses related to restructuring	1	2	14	17	1	—	—	—	1
Taxes on adjustments	18	13	6	37	27	73	25	(15)	110
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 93</u>	<u>\$ 71</u>	<u>\$ 62</u>	<u>\$ 226</u>	<u>\$ 129</u>	<u>\$ 14</u>	<u>\$ (5)</u>	<u>\$ (70)</u>	<u>\$ 68</u>

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

Net investment (gains) losses, gross	\$ (87)	\$ (66)	\$ (42)	\$ (195)	\$ (121)	\$ (348)	\$ (118)	\$ 70	\$ (517)
Adjustment for DAC and other intangible amortization and certain benefit reserves	—	(1)	1	—	(2)	—	(3)	(3)	(8)
Net investment (gains) losses, net	<u>\$ (87)</u>	<u>\$ (67)</u>	<u>\$ (41)</u>	<u>\$ (195)</u>	<u>\$ (123)</u>	<u>\$ (348)</u>	<u>\$ (121)</u>	<u>\$ 67</u>	<u>\$ (525)</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

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

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:									
Premiums	\$ 652	\$ 648	\$ 646	\$1,946	\$ 668	\$ 661	\$ 649	\$ 642	\$2,620
Net investment income	521	509	465	1,495	499	456	422	419	1,796
Net investment gains (losses)	80	67	27	174	118	347	129	(55)	539
Policy fees and other income	3	2	2	7	3	2	—	—	5
Total revenues	1,256	1,226	1,140	3,622	1,288	1,466	1,200	1,006	4,960
BENEFITS AND EXPENSES:									
Benefits and other changes in policy reserves	802	822	829	2,453	863	901	876	928	3,568
Interest credited	—	—	—	—	—	—	—	—	—
Acquisition and operating expenses, net of deferrals	165	176	141	482	114	108	103	101	426
Amortization of deferred acquisition costs and intangibles	31	27	24	82	21	25	21	24	91
Interest expense	—	—	—	—	—	—	—	—	—
Total benefits and expenses	998	1,025	994	3,017	998	1,034	1,000	1,053	4,085
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	258	201	146	605	290	432	200	(47)	875
Provision (benefit) for income taxes	63	50	38	151	69	99	49	(4)	213
INCOME (LOSS) FROM CONTINUING OPERATIONS	195	151	108	454	221	333	151	(43)	662
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:									
Net investment (gains) losses	(80)	(67)	(27)	(174)	(118)	(347)	(129)	55	(539)
Expenses related to restructuring	1	1	10	12	1	—	—	—	1
Taxes on adjustments	17	13	4	34	25	73	26	(11)	113
ADJUSTED OPERATING INCOME	<u>\$ 133</u>	<u>\$ 98</u>	<u>\$ 95</u>	<u>\$ 326</u>	<u>\$ 129</u>	<u>\$ 59</u>	<u>\$ 48</u>	<u>\$ 1</u>	<u>\$ 237</u>
RATIOS:									
Loss Ratio(1)	58%	62%	62%	61%	65%	71%	69%	78%	71%
Gross Benefits Ratio(2)	123%	127%	128%	126%	129%	136%	135%	145%	136%

(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
THIRD QUARTER 2021

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

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:									
Premiums	\$ 47	\$ 55	\$ 68	\$ 170	\$ 49	\$ 50	\$ 63	\$ 76	\$ 238
Net investment income	128	126	125	379	131	131	127	130	519
Net investment gains (losses)	6	6	12	24	10	4	5	1	20
Policy fees and other income	139	142	143	424	151	148	140	141	580
Total revenues	320	329	348	997	341	333	335	348	1,357
BENEFITS AND EXPENSES:									
Benefits and other changes in policy reserves	252	245	282	779	131	269	289	302	991
Interest credited	53	53	56	162	55	57	57	59	228
Acquisition and operating expenses, net of deferrals	36	34	40	110	38	39	34	39	150
Amortization of deferred acquisition costs and intangibles	59	43	41	143	133	52	53	44	282
Interest expense	—	—	—	—	—	—	—	5	5
Total benefits and expenses	400	375	419	1,194	357	417	433	449	1,656
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES									
	(80)	(46)	(71)	(197)	(16)	(84)	(98)	(101)	(299)
Benefit for income taxes	(17)	(10)	(15)	(42)	(3)	(18)	(21)	(22)	(64)
LOSS FROM CONTINUING OPERATIONS									
	(63)	(36)	(56)	(155)	(13)	(66)	(77)	(79)	(235)
ADJUSTMENTS TO LOSS FROM CONTINUING OPERATIONS:									
Net investment (gains) losses	(6)	(6)	(12)	(24)	(10)	(4)	(5)	(1)	(20)
Losses on early extinguishment of debt	—	—	—	—	—	—	—	4	4
Expenses related to restructuring	—	1	3	4	—	—	—	—	—
Taxes on adjustments	1	1	2	4	3	1	1	(1)	4
ADJUSTED OPERATING LOSS									
	<u>\$ (68)</u>	<u>\$ (40)</u>	<u>\$ (63)</u>	<u>\$ (171)</u>	<u>\$ (20)</u>	<u>\$ (69)</u>	<u>\$ (81)</u>	<u>\$ (77)</u>	<u>\$ (247)</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

