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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended March 31, 2006

OR

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

For the transition period from to

Commission file number 001-32195

Genworth Financial, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**33-1073076** **(I.R.S. Employer Identification Number)**
6620 West Broad Street **Richmond, Virginia** **(Address of Principal Executive Offices)**	**23230** **(Zip Code)**

(804) 281-6000
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐. No ☒.

At April 26, 2006, 456,015,464 shares of Class A Common Stock, par value $0.001 per share were outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

GENWORTH FINANCIAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Amounts in millions, except per share amounts)
(Unaudited)

	Three months ended March 31,	
	2006	2005
Revenues:		
Premiums	$ 1,539	$ 1,605
Net investment income	924	851
Net realized investment gains (losses)	(22)	(6)
Policy fees and other income	184	161
Total revenues	2,625	2,611
Benefits and expenses:		
Benefits and other changes in policy reserves	1,035	1,075
Interest credited	373	340
Acquisition and operating expenses, net of deferrals	475	447
Amortization of deferred acquisition costs and intangibles	174	193
Interest expense	82	72
Total benefits and expenses	2,139	2,127
Net earnings before income taxes and accounting change	486	484
Provision for income taxes	156	162
Net earnings before accounting change	330	322
Cumulative effect of accounting change, net of taxes	4	—
Net earnings	$ 334	$ 322
Earnings per common share:		
Basic	$ 0.72	$ 0.66
Diluted	$ 0.70	$ 0.65
Weighted-average common shares outstanding:		
Basic	467.0	488.8
Diluted	479.5	494.3

See Notes to Condensed Consolidated Financial Statements

GENWORTH FINANCIAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Dollar amounts in millions)

	March 31, 2006 (Unaudited)	December 31, 2005
Assets		
Investments:		
Fixed maturity securities available-for-sale, at fair value	$ 53,559	$ 53,937
Equity securities available-for-sale, at fair value	193	206
Commercial mortgage loans	7,854	7,558
Policy loans	1,362	1,350
Restricted investments held by securitization entities	—	685
Other invested assets	2,738	3,174
Total investments	65,706	66,910
Cash and cash equivalents	1,909	1,875
Accrued investment income	788	733
Deferred acquisition costs	5,817	5,586
Intangible assets	817	782
Goodwill	1,451	1,450
Reinsurance recoverable	18,003	18,245
Other assets	716	967
Separate account assets	9,700	9,106
Total assets	$ 104,907	$ 105,654
Liabilities and stockholders' equity		
Liabilities:		
Future annuity and contract benefits	$ 63,632	$ 63,749
Liability for policy and contract claims	3,279	3,364
Unearned premiums	3,706	3,647
Other policyholder liabilities	443	507
Other liabilities	4,551	4,937
Non-recourse funding obligations	2,150	1,400
Short-term borrowings	380	152
Long-term borrowings	2,729	2,736
Senior notes underlying equity units	600	600
Mandatorily redeemable preferred stock	100	100
Deferred tax liability	1,159	1,386
Borrowings related to securitization entities	—	660
Separate account liabilities	9,700	9,106
Total liabilities	92,429	92,344
Commitments and contingencies		
Stockholders' equity:		
Class A common stock, $0.001 par value; 1.5 billion shares authorized; 490 million and 404 million shares issued as of March 31, 2006 and December 31, 2005, respectively; 456 million and 385 million shares outstanding as of March 31, 2006 and December 31, 2005, respectively	—	—
Class B common stock, $0.001 par value; 700 million shares authorized; zero and 86 million shares issued and outstanding as of March 31, 2006 and December 31, 2005, respectively	—	—
Additional paid-in capital	10,682	10,671
Accumulated other comprehensive income:		
Net unrealized investment gains	223	760
Derivatives qualifying as hedges	280	389
Foreign currency translation and other adjustments	237	255
Total accumulated other comprehensive income	740	1,404
Retained earnings	2,035	1,735
Treasury stock, at cost (34 million and 19 million shares as of March 31, 2006 and December 31, 2005, respectively)	(979)	(500)
Total stockholders' equity	12,478	13,310
Total liabilities and stockholders' equity	$ 104,907	$ 105,654

See Notes to Condensed Consolidated Financial Statements

GENWORTH FINANCIAL, INC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollar amounts in millions)
(Unaudited)

	Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Treasury stock, at cost	Total stockholders' equity
Balances as of December 31, 2004	$ 10,612	$ 1,608	$ 646	$ —	$ 12,866
Comprehensive income (loss):					
Net earnings			322		322
Net unrealized gains (losses) on investment securities		(172)			(172)
Derivatives qualifying as hedges		(2)			(2)
Foreign currency translation and other adjustments		24			24
Total comprehensive income (loss)					172
Acquisition of treasury stock				(500)	(500)
Dividends to stockholders			(31)		(31)
Stock-based compensation	10				10
Capital contribution from GE	3				3
Balances as of March 31, 2005	$ 10,625	$ 1,458	$ 937	$ (500)	$ 12,520

	Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Treasury stock, at cost	Total stockholders' equity
Balances as of December 31, 2005	$ 10,671	$ 1,404	$ 1,735	$ (500)	$ 13,310
Comprehensive income (loss):					
Net earnings			334		334
Net unrealized gains (losses) on investment securities		(537)			(537)
Derivatives qualifying as hedges		(109)			(109)
Foreign currency translation and other adjustments		(18)			(18)
Total comprehensive income (loss)					(330)
Acquisition of treasury stock				(479)	(479)
Dividends to stockholders			(34)		(34)
Stock-based compensation	7				7
Capital contribution from GE	4				4
Balances as of March 31, 2006	$ 10,682	$ 740	$ 2,035	$ (979)	$ 12,478

See Notes to Condensed Consolidated Financial Statements

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GENWORTH FINANCIAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollar amounts in millions)
(Unaudited)