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

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:									
Premiums	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Net investment income	124	128	126	378	135	139	143	146	563
Net investment gains (losses)	1	(7)	3	(3)	(7)	(3)	(16)	(16)	(42)
Policy fees and other income	2	1	3	6	3	2	2	3	10
Total revenues	127	122	132	381	131	138	129	133	531
BENEFITS AND EXPENSES:									
Benefits and other changes in policy reserves	43	62	44	149	56	51	48	67	222
Interest credited	32	34	34	100	36	38	40	41	155
Acquisition and operating expenses, net of deferrals	10	9	11	30	12	11	10	11	44
Amortization of deferred acquisition costs and intangibles	6	7	3	16	7	10	9	19	45
Interest expense	—	—	—	—	—	—	—	—	—
Total benefits and expenses	91	112	92	295	111	110	107	138	466
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	36	10	40	86	20	28	22	(5)	65
Provision (benefit) for income taxes	7	2	9	18	4	6	5	(1)	14
INCOME (LOSS) FROM CONTINUING OPERATIONS	29	8	31	68	16	22	17	(4)	51
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:									
Net investment (gains) losses, net ⁽¹⁾	(1)	6	(2)	3	5	3	13	13	34
Expenses related to restructuring	—	—	1	1	—	—	—	—	—
Taxes on adjustments	—	(1)	—	(1)	(1)	(1)	(2)	(3)	(7)
ADJUSTED OPERATING INCOME	<u>\$ 28</u>	<u>\$ 13</u>	<u>\$ 30</u>	<u>\$ 71</u>	<u>\$ 20</u>	<u>\$ 24</u>	<u>\$ 28</u>	<u>\$ 6</u>	<u>\$ 78</u>

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

Net investment (gains) losses, gross	\$ (1)	\$ 7	\$ (3)	\$ 3	\$ 7	\$ 3	\$ 16	\$ 16	\$ 42
Adjustment for DAC and other intangible amortization and certain benefit reserves	—	(1)	1	—	(2)	—	(3)	(3)	(8)
Net investment (gains) losses, net	<u>\$ (1)</u>	<u>\$ 6</u>	<u>\$ (2)</u>	<u>\$ 3</u>	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 34</u>

Runoff Segment

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GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

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

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:									
Net investment income	\$ 49	\$ 43	\$ 49	\$ 141	\$ 52	\$ 55	\$ 54	\$ 49	\$ 210
Net investment gains (losses)	(1)	10	(6)	3	30	15	4	(75)	(26)
Policy fees and other income	33	35	33	101	32	33	32	33	130
Total revenues	81	88	76	245	114	103	90	7	314
BENEFITS AND EXPENSES:									
Benefits and other changes in policy reserves	12	2	8	22	17	7	4	20	48
Interest credited	38	40	41	119	41	42	42	41	166
Acquisition and operating expenses, net of deferrals	12	14	13	39	12	12	11	13	48
Amortization of deferred acquisition costs and intangibles	7	4	5	16	3	4	(1)	17	23
Total benefits and expenses	69	60	67	196	73	65	56	91	285
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	12	28	9	49	41	38	34	(84)	29
Provision (benefit) for income taxes	2	6	1	9	8	8	6	(18)	4
INCOME (LOSS) FROM CONTINUING OPERATIONS	10	22	8	40	33	30	28	(66)	25
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:									
Net investment (gains) losses, net ⁽¹⁾	1	(9)	5	(3)	(25)	(14)	(5)	67	23
Taxes on adjustments	—	2	(1)	1	5	3	1	(14)	(5)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 11</u>	<u>\$ 15</u>	<u>\$ 12</u>	<u>\$ 38</u>	<u>\$ 13</u>	<u>\$ 19</u>	<u>\$ 24</u>	<u>\$ (13)</u>	<u>\$ 43</u>

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

Net investment (gains) losses, gross	\$ 1	\$(10)	\$ 6	\$(3)	\$(30)	\$(15)	\$(4)	\$ 75	\$ 26
Adjustment for DAC and other intangible amortization and certain benefit reserves	—	1	(1)	—	5	1	(1)	(8)	(3)
Net investment (gains) losses, net	<u>\$ 1</u>	<u>\$(9)</u>	<u>\$ 5</u>	<u>\$(3)</u>	<u>\$(25)</u>	<u>\$(14)</u>	<u>\$(5)</u>	<u>\$ 67</u>	<u>\$ 23</u>

Corporate and Other

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GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Adjusted Operating Income (Loss)—Corporate and Other^{(1),(2)}
(amounts in millions)

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:									
Premiums	\$ 2	\$ 1	\$ 2	\$ 5	\$ 2	\$ 1	\$ 2	\$ 2	\$ 7
Net investment income	1	3	1	5	(6)	5	2	5	6
Net investment gains (losses)	1	(4)	(2)	(5)	(3)	(10)	(28)	46	5
Policy fees and other income	1	—	—	1	—	(2)	(1)	1	(2)
Total revenues	5	—	1	6	(7)	(6)	(25)	54	16
BENEFITS AND EXPENSES:									
Benefits and other changes in policy reserves	—	—	—	—	1	—	2	1	4
Acquisition and operating expenses, net of deferrals	12	8	13	33	22	11	5	23	61
Amortization of deferred acquisition costs and intangibles	—	1	—	1	—	—	1	—	1
Interest expense	22	31	38	91	43	41	42	46	172
Total benefits and expenses	34	40	51	125	66	52	50	70	238
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(29)	(40)	(50)	(119)	(73)	(58)	(75)	(16)	(222)
Benefit for income taxes	(26)	(8)	(8)	(42)	(22)	(2)	(15)	—	(39)
LOSS FROM CONTINUING OPERATIONS	(3)	(32)	(42)	(77)	(51)	(56)	(60)	(16)	(183)
ADJUSTMENTS TO LOSS FROM CONTINUING OPERATIONS:									
Net investment (gains) losses	(1)	4	2	5	3	10	28	(46)	(5)
(Gains) losses on early extinguishment of debt	6	—	4	10	—	—	(3)	8	5
Expenses related to restructuring	1	1	7	9	—	—	1	1	2
Taxes on adjustments	(2)	—	(3)	(5)	(1)	(3)	(5)	8	(1)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 1</u>	<u>\$ (27)</u>	<u>\$ (32)</u>	<u>\$ (58)</u>	<u>\$ (49)</u>	<u>\$ (49)</u>	<u>\$ (39)</u>	<u>\$ (45)</u>	<u>\$ (182)</u>

- (1) Includes inter-segment eliminations and the results of other businesses that are managed outside the operating segments, including certain international mortgage insurance businesses.
- (2) Income (loss) from discontinued operations is considered part of Corporate and Other activities but is excluded from the above table. Income (loss) from discontinued operations on pages 8 and 9 herein include operating results of Genworth Australia that was sold on March 3, 2021 and amounts related to the company's former lifestyle protection insurance business that was sold on December 1, 2015. In the third quarter of 2021, the company refined its original after-tax loss on sale of Genworth Australia by recording a favorable provision to return tax adjustment of \$3 million. Operating results of Genworth Australia reported as discontinued operations were as follows:

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:									
Premiums	\$ —	\$ —	\$ 51	\$ 51	\$ 72	\$ 71	\$ 62	\$ 69	\$ 274
Net investment income	—	—	4	4	8	7	7	11	33
Net investment gains (losses)	—	—	(5)	(5)	29	24	66	(53)	66
Policy fees and other income	—	—	—	—	—	—	—	1	1
Total revenues	—	—	50	50	109	102	135	28	374
BENEFITS AND EXPENSES:									
Benefits and other changes in policy reserves	—	—	11	11	88	26	39	24	177
Acquisition and operating expenses, net of deferrals	—	—	7	7	14	14	13	12	53
Amortization of deferred acquisition costs and intangibles	—	—	6	6	8	7	6	8	29
Goodwill impairment	—	—	—	—	—	—	5	—	5
Interest expense	—	—	1	1	2	2	2	1	7
Total benefits and expenses	—	—	25	25	112	49	65	45	271
INCOME (LOSS) BEFORE INCOME TAXES AND GAIN (LOSS) ON SALE	—	—	25	25	(3)	53	70	(17)	103
Provision (benefit) for income taxes	—	—	8	8	2	20	23	(5)	40
INCOME (LOSS) BEFORE GAIN (LOSS) ON SALE	—	—	17	17	(5)	33	47	(12)	63
Gain (loss) on sale, net of taxes	3	—	(3)	—	—	—	—	—	—
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAXES	3	—	14	17	(5)	33	47	(12)	63
Less: net income (loss) from discontinued operations attributable to noncontrolling interests	—	—	8	8	(1)	18	23	(6)	34
INCOME (LOSS) FROM DISCONTINUED OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ 9</u>	<u>\$ (4)</u>	<u>\$ 15</u>	<u>\$ 24</u>	<u>\$ (6)</u>	<u>\$ 29</u>

Additional Financial Data

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Investments Summary
(amounts in millions)

Composition of Investment Portfolio	September 30, 2021		June 30, 2021		March 31, 2021		December 31, 2020		September 30, 2020	
	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total
Fixed maturity securities:										
Investment grade:										
Public fixed maturity securities	\$ 34,382	46%	\$ 34,610	47%	\$ 33,376	47%	\$ 35,678	46%	\$ 34,742	45%
Private fixed maturity securities	13,742	18	13,722	18	13,402	18	13,734	18	13,522	17
Residential mortgage-backed securities ⁽¹⁾	1,572	2	1,683	2	1,766	2	1,900	2	2,042	3
Commercial mortgage-backed securities	2,656	4	2,714	4	2,770	4	2,955	4	2,957	4
Other asset-backed securities	2,374	3	2,500	3	2,806	4	3,076	4	3,028	4
State and political subdivisions	3,418	5	3,371	4	3,135	4	3,165	4	3,110	4
Non-investment grade fixed maturity securities	3,130	4	3,049	4	2,976	4	2,987	4	2,971	4
Equity securities:										
Common stocks and mutual funds	72	—	63	—	155	—	296	—	475	1
Preferred stocks	84	—	84	—	83	—	90	—	100	—
Commercial mortgage loans, net	6,886	9	6,879	9	6,755	9	6,743	9	6,880	9
Policy loans	2,067	3	2,083	3	1,976	3	1,978	3	2,153	3
Cash, cash equivalents, restricted cash and short-term investments	2,006	3	2,335	3	1,981	3	2,606	3	2,788	3
Securities lending	—	—	105	—	68	—	67	—	75	—
Other invested assets: Limited partnerships	1,617	2	1,354	2	1,160	2	1,049	1	844	1
Derivatives:										
Interest rate swaps	298	—	280	—	84	—	468	1	708	1
Foreign currency swaps	5	—	2	—	—	—	1	—	10	—
Equity index options	33	—	47	—	53	—	63	—	67	—
Other foreign currency contracts	2	—	24	—	27	—	42	—	17	—
Other	311	1	327	1	350	—	364	1	402	1
Total invested assets and cash	<u>\$ 74,655</u>	<u>100%</u>	<u>\$ 75,232</u>	<u>100%</u>	<u>\$ 72,923</u>	<u>100%</u>	<u>\$ 77,262</u>	<u>100%</u>	<u>\$ 76,891</u>	<u>100%</u>
Public Fixed Maturity Securities—Credit Quality:										
NRSRO⁽²⁾ Designation										
AAA	\$ 8,393	19%	\$ 8,505	20%	\$ 8,308	20%	\$ 9,252	21%	\$ 9,409	21%
AA	3,907	9	3,872	9	3,500	8	3,699	8	3,661	8
A	11,134	26	11,158	26	10,986	26	11,784	26	11,852	27
BBB	17,980	42	18,208	41	17,581	42	18,327	41	17,275	40
BB	1,658	4	1,637	4	1,579	4	1,634	4	1,607	4
B	53	—	45	—	69	—	74	—	71	—
CCC and lower	—	—	6	—	6	—	6	—	42	—
Total public fixed maturity securities	<u>\$ 43,125</u>	<u>100%</u>	<u>\$ 43,431</u>	<u>100%</u>	<u>\$ 42,029</u>	<u>100%</u>	<u>\$ 44,776</u>	<u>100%</u>	<u>\$ 43,917</u>	<u>100%</u>
Private Fixed Maturity Securities—Credit Quality:										
NRSRO⁽²⁾ Designation										
AAA	\$ 856	5%	\$ 862	5%	\$ 973	5%	\$ 1,103	6%	\$ 1,099	6%
AA	1,831	10	1,850	10	1,882	10	2,020	11	2,010	11
A	5,240	29	5,183	28	5,188	29	5,482	29	5,377	29
BBB	8,803	48	8,962	49	8,837	49	8,841	47	8,718	47
BB	1,252	7	1,190	7	1,117	6	1,042	6	1,054	6
B	158	1	162	1	197	1	219	1	183	1
CCC and lower	9	—	9	—	8	—	12	—	14	—
Total private fixed maturity securities	<u>\$ 18,149</u>	<u>100%</u>	<u>\$ 18,218</u>	<u>100%</u>	<u>\$ 18,202</u>	<u>100%</u>	<u>\$ 18,719</u>	<u>100%</u>	<u>\$ 18,455</u>	<u>100%</u>