	Three months ended March 31, 2006	Three months ended March 31, 2005
Cash flows from operating activities:		
Net earnings	$ 334	$ 322
Adjustments to reconcile net earnings to net cash from operating activities:		
Amortization of fixed maturity discounts and premiums	6	14
Net realized investment losses (gains)	22	6
Charges assessed to policyholders	(86)	(77)
Cumulative effect of accounting policy change	(4)	—
Acquisition costs deferred	(289)	(261)
Amortization of deferred acquisition costs and intangibles	173	193
Deferred income taxes	123	112
Change in certain assets and liabilities:		
Accrued investment income and other assets, net	33	(208)
Insurance reserves	739	556
Current tax liabilities	141	(23)
Other liabilities and other policy-related balances	(421)	99
Net cash from operating activities	771	733
Cash flows from investing activities:		
Proceeds from maturities and repayments of investments:		
Fixed maturities	1,338	904
Mortgage loans	249	195
Proceeds from sales of investments:		
Fixed maturities and equity securities	1,336	871
Purchases and originations of investments:		
Fixed maturities and equity securities	(3,006)	(2,172)
Mortgage loans	(545)	(427)
Other invested assets, net	(9)	181
Policy loans, net	(12)	(8)
Net cash from investing activities	(649)	(456)
Cash flows from financing activities:		
Proceeds from issuance of investment contracts	2,056	1,666
Redemption and benefit payments on investment contracts	(2,597)	(1,896)
Short-term borrowing activity, net	—	(15)
Proceeds from issuance of non-recourse funding obligations	750	—
Net commercial paper borrowings	229	—
Dividends paid to stockholders	(35)	(32)
Acquisition of treasury stock	(479)	(500)
Capital contribution received from GE	—	2
Net cash from financing activities	(76)	(775)
Effect of exchange rate changes on cash and cash equivalents	(12)	(4)
Net change in cash and cash equivalents	34	(502)
Cash and cash equivalents at beginning of period	1,875	1,963
Cash and cash equivalents at end of period	$ 1,909	$ 1,461

See Notes to Condensed Consolidated Financial Statements

GENWORTH FINANCIAL, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) Formation of Genworth and Basis of Presentation

Genworth Financial, Inc. ("Genworth") was incorporated in Delaware on October 23, 2003 in preparation for the corporate reorganization of certain insurance and related subsidiaries of General Electric Company ("GE") and an initial public offering of Genworth common stock, which was completed on May 28, 2004 ("IPO"). In connection with the IPO, Genworth acquired substantially all of the assets and liabilities of GE Financial Assurance Holdings, Inc. ("GEFAHI"). Prior to its IPO, Genworth was a wholly-owned subsidiary of GEFAHI. GEFAHI is an indirect subsidiary of General Electric Capital Corporation ("GE Capital"), which in turn is an indirect subsidiary of GE. Prior to the corporate reorganization, GEFAHI was a holding company for a group of companies that provide life insurance, long-term care insurance, group life and health insurance, annuities, investment products and U.S. mortgage insurance. At the same time, Genworth also acquired certain other insurance businesses previously owned by other GE subsidiaries. These businesses included international mortgage insurance, payment protection insurance, a Bermuda reinsurer, and mortgage contract underwriting.

The accompanying financial statements include on a consolidated basis the accounts of Genworth and our affiliate companies in which we hold a majority voting or economic interest, which we refer to as the "company," "we," "us," or "our" unless the context otherwise requires. All intercompany accounts and transactions have been eliminated in consolidation.

We are a leading insurance company in the U.S., with an expanding international presence, serving the life and lifestyle protection, retirement income, investment and mortgage insurance needs of more than 15 million customers. We have leadership positions in key products that we expect will benefit from a number of significant demographic, governmental and market trends. We distribute our products and services through an extensive and diversified distribution network that includes financial intermediaries, independent producers and dedicated sales specialists. We conduct operations in 24 countries and have approximately 6,900 employees. We have the following four segments:

- Our Protection segment includes life, long-term care and Medicare supplement insurance and, primarily for companies with fewer than 1,000 employees, group life and health insurance. Protection also includes consumer payment protection insurance, which helps consumers meet their payment obligations in the event of illness, involuntary unemployment, disability or death.
- Our Retirement Income and Investments segment offers spread-based retail products that include fixed deferred and single premium immediate annuities along with structured settlements. We also offer fee-based products that include variable deferred annuities, variable life insurance, and asset management products. Our spread-based institutional products include guaranteed investment contracts ("GICs"), funding agreements and funding agreements backing notes.
- Our Mortgage Insurance segment includes mortgage insurance products offered in the U.S., Canada, Australia, Europe, New Zealand, Mexico and Japan that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages.
- Our Corporate and Other segment includes debt financing expenses that are incurred at our holding company level, unallocated corporate income and expenses (including amounts accrued in settlement of some class action lawsuits), and the results of small, non-core businesses that are managed outside our operating segments.

On March 8, 2006, GEFAHI completed an offering ("Secondary Offering") of 71.2 million shares of our Class B Common Stock. The 71.2 million shares were automatically converted to Class A Common Stock upon the sale of these shares to the public. We did not receive any proceeds in the Secondary Offering. Concurrently with the Secondary Offering, we repurchased 15.0 million shares of Class B Common Stock from our majority stockholder at a price of $31.93125 per share (the net proceeds per share received by the selling stockholder from the underwriters), which is recorded at cost as treasury stock in the unaudited condensed consolidated statement of financial position. As a result of these transactions, GEFAHI no longer owns any of our outstanding common stock.

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles and rules and regulations of the United States Securities and Exchange Commission ("SEC"). Preparing financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. Certain prior year amounts have been reclassified to conform to the current year presentation. These financial statements include all adjustments (consisting of normal recurring accruals) considered necessary by management to present a fair statement of the financial position, results of operations, and cash flow for the periods presented. The results reported in these quarterly financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year. The financial statements included herein should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2005, contained in our 2005 Annual Report on Form 10-K.