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

(2) Nationally Recognized Statistical Rating Organizations.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

Fixed Maturity Securities Summary
(amounts in millions)

	September 30, 2021		June 30, 2021		March 31, 2021		December 31, 2020		September 30, 2020	
	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total
Fixed Maturity Securities—Security Sector:										
U.S. government, agencies and government-sponsored enterprises	\$ 4,500	7%	\$ 4,484	7%	\$ 4,273	7%	\$ 4,805	8%	\$ 4,792	8%
State and political subdivisions	3,418	6	3,371	6	3,135	5	3,165	5	3,110	5
Foreign government	835	1	802	1	820	1	854	1	747	1
U.S. corporate	35,132	57	35,289	57	34,107	57	35,857	56	35,004	56
Foreign corporate	10,740	18	10,744	18	10,485	17	10,811	17	10,595	17
Residential mortgage-backed securities	1,572	3	1,691	3	1,774	3	1,909	3	2,075	3
Commercial mortgage-backed securities	2,670	4	2,734	4	2,794	5	2,974	5	2,976	5
Other asset-backed securities	2,407	4	2,534	4	2,843	5	3,120	5	3,073	5
Total fixed maturity securities	\$ 61,274	100%	\$ 61,649	100%	\$ 60,231	100%	\$ 63,495	100%	\$ 62,372	100%
Corporate Bond Holdings—Industry Sector:										
Investment Grade:										
Finance and insurance	\$ 11,231	25%	\$ 11,155	24%	\$ 10,807	25%	\$ 11,303	25%	\$ 10,723	24%
Utilities	5,953	13	5,948	13	5,736	13	6,019	13	5,985	13
Energy	3,645	8	3,592	8	3,417	8	3,496	7	3,337	7
Consumer - non-cyclical	6,703	15	6,726	15	6,545	15	6,977	15	6,867	17
Consumer - cyclical	1,891	4	1,979	4	1,922	4	1,944	4	2,043	4
Capital goods	3,349	7	3,371	7	3,275	7	3,431	7	3,485	8
Industrial	2,251	5	2,344	5	2,299	5	2,390	5	2,273	5
Technology and communications	4,547	10	4,518	10	4,376	10	4,589	10	4,258	9
Transportation	1,836	4	1,924	4	1,877	4	2,053	4	2,135	5
Other	1,510	3	1,596	4	1,516	3	1,639	4	1,702	4
Subtotal	42,916	94	43,153	94	41,770	94	43,841	94	42,808	94
Non-Investment Grade:										
Finance and insurance	226	—	234	1	243	1	275	1	288	1
Utilities	95	—	88	—	94	—	97	—	95	—
Energy	782	2	759	1	712	1	767	2	738	2
Consumer - non-cyclical	270	1	243	1	243	1	233	—	219	—
Consumer - cyclical	369	1	368	1	389	1	374	1	347	1
Capital goods	163	—	141	—	152	—	136	—	152	—
Industrial	366	1	368	1	356	1	340	1	340	1
Technology and communications	490	1	520	1	488	1	463	1	451	1
Transportation	26	—	26	—	18	—	17	—	56	—
Other	169	—	133	—	127	—	125	—	105	—
Subtotal	2,956	6	2,880	6	2,822	6	2,827	6	2,791	6
Total	\$ 45,872	100%	\$ 46,033	100%	\$ 44,592	100%	\$ 46,668	100%	\$ 45,599	100%
Fixed Maturity Securities—Contractual Maturity Dates:										
Due in one year or less	\$ 1,449	2%	\$ 1,291	2%	\$ 1,291	2%	\$ 1,305	2%	\$ 1,375	2%
Due after one year through five years	9,039	15	9,030	15	8,926	15	9,185	14	8,998	15
Due after five years through ten years	14,956	24	15,158	25	14,904	24	14,759	23	14,548	23
Due after ten years	29,181	48	29,211	47	27,699	46	30,243	48	29,327	47
Subtotal	54,625	89	54,690	89	52,820	87	55,492	87	54,248	87
Mortgage and asset-backed securities	6,649	11	6,959	11	7,411	13	8,003	13	8,124	13
Total fixed maturity securities	\$ 61,274	100%	\$ 61,649	100%	\$ 60,231	100%	\$ 63,495	100%	\$ 62,372	100%

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
THIRD QUARTER 2021

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

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
U.S. GAAP Net Investment Income									
Fixed maturity securities - taxable	\$ 614	\$ 608	\$ 599	\$1,821	\$ 618	\$ 625	\$ 594	\$ 611	\$2,448
Fixed maturity securities - non-taxable	2	1	2	5	1	2	1	2	6
Equity securities	2	2	3	7	5	3	2	2	12
Commercial mortgage loans	93	103	78	274	94	82	84	85	345
Other invested assets	63	58	58	179	65	57	52	49	223
Limited partnerships	59	54	31	144	38	22	14	(2)	72
Policy loans	47	40	50	137	50	51	49	49	199
Cash, cash equivalents, restricted cash and short-term investments	1	—	—	1	—	1	4	10	15
Gross investment income before expenses and fees	881	866	821	2,568	871	843	800	806	3,320
Expenses and fees	(22)	(22)	(20)	(64)	(25)	(23)	(21)	(24)	(93)
Net investment income	<u>\$ 859</u>	<u>\$ 844</u>	<u>\$ 801</u>	<u>\$2,504</u>	<u>\$ 846</u>	<u>\$ 820</u>	<u>\$ 779</u>	<u>\$ 782</u>	<u>\$3,227</u>
Annualized Yields									
Fixed maturity securities - taxable	4.6%	4.6%	4.5%	4.6%	4.6%	4.7%	4.5%	4.7%	4.7%
Fixed maturity securities - non-taxable	6.3%	3.1%	6.3%	5.2%	3.1%	6.2%	2.6%	5.2%	4.3%
Equity securities	5.3%	4.1%	3.8%	4.0%	4.2%	3.3%	5.3%	4.8%	4.2%
Commercial mortgage loans	5.4%	6.0%	4.6%	5.4%	5.5%	4.8%	4.9%	4.9%	5.0%
Other invested assets ⁽¹⁾	79.5%	68.6%	65.0%	70.8%	67.9%	56.2%	50.0%	48.2%	56.0%
Limited partnerships ⁽²⁾	15.9%	17.2%	11.2%	14.8%	16.1%	10.9%	7.8%	(1.2)%	9.1%
Policy loans	9.1%	7.9%	10.1%	9.0%	9.7%	9.4%	9.3%	9.5%	9.5%
Cash, cash equivalents, restricted cash and short-term investments	0.2%	— %	— %	0.1%	— %	0.1%	0.6%	1.4%	0.5%
Gross investment income before expenses and fees	5.3%	5.2%	5.0%	5.2%	5.2%	5.1%	4.9%	4.9%	5.0%
Expenses and fees	(0.1)%	(0.1)%	(0.2)%	(0.2)%	(0.1)%	(0.2)%	(0.1)%	(0.1)%	(0.1)%
Net investment income	<u>5.2%</u>	<u>5.1%</u>	<u>4.8%</u>	<u>5.0%</u>	<u>5.1%</u>	<u>4.9%</u>	<u>4.8%</u>	<u>4.8%</u>	<u>4.9%</u>