(2) Accounting Pronouncements

Recently adopted

On January 1, 2006, we adopted Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 123R, *Share-Based Payment*, an amendment of SFAS No. 123, *Accounting for Stock-Based Compensation*. We adopted SFAS No. 123R under the modified prospective transition method. The statement requires companies to recognize the grant-date fair value of options and other equity-based awards within the income statement over the respective vesting period of the awards. We adopted SFAS No. 123 effective January 1, 2002 and, as permitted, we determined a grant date fair value using a Black-Scholes model ("Black-Scholes Model") and recognized the related compensation expense through the income statement for all equity awards issued subsequent to January 1, 2002. As a result of the adoption of SFAS No. 123R, we will continue to recognize the remaining portion of the requisite service under previously granted unvested awards including those awards granted prior to January 1, 2002. Prior to the adoption of SFAS No. 123R, we adjusted compensation cost related to forfeiture of awards when the actual forfeiture occurred. SFAS No. 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates and requires companies which previously accounted for forfeitures on an occurrence basis to include in income of the period of adoption a cumulative effect of a change in accounting principle for the adjustment to reflect estimated forfeitures for prior periods. We recognized an increase to net earnings of $4 million related to the cumulative effect of a change in accounting principle for the adoption of SFAS No. 123R. See Note 5 for additional information.

As of January 1, 2006, we adopted Statement of Financial Accounting Standards (SFAS) No. 155, *Accounting for Certain Hybrid Financial Instruments*. SFAS No. 155 amends SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. SFAS No. 155 allows financial instruments that have embedded derivatives to be accounted for as a whole, eliminating the need to bifurcate the derivative from its host, if the holder elects to account for the whole instrument on a fair value basis. In addition, among other changes, SFAS No. 155 (i) clarifies which interest-only strips and principal-only strips are not subject to the requirements of SFAS No. 133; (ii) establishes a requirement to evaluate interests in securitized financial assets

GENWORTH FINANCIAL, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation; (iii) clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives; and (iv) eliminates the prohibition on a qualifying special-purpose entity ("QSPE") from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial interest. Adoption of SFAS No. 155 did not have a material impact on our consolidated financial statements.

Accounting pronouncements not yet adopted

In September 2005, the American Institute of Certified Public Accountants issued Statement of Position (SOP) 05-1, *Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications or Exchanges of Insurance Contracts.* This statement provides guidance on accounting for deferred acquisition costs and other deferred balances on an internal replacement, defined broadly as a modification in product benefits, features, rights, or coverages that occurs by the exchange of an existing contract for a new contract, or by amendment, endorsement, or rider to an existing contract, or by the election of a benefit, feature, right, or coverage within an existing contract. Depending on the type of modification, the period over which these deferred balances will be recognized could be accelerated. SOP 05-1 is effective for internal replacements occurring in fiscal years beginning after December 15, 2006. We are currently evaluating the impact that SOP 05-1 will have on our results of operations and financial position.

(3) Earnings per Common Share

Basic and diluted earnings per common share are calculated by dividing net earnings for the three months ended March 31, 2006 and 2005 by the weighted average basic common shares outstanding and by the weighted average diluted common shares outstanding, respectively.

(Amounts in millions except for per share data)	Three months ended March 31, 2006	Three months ended March 31, 2005
Basic earnings per common share:		
Net earnings before accounting change	$ 0.71	$ 0.66
Cumulative effect of accounting change, net of taxes	0.01	—
Basic earnings per common share	$ 0.72	$ 0.66
Diluted earnings per common share:		
Net earnings before accounting change	$ 0.69	$ 0.65
Cumulative effect of accounting change, net of taxes	0.01	—
Diluted earnings per common share	$ 0.70	$ 0.65
Weighted-average shares used in basic earnings per common share calculations	467.0	488.8
Dilutive securities:		
Stock purchase contracts underlying equity units	7.5	3.6
Stock options and stock appreciation rights	4.7	1.4
Restricted stock units	0.3	0.5
Weighted-average shares used in diluted earnings per common share calculations	479.5	494.3

GENWORTH FINANCIAL, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

(4) Investments

The following table sets forth information about our net investment income for the components of our investment portfolio for the periods indicated:

(Dollar amounts in millions)	For the three months ended March 31, 2006	2005
Fixed maturities—taxable	$ 719	$ 669
Fixed maturities—non-taxable	31	33
Commercial mortgage loans	121	98
Equity securities	7	6
Other investments	11	14
Policy loans	30	26
Restricted investments held by securitization entities	7	14
Cash, cash equivalents and short-term investments	17	8
Gross investment income before expenses and fees	943	868
Expenses and fees	(19)	(17)
Net investment income	$ 924	$ 851

The following table sets forth gross realized investment gains and losses resulting from the sales and impairments of investment securities classified as available-for-sale for the three months ended March 31:

(Dollar amounts in millions)	2006	2005
Gross realized investment		
Gains on sale	$ 22	$ 39
Losses on sale	(26)	(11)
Loss on derecognition of securitization entities	(17)	—
Impairment losses	(1)	(34)
Net realized investment gains (losses)	$(22)	$ (6)

For the three months ended March 31, 2006 and 2005, we recognized impairments of $1 million and $34 million, respectively. We generally intend to hold securities in unrealized loss positions until they recover. However, from time to time, we sell securities in the ordinary course of managing our portfolio to meet diversification, credit quality, yield enhancement and liquidity requirements. The aggregate fair value of securities sold at a loss during three months ended March 31, 2006, was $841 million, which was approximately 96.9% of book value.

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GENWORTH FINANCIAL, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

As of March 31, 2006, the amortized cost or cost, gross unrealized investment gains (losses), and estimated fair value of our fixed maturities and equity securities classified as available-for-sale were as follows:

(Dollar amounts in millions)	Amortized cost or cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Fixed maturities:				
U.S. government, agencies and government sponsored entities	$ 652	$ 16	$ (11)	$ 657
Tax exempt	2,806	99	(5)	2,900
Government—non U.S.	1,761	68	(4)	1,825
U.S. corporate	25,208	581	(475)	25,314
Corporate—non U.S.	9,242	203	(154)	9,291
Mortgage and asset-backed	13,691	113	(232)	13,572
Total fixed maturities	53,360	1,080	(881)	53,559
Equity securities	165	34	(6)	193
Total available-for-sale securities	$ 53,525	$ 1,114	$ (887)	$53,752

As of December 31, 2005, the amortized cost or cost, gross unrealized investment gains and losses, and estimated fair value of our fixed maturities and equity securities classified as available-for-sale were as follows:

(Dollar amounts in millions)	Amortized cost or cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Fixed maturities:				
U.S. government, agencies and government sponsored entities	$ 777	$ 32	$ (4)	$ 805
Tax exempt	2,797	97	(4)	2,890
Government—non U.S.	1,736	74	(4)	1,806
U.S. corporate	25,378	975	(231)	26,122
Corporate—non U.S.	9,168	306	(84)	9,390
Mortgage and asset-backed	12,926	140	(142)	12,924
Total fixed maturities	52,782	1,624	(469)	53,937
Equity securities	173	36	(3)	206
Total available-for-sale securities	$ 52,955	$ 1,660	$ (472)	$54,143

Included in other invested assets are certain securities that are designated as trading and, accordingly, are held at fair value with changes in fair value included in net realized investment gains (losses) in the condensed consolidated statement of earnings. As of March 31, 2006 and December 31, 2005, the fair value of the trading portfolio was $21 million and $15 million, respectively. There was no material unrealized investment gains (losses) on our securities designated as trading as cost approximates fair value.

GENWORTH FINANCIAL, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

The following table presents the gross unrealized losses and estimated fair values of our investment securities, aggregated by investment type and length of time that individual investment securities have been in a continuous unrealized loss position, as of March 31, 2006:

2006 (Dollar amounts in millions)	Less Than 12 Months			12 Months or more		
	Estimated fair value	Gross unrealized losses	# of securities	Estimated fair value	Gross unrealized losses	# of securities
Description of Securities						
Fixed maturities:						
U.S. government, agencies and government sponsored entities	$ 317	$ (9)	32	$ 68	$ (2)	11
Tax exempt	428	(4)	124	60	(1)	24
Government—non U.S.	441	(3)	102	86	(1)	12
U.S. corporate	10,920	(370)	935	1,921	(105)	254
Corporate—non U.S.	3,718	(108)	442	916	(46)	101
Mortgage and asset backed	7,633	(199)	751	1,077	(33)	214
Subtotal, fixed maturities	23,457	(693)	2,386	4,128	(188)	616
Equity securities	10	(2)	10	31	(4)	21
Total temporarily impaired securities	$23,467	$ (695)	2,396	$ 4,159	$ (192)	637
% Below cost—fixed maturities:						
<20% Below cost	$23,450	$ (689)	2,381	$ 4,069	$ (164)	602
20-50% Below cost	6	(2)	2	58	(23)	13
>50% Below cost	1	(2)	3	1	(1)	1
Total fixed maturities	23,457	(693)	2,386	4,128	(188)	616
% Below cost—equity securities:						
<20% Below cost	8	(1)	8	26	(2)	13
20-50% Below cost	2	(1)	2	5	(2)	8
>50% Below cost	—	—	—	—	—	—
Total equity securities	10	(2)	10	31	(4)	21
Total temporarily impaired securities	$23,467	$ (695)	2,396	$ 4,159	$ (192)	637
Investment grade	$22,607	$ (677)	2,200	$ 3,731	$ (151)	537
Below investment grade	850	(17)	185	412	(37)	81
Not Rated—Fixed maturities	—	—	—	—	—	—
Not Rated—Equities	10	(1)	11	16	(4)	19
Total temporarily impaired securities	$23,467	$ (695)	2,396	$ 4,159	$ (192)	637

The investment securities in an unrealized loss position as of March 31, 2006 consist of 3,033 securities accounting for unrealized losses of $887 million. Of these unrealized losses 93.3% are investment grade (rated AAA through BBB-) and 96.5% are less than 20% below cost. The amount of the unrealized loss on these securities is primarily attributable to increases in interest rates and changes in credit spreads.

Of the investment securities in an unrealized loss position as of March 31, 2006, 22 securities are 20% or more below cost of which 10 securities are below investment grade (rated BB+ and below) for twelve months or more and account for unrealized losses of $16 million. Three companies residing in the mining, automotive and airline industries issued these securities. Two of the issuers are current on all terms and the third is in default. The potential losses associated with the issuer in default in the mining industry are primarily due to liquidity problems, which resulted in the issuer commencing insolvency proceedings, however at this time we ultimately expect to collect full principal and interest.

As of March 31, 2006, we expect these investments to continue to perform in accordance with their original contractual terms and we have the ability and intent to hold these investment securities until the recovery of the fair value up to the cost of the investment, which may be maturity. Accordingly, we do not consider these investments to be other-than-temporarily impaired at March 31, 2006.

(5) Stock-Based Compensation

On January 1, 2006, we adopted SFAS No. 123R under the modified prospective transition method. The statement requires the measurement and recognition of compensation expense for all share-based awards made to employees and directors, including stock options, stock appreciation rights (“SARs”), restricted stock units (“RSUs”) and deferred stock units (“DSUs”) under the 2004 Genworth Financial, Inc. Omnibus Incentive Plan (“Omnibus Incentive Plan”). We previously accounted for these awards under the fair value expense provisions of SFAS No. 123. Accordingly, on January 1, 2006, we recognized a $4 million after-tax increase to earnings related to our cumulative effect of adopting SFAS No. 123R.

We have recorded stock-based compensation expense in the amount of $13 million and $10 million and a deferred tax benefit in the amount of $5 million and $4 million for the three month periods ending March 31, 2006 and 2005, respectively, related to the estimated value of the RSUs, SARs and stock options. For awards issued prior to January 1, 2006, stock-based compensation expense is recognized on a graded vesting attribution method over the awards’ respective vesting schedule. For awards issued after January 1, 2006, stock-based compensation expense will be recognized evenly on a straight-line attribution method over the awards longest vesting period.