Yields are based on net investment income as reported under U.S. GAAP and are consistent with how the company measures its investment performance for management purposes. Yields are annualized, for interim periods, and are calculated as net investment income as a percentage of average quarterly asset carrying values except for fixed maturity securities, derivatives and derivative counterparty collateral, which exclude unrealized fair value adjustments and securities lending activity, which is included in other invested assets and is calculated net of the corresponding securities lending liability. See page 38 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.
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Net Investment Gains (Losses), Net—Detail
(amounts in millions)

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Net realized gains (losses) on available-for-sale securities:									
Fixed maturity securities:									
U.S. corporate	\$ 8	\$ 2	\$ 4	\$ 14	\$ 7	\$ 2	\$ 2	\$ 2	\$ 13
U.S. government, agencies and government-sponsored enterprises	—	—	—	—	—	316	94	—	410
Foreign corporate	1	(2)	1	—	5	1	(1)	—	5
Foreign government	(1)	1	—	—	—	—	1	—	1
Tax exempt	—	—	—	—	1	—	—	—	1
Mortgage-backed securities	3	—	(1)	2	11	—	4	—	15
Asset-backed securities	—	—	—	—	(1)	—	(2)	—	(3)
Total net realized gains (losses) on available-for-sale securities	11	1	4	16	23	319	98	2	442
Net change in allowance for credit losses on available-for-sale fixed maturity securities	—	(4)	(2)	(6)	—	2	(7)	—	(5)
Write-down of available-for-sale fixed maturity securities	—	—	(1)	(1)	—	(4)	—	—	(4)
Net realized gains (losses) on equity securities sold	—	(2)	(5)	(7)	2	(3)	—	—	(1)
Net unrealized gains (losses) on equity securities still held	(1)	6	(8)	(3)	8	3	5	(12)	4
Limited partnerships	75	65	37	177	84	31	37	(40)	112
Commercial mortgage loans	3	(1)	(1)	1	—	(3)	1	—	(2)
Derivative instruments	(3)	4	8	9	26	9	(36)	(48)	(49)
Other	3	1	1	5	4	(3)	(5)	(1)	(5)
Net investment gains (losses), gross	88	70	33	191	147	351	93	(99)	492
Adjustment for DAC and other intangible amortization and certain benefit reserves	—	—	—	—	(3)	(1)	4	11	11
Net investment gains (losses), net	\$ 88	\$ 70	\$ 33	\$ 191	\$ 144	\$ 350	\$ 97	\$ (88)	\$ 503

Reconciliations of Non-GAAP Measures

GENWORTH FINANCIAL, INC.
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Reconciliation of Operating ROE
(amounts in millions)

Twelve Month Rolling Average ROE

	Twelve months ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
U.S. GAAP Basis ROE					
Net income (loss) available to Genworth Financial, Inc.'s common stockholders for the twelve months ended ⁽¹⁾	\$ 1,008	\$ 1,112	\$ 431	\$ 178	\$ (106)
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income ⁽²⁾	\$ 11,079	\$ 10,823	\$ 10,684	\$ 10,618	\$ 10,592
U.S. GAAP Basis ROE ^{(1)/(2)}	9.1%	10.3%	4.0%	1.7%	(1.0)%

Operating ROE

Adjusted operating income for the twelve months ended ⁽¹⁾	\$ 789	\$ 675	\$ 458	\$ 310	\$ 125
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income ⁽²⁾	\$ 11,079	\$ 10,823	\$ 10,684	\$ 10,618	\$ 10,592
Operating ROE ^{(1)/(2)}	7.1%	6.2%	4.3%	2.9%	1.2%