For purposes of determining the estimated fair value of stock-based payment awards on the date of grant we use the Black-Scholes Model. The Black-Scholes Model requires the input of certain assumptions that involve judgment. Management will continue to assess the assumptions and methodologies used to calculate estimated fair value of share-based compensation. Circumstances may change and additional data may become available over time, which could result in changes to these assumptions and methodologies.

The following table contains the stock option weighted-average grant-date fair value information for March 31, 2005. There were no stock options granted for the quarter ended March 31, 2006. Fair value is estimated using the Black-Scholes Model.

	March 31, 2005
Estimated fair value per option	$ 9.68
Valuation Assumptions:	
Expected term (years)	6
Expected volatility	34.2%
Expected dividend yield	1.10%
Risk-free interest rate	4.0%

Under the Omnibus Incentive Plan, we are authorized to grant 38 million equity awards.

GENWORTH FINANCIAL, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

For the periods ending March 31, 2006 and 2005, we granted 0 and 85,000 stock options with exercise prices ranging from $26.68 to $28.00, which equaled the closing market prices on the date of grant and have an exercise term of 10 years. The stock options will vest in 20% annual increments commencing on the first anniversary of the date of grant. Additionally, during the periods ending March 31, 2006 and 2005 we issued 0 and 306,842 RSUs with restriction periods ranging from 3 to 8 years and a fair value of $27.01, which is measured at the market price of a share of our nonrestricted stock on the grant date. There were no SARs granted during these periods. There were 15,590,541 and 15,007,743 stock options, 1,870,289 and 1,748,868 RSUs and 6,883,713 and 6,255,213 SARs outstanding as of March 31, 2006 and 2005, respectively.

A summary of stock option activity as of March 31, 2006, and changes during the three months then ended is presented below:

	Shares subject to option	Weighted average exercise price
Balance as of January 1, 2006	15,770,646	$ 21.93
Granted	—	
Exercised	(47,052)	$ 22.88
Forfeited	(133,053)	$ 20.81
Expired	—	
Balance as of March 31, 2006	15,590,541	$ 21.94
Exercisable as of March 31, 2006	3,586,515	$ 24.06

A summary of the status of our other equity-based awards as of March 31, 2006 and the changes during the three months then ended is presented below:

	Restricted stock units (RSUs)		Deferred stock units (DSUs)		Stock appreciation rights (SARs)	
	Number of awards	Weighted average grant date fair value	Number of awards	Weighted average grant date fair value	Number of awards	Weighted average grant date fair value
Balance as of January 1, 2006	1,879,761	$ 24.74	16,868	$ 32.12	6,883,713	$ 7.02
Granted	—		3,463	$ 32.12	—	
Exercised	(67)	$ 32.10	—		—	
Terminated	(9,405)	$ 32.41	—		—	
Balance as of March 31, 2006	1,870,289	$ 24.71	20,331	$ 31.87	6,883,713	$ 7.02

As of March 31, 2006, there was $82 million of total unrecognized stock-based compensation cost related to non-vested awards not yet recognized. That cost is expected to be recognized over a weighted average period of 2 years.

Cash received from stock options exercised for the three months ending March 31, 2006, was $1 million. New shares were issued to settle all exercised awards. The actual tax benefit realized for the tax deductions from stock option exercises was $0 million for the three-month period ending March 31, 2006.

In our Condensed Consolidated Statement of Cash Flows, the amount included in the cash flows from operating activities and cash flows from investing activities related to stock option activities was not material to our consolidated financial statements.

GENWORTH FINANCIAL, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

The following table summarizes information about stock options outstanding as of March 31, 2006:

	Outstanding			Exercisable	
Exercise price range	Number of shares	Average life(1)	Average exercise price	Number of shares	Average exercise price
\$14.11 – \$18.51	1,872,174	5.74	\$ 17.04	1,106,668	\$ 16.88
\$19.45 – \$22.67	9,970,015	7.93	\$ 19.76	535,383	\$ 21.77
\$23.20 – \$27.95	1,681,616	4.83	\$ 27.00	1,576,816	\$ 27.08
\$28.00 – \$36.62	2,065,775	8.46	\$ 32.73	366,687	\$ 35.99
\$37.89 – \$39.60	961	5.32	\$ 38.77	961	\$ 38.77
	15,590,541	7.41	\$ 21.94	3,586,515	\$ 24.06

(1) Average contractual life remaining in years

(6) Operating Segment Information

We conduct our operations in four business segments: (1) Protection, which includes our life insurance, long-term care insurance, Medicare supplement insurance, group life and health insurance and payment protection insurance; (2) Retirement Income and Investments, which includes our fixed, variable and single premium immediate annuities, variable life insurance, asset management and specialized products, including GICs, funding agreements, funding agreements backing notes and structured settlements; (3) Mortgage Insurance, which includes our mortgage insurance products that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages; and (4) Corporate and Other, which includes interest and other debt financing expenses and other corporate income and expenses not allocated to the segments, as well as the results of small, non-core businesses that are managed outside our operating segments.

In 2006, we began to allocate net realized investment gains (losses) from our Corporate and Other segment to our Protection (except payment protection insurance) and Retirement Income and Investments segments using an approach based principally upon the investment portfolio established to support each of those segments' products and targeted capital levels. We do not allocate net realized investment gains (losses) from our Corporate and Other segment to our Mortgage Insurance segment or to our payment protection insurance business within the Protection segment, because they have their own separate investment portfolios, and net realized investment gains (losses) from those portfolios are reflected in the Mortgage Insurance and Protection segment results, respectively.

Prior to 2006, all net realized investment gains (losses) were recorded in the Corporate and Other segment and were not reflected in the results of any of our other segments.

Effective January 1, 2006, GE Seguros ("Seguros"), a small Mexican-domiciled insurer, previously included in our Corporate and Other segment, is being managed within our Protection segment and whose results are now included as part of the payment protection insurance business. Segment information related to the Seguros move is reflected in all periods presented.

We use the same accounting policies and procedures to measure segment net operating earnings and assets as our consolidated net earnings and assets. Segment net operating earnings represent the basis on which the performance of our business is assessed by management. Segment net operating earnings exclude after-tax net

GENWORTH FINANCIAL, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

realized investment gains (losses) (which can fluctuate significantly from period to period), and other adjustments, changes in accounting principles and infrequent or unusual non-operating items. There were no non-recurring, infrequent or unusual items excluded from net operating earnings for the periods presented.

The following is a summary of revenues, segment net operating earnings and reconciliation to total company net earnings for the three months ended March 31, 2006 and 2005:

(Dollar amounts in millions)	Three months ended March 31, 2006	2005
Revenues		
Protection	$ 1,552	$ 1,542
Retirement Income and Investments	713	735
Mortgage Insurance	335	294
Corporate and Other	25	40
Total revenues	$ 2,625	$ 2,611
Segment net operating earnings (losses)		
Protection	$ 149	$ 139
Retirement Income and Investments	61	60
Mortgage Insurance	149	141
Corporate and Other	(14)	(14)
Total segment net operating earnings	345	326
Net realized investment gains (losses), net of taxes and other adjustments	(15)	(4)
Net earnings before accounting change	330	322
Cumulative effect of accounting change, net of taxes	4	—
Net earnings	$ 334	$ 322

The following is a summary of total assets by operating segment as of:

(Dollar amounts in millions)	March 31, 2006	December 31, 2005
Assets		
Protection	$ 34,947	$ 33,945
Retirement Income and Investments	58,195	58,281
Mortgage Insurance	7,297	7,118
Corporate and Other	4,468	6,310
Total assets	$ 104,907	$ 105,654

(7) Commitments and Contingencies

(a) Litigation

We face a significant risk of litigation and regulatory investigations and actions in the ordinary course of operating our businesses, including class action lawsuits. Our pending legal and regulatory actions include proceedings specific to us and others generally applicable to business practices in the industries in which we operate. Plaintiffs in class action and other lawsuits against us may seek very large or indeterminate amounts, including punitive and treble damages, which may remain unknown for substantial periods of time. A substantial legal liability or a significant regulatory action against us could have an adverse effect on our financial condition and results of operations. Moreover, even if we ultimately prevail in the litigation, regulatory action or investigation, we could suffer significant reputational harm, which could have an adverse effect on our business, financial condition or results of operations.

(b) Commitments

As at March 31, 2006, we were committed to fund $241 million in U.S. commercial mortgage loans and $120 million to fund limited partnerships.

In January 2006, we agreed to acquire Continental Life Insurance Company, of Brentwood, Tennessee, for approximately $145 million. This transaction is expected to close in the second quarter of 2006.

(8) Borrowings

Commercial Paper Facility

In March 2006, we issued $229 million of commercial paper and we used the proceeds from this issuance to finance a stock repurchase from GEFAHI concurrently with its secondary offering. The notes under the commercial paper program are offered pursuant to an exemption from registration under the Securities Act of 1933 and may have a maturity of up to 364 days from the date of issue. As of March 31, 2006 the weighted average interest rate on commercial paper outstanding was 4.68% and the weighted average maturity was 22 days.

Non-recourse Funding Obligations

On January 20, 2006, River Lake Insurance Company III (“River Lake III”), a special purpose financial captive insurance company wholly owned by First Colony Life Insurance Company (“First Colony”), itself an indirect wholly owned subsidiary of Genworth, issued $750 million in aggregate principal amount of floating rate surplus notes due 2036 (the “Notes”). River Lake III has received regulatory approval to issue additional series of its floating rate surplus notes up to an aggregate amount of $1,200 million (including the Notes), but is under no obligation to do so. The Notes are direct financial obligations of River Lake III and are not guaranteed by First Colony or Genworth.

The Notes were issued by River Lake III to fund statutory reserves required by the Valuation of Life Insurance Policies Regulation. River Lake III has reinsured on a coinsurance basis from First Colony certain term life insurance policies having guaranteed level premiums. The Notes have been sold to Lehman Brothers Inc. for deposit into certain Delaware trusts that will issue money market or term securities. The principal and interest payments due on the money market and term securities will be insured by a third party insurance company. The holders of the Notes cannot require repayment from Genworth or any of its subsidiaries, other than River Lake III, the direct issuer of the Notes. First Colony has agreed to indemnify River Lake III and the third party insurer for certain limited costs.

River Lake III will pay interest on the principal amount of the Notes on a monthly basis, subject to regulatory approval. Any payment of principal, including by redemption, or interest on the Notes may only be made with the prior approval of the Director of Insurance of the State of South Carolina in accordance with the terms of its licensing order and in accordance with applicable law. The holders of the Notes have no rights to accelerate payment of principal of the Notes under any circumstances, including without limitation, for nonpayment or breach of any covenant. River Lake III reserves the right to repay the Notes at any time, subject to the terms of the Notes and prior regulatory approval.

As of March 31, 2006, the weighted average interest rate on our non-recourse funding obligations was 4.85%. Because the non-recourse funding obligations bear variable interest rates, carrying value approximates fair value as of March 31, 2006.

(9) Securitization Entities

General Electric Capital Corporation ("GE Capital"), our former indirect majority stockholder, provides credit and liquidity support to a funding conduit it sponsored, which exposes it to a majority of the risks and rewards of the conduit's activities and therefore makes GE Capital the primary beneficiary of the funding conduit. Upon adoption of FIN 46, GE Capital was required to consolidate the funding conduit because of this financial support. As a result, assets and liabilities of certain previously off-balance sheet securitization entities, for which we were the transferor, were required to be included in our condensed consolidated financial statements because the funding conduit no longer qualified as a third-party. Because these securitization entities lost their qualifying status, we were required to recognize $1.2 billion of securitized assets and $1.1 billion of associated liabilities in our condensed consolidated statement of financial position in July 2003. The assets and liabilities associated with these securitization entities have been reported in the corresponding financial statement captions in our condensed consolidated statement of financial position, and the assets are noted as restricted due to the lack of legal control we have over them. We apply the same accounting policies to these restricted assets and liabilities as we do to our unrestricted assets and liabilities.