Quarterly Average ROE

	Three months ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
U.S. GAAP Basis ROE					
Net income available to Genworth Financial, Inc.'s common stockholders for the period ended ⁽³⁾	\$ 314	\$ 240	\$ 187	\$ 267	\$ 418
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income ⁽⁴⁾	\$ 11,403	\$ 11,207	\$ 10,988	\$ 10,754	\$ 10,406
Annualized U.S. GAAP Quarterly Basis ROE ^{(3)/(4)}	11.0%	8.6%	6.8%	9.9%	16.1%

Operating ROE

Adjusted operating income for the period ended ⁽³⁾	\$ 239	\$ 194	\$ 168	\$ 188	\$ 125
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income ⁽⁴⁾	\$ 11,403	\$ 11,207	\$ 10,988	\$ 10,754	\$ 10,406
Annualized Operating Quarterly Basis ROE ^{(3)/(4)}	8.4%	6.9%	6.1%	7.0%	4.8%

Non-GAAP Definition for Operating ROE

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

- (1) The twelve months ended information is derived by adding the four quarters of net income (loss) available to Genworth Financial, Inc.'s common stockholders and adjusted operating income from page 9 herein.
- (2) Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income, is derived by averaging ending Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income, for the most recent five quarters.
- (3) Net income available to Genworth Financial, Inc.'s common stockholders and adjusted operating income from page 9 herein.
- (4) Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income, is derived by averaging ending Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income.

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Reconciliation of Reported Yield to Core Yield

	2021				2020				
	3Q	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
(Assets - amounts in billions)									
Reported - Total Invested Assets and Cash	\$74.7	\$75.2	\$72.9	\$ 74.7	\$77.3	\$76.9	\$75.7	\$71.3	\$ 77.3
Subtract:									
Securities lending	—	0.1	0.1	—	0.1	0.1	0.1	0.1	0.1
Unrealized gains (losses)	8.5	8.9	6.9	8.5	10.7	9.9	9.7	6.0	10.7
Adjusted end of period invested assets and cash	<u>\$66.2</u>	<u>\$66.2</u>	<u>\$65.9</u>	<u>\$ 66.2</u>	<u>\$66.5</u>	<u>\$66.9</u>	<u>\$65.9</u>	<u>\$65.2</u>	<u>\$ 66.5</u>
(A) Average Invested Assets and Cash Used in Reported and Core Yield Calculation	\$66.2	\$66.1	\$66.2	\$ 66.2	\$66.7	\$66.4	\$65.6	\$65.3	\$ 66.0
(Income - amounts in millions)									
(B) Reported - Net Investment Income	\$ 859	\$ 844	\$ 801	\$2,504	\$ 846	\$ 820	\$ 779	\$ 782	\$3,227
Subtract:									
Bond calls and commercial mortgage loan prepayments	43	39	15	97	40	23	8	16	87
Other non-core items ⁽¹⁾	(4)	3	2	1	6	6	2	7	21
(C) Core Net Investment Income	<u>\$ 820</u>	<u>\$ 802</u>	<u>\$ 784</u>	<u>\$2,406</u>	<u>\$ 800</u>	<u>\$ 791</u>	<u>\$ 769</u>	<u>\$ 759</u>	<u>\$3,119</u>
(B) / (A) Reported Yield	5.19%	5.11%	4.84%	5.04%	5.07%	4.94%	4.75%	4.79%	4.89%
(C) / (A) Core Yield	4.95%	4.85%	4.73%	4.84%	4.80%	4.76%	4.69%	4.65%	4.73%

Note: Yields have been annualized.

Non-GAAP Definition for Core Yield

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

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

Corporate Information

**GENWORTH FINANCIAL, INC.
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Financial Strength Ratings As Of November 1, 2021

<u>Company</u>	<u>Standard & Poor's Financial Services LLC (S&P)</u>	<u>Moody's Investors Service, Inc. (Moody's)</u>	<u>A.M. Best Company, Inc. (A.M. Best)</u>
Genworth Mortgage Insurance Corporation	BBB (Good)	Baa2 (Adequate)	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 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 "BBB" (Good) has good financial security characteristics. The "BBB" range is the fourth-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 "BBB" rating is the ninth-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 "Baa2" rating is the ninth-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 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 Ratings' eight long-term rating categories, which range from "HR AAA" to "HR D."

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