As a result of GE Capital no longer having an ownership interest in us as of March 2006, the respective funding conduit re-qualified as a third party and these securitization entities regained their qualifying status under Financial Accounting Standards Board Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities*. As a result, the assets were effectively re-securitized and the related assets and liabilities were derecognized from our consolidated financial statements. This resulted in a reduction from December 31, 2005 balances of $685 million, $44 million, $660 million and $15 million of restricted investments held by securitization entities, other assets, borrowings related to securitization entities and other liabilities, respectively. We continue to hold a retained interest in the form of interest-only strips classified as fixed maturity securities available-for-sale on our condensed consolidated statements of financial position. We recognized a realized investment loss on sale of $11 million, net of tax, from this re-securitization transaction.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited financial statements and related notes included herein.

Cautionary note regarding forward-looking statements

This report 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 our future business and financial performance. Forward-looking statements are based on management's current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors and risks, including the following:

- *Risks relating to our businesses*, including interest rate fluctuations, downturns and volatility in equity markets, defaults in portfolio securities, downgrades in our financial strength and credit ratings, insufficiency of reserves, legal constraints on dividend distributions by subsidiaries, illiquidity of investments, competition, inability to attract or retain independent sales intermediaries and dedicated sales specialists, availability and adequacy of reinsurance, defaults by counterparties, foreign exchange rate fluctuations, regulatory restrictions on our operations and changes in applicable laws and regulations, legal or regulatory investigations or actions, political or economic instability, the failure or any compromise of the security of our computer systems and the occurrence of natural or man-made disasters or a pandemic disease;
- *Risks relating to our Protection and Retirement Income and Investments segments*, including unexpected changes in morbidity, mortality and unemployment rates, accelerated amortization of deferred acquisition costs and present value of future profits, goodwill impairments, reputational risks if we were to raise premiums on in-force long-term care insurance products, medical advances such as genetic mapping research, unexpected changes in persistency rates, increases in statutory reserve requirements, the failure of demand for long-term care insurance to increase as we expect and changes in tax and securities laws;
- *Risks relating to our Mortgage Insurance segment*, including the influence of Fannie Mae, Freddie Mac and a small number of large mortgage lenders and investors, increased regulatory scrutiny of Fannie Mae and Freddie Mac resulting in possible regulatory changes, decreases in the volume of high loan-to-value mortgage originations or increases in mortgage insurance cancellations, increases in the use of simultaneous second mortgages and other alternatives to private mortgage insurance and reductions by lenders in the level of coverage they select, unexpected increases in mortgage insurance default rates or severity of defaults, deterioration in economic conditions, insufficiency of premium rates to compensate us for risks associated with mortgage loans bearing high loan-to-value ratios, increases in the use of captive reinsurance in the mortgage insurance market, changes in the demand for mortgage insurance that could arise as a result of efforts of large mortgage investors, legal or regulatory actions or investigations under applicable laws and regulations, including the Real Estate Settlement Practices Act and the Federal Fair Credit Reporting Act, competition with government-owned and government-sponsored entities, potential liabilities in connection with contract underwriting services and growth in the European mortgage insurance market that is lower than we expect; and
- *Risks relating to our separation from GE*, including the loss of benefits associated with GE's brand and reputation, our need to establish the new Genworth brand identity quickly and effectively, the possibility that we will not be able to replace services previously provided by GE on terms that are at least as favorable, the possibility that in certain circumstances the we will be obligated to make payments to GE under our tax matters agreement even if our corresponding tax savings either are delayed or never materialize, the possibility that in the event of a change in control of our company we would have

insufficient funds to meet accelerated obligations under the tax matters agreement, the possibility that certain service agreements with GE are not extended on favorable terms, and the significance of our distribution relationship with GE in our payment protection insurance business.

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

Overview

Our business

We are a leading insurance company in the U.S., with an expanding international presence. We have three operating segments: Protection, Retirement Income and Investments, and Mortgage Insurance.

- ***Protection.*** We offer U.S. customers life, long-term care and Medicare supplement insurance and, primarily for companies with fewer than 1,000 employees, group life and health insurance. In Europe, we offer payment protection insurance, which helps consumers meet their payment obligations in the event of illness, involuntary unemployment, disability or death. Beginning January 1, 2006, GE Seguros, a small Mexican-domiciled multi-line insurer that was previously included in our Corporate and Other segment, is being managed within our Protection segment and whose results are now included as part of the payment protection insurance business. For the three months ended March 31, 2006 and 2005, our Protection segment had segment net operating earnings of $149 million and $139 million, respectively.
- ***Retirement Income and Investments.*** We offer U.S. customers fixed and variable deferred annuities, single premium immediate annuities, variable life insurance, asset management and specialized products, including guaranteed investment contracts, funding agreements, funding agreements backing notes and structured settlements. For the three months ended March 31, 2006 and 2005, our Retirement Income and Investments segment had segment net operating earnings of $61 million and $60 million, respectively.
- ***Mortgage Insurance.*** In the U.S., Canada, Australia, Europe, New Zealand, Mexico and Japan, we offer mortgage insurance products that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages. For the three months ended March 31, 2006 and 2005, our Mortgage Insurance segment had segment net operating earnings of $149 million and $141 million, respectively.

We also have a Corporate and Other segment, which consists primarily of unallocated corporate income and expenses (including amounts accrued in settlement of some class action lawsuits), the results of small, non-core businesses that are managed outside our operating segments, and most of our interest and other financing expenses. For the three months ended March 31, 2006 and 2005, our Corporate and Other segment had segment net operating losses of $14 million and $14 million, respectively.

Our financial information

The financial information presented herein has been derived from our condensed consolidated financial statements.

Revenues and expenses

Our revenues consist primarily of the following:

- ***Protection***. The revenues in our Protection segment consist primarily of:
  - net premiums earned on individual life, individual long-term care, group life and health, and payment protection insurance policies;

- net investment income and net realized investment gains (losses) on the separate investment portfolio held by our payment protection insurance business, and net investment income and net realized investment gains (losses) allocated to this segment's other lines of business; and
- policy fees and other income, including fees for mortality and surrender charges primarily from universal life insurance policies, and other administrative charges.

- ***Retirement Income and Investments***. The revenues in our Retirement Income and Investments segment consist primarily of:
  - net premiums earned on single premium immediate annuities and structured settlements with life contingencies;
  - net investment income and net realized investment gains (losses) allocated to this segment; and
  - policy fees and other income, including surrender charges, mortality and expense charges, investment management fees and commissions.
- ***Mortgage Insurance***. The revenues in our Mortgage Insurance segment consist primarily of:
  - net premiums earned on mortgage insurance policies;
  - net investment income and net realized investment gains (losses) on the segment's separate investment portfolio; and
  - policy fees and other income, including fees from contract underwriting services.
- ***Corporate and Other***. The revenues in our Corporate and Other segment consist primarily of:
  - net premiums, policy fees and other income from the insurance businesses in this segment; and
  - unallocated net investment income and net realized investment gains (losses).

In 2006, we began to allocate net realized investment gains (losses) from our Corporate and Other segment to our Protection (except payment protection insurance) and Retirement Income and Investments segments using an approach based principally upon the investment portfolios established to support each of those segments' products and targeted capital levels. We do not allocate net realized investment gains (losses) from our Corporate and Other segment to our Mortgage Insurance segment or to our payment protection insurance business within the Protection segment, because they have their own separate investment portfolios, and net realized investment gains (losses) from those portfolios is reflected in the Mortgage Insurance and Protection segment results.

Prior to 2006, all net realized investment gains (losses) were recorded in the Corporate and Other segment and were not reflected in the results of any of our other segments.

Our expenses consist primarily of the following:

- benefits provided to policyholders and contractholders and changes in reserves;
- interest credited on general account balances;
- operating expenses, including commissions, marketing expenses, policy and contract servicing costs, overhead and other general expenses that are not capitalized (shown net of deferrals);
- amortization of deferred policy acquisition costs and other intangible assets;
- interest and other financing expenses; and
- income taxes.

We allocate corporate expenses to each of our operating segments based on the amount of capital allocated to that segment.

Critical accounting policies

The accounting policies discussed in this section are those that we consider to be particularly critical to an understanding of our financial statements because their application places the most significant demands on our ability to judge the effect of inherently uncertain matters on our financial results. These policies relate to valuation of investment securities and impairment of investment securities, deferred acquisition costs (DAC), present value of future profits (PVFP), valuation of goodwill, reserves, unearned premiums, derivatives, and contingent liabilities. For a discussion of each of these policies, please see the discussion entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Critical Accounting Policies" contained in our Annual Report on Form 10-K for the year ended December 31, 2005. For all of these policies, we caution that future events rarely develop exactly as forecast, and our management's best estimates may require adjustment.

Recent business trends and conditions

The following business trends and conditions have had a significant impact on our products during the periods covered by this report:

Life insurance. Results in our life insurance business are impacted by sales, mortality, persistency, investment yields, and the effective use of capital. Additionally, sales of new products are dependent on competitive product features and pricing, distribution expansion and penetration, and consistent customer service. Regulation XXX requires insurers to establish additional statutory reserves for term and universal life insurance policies with long-term premium guarantees, which increases the capital required to write these products. For term life insurance, we have implemented capital management actions that improve our new business returns and have enabled us to decrease our premium rates. Recently, several competitors have executed similar capital management actions and lowered their term prices, which could make the market more competitive and affect sales levels over time. In addition, an October 2005 revision to actuarial guidelines for Regulation XXX, effective for universal life policies issued since July 1, 2005, may increase the reserves of certain companies on a statutory basis. Reserves for our universal life policies already meet the requirements of this guideline, so we expect that it will not have an impact on our capital requirements.

Long-term care insurance. Results of our long-term care insurance business are influenced by morbidity, persistency, investment yields, new product sales and expenses. Industry-wide first-year annualized premiums of individual long-term care insurance decreased approximately 5% and industry-wide US employer based group long-term care first-year annualized premiums increased by 12% for the twelve months ended December 31, 2005 over the twelve months ended December 31, 2004, according to the most recently published data by LIMRA International. Our sales stability in a challenging market reflects the breadth of our distribution and progress across multiple growth initiatives with an emphasis on broadening our product offerings. However, slower than anticipated sales growth, the continued low interest rate environment, and lower termination rates on our older issued policies, could result in lower segment net operating earnings. In response to these trends, we will continue to pursue multiple growth initiatives, continue investing in claims process improvements, execute investment strategies and, if appropriate, consider rate increases to improve loss ratios. In addition, in January 2006, we agreed to acquire Continental Life Insurance Company of Brentwood, Tennessee, a provider of Medicare supplement insurance, for approximately $145 million. We expect to close this acquisition during the second quarter of 2006. The acquisition will enhance our presence in the senior supplemental market by more than doubling our existing annualized premiums for this product and giving us access to approximately 4,200 independent agents.

Payment protection insurance. Growth of our payment protection insurance business is dependent on economic conditions including consumer lending levels and client account penetration and the number of countries and markets we enter. Additionally, the types and mix of our products will vary based on regulatory and consumer acceptance of our products. Our payment protection insurance business continues to show strong growth from increased penetration of existing, and the addition of new, distribution relationships in existing and new countries and markets. During the first quarter of 2006, we began writing business in Poland and Greece, two countries we entered in the prior year.

Retirement products. Retirement Income and Investments segment results are affected by investment performance, net interest spreads, equity market fluctuations and new product sales. In addition, our competitive position within many of our distribution channels depends significantly upon product features, including current and minimum crediting rates on spread-based products relative to our competitors, surrender charge periods in fixed annuities as well as guaranteed features we offer in variable products. We continually evaluate our competitive position based upon each of those features, and we make adjustments as appropriate to meet our target return thresholds. The attractiveness of certain fixed annuities has declined as a result of continued low long-term interest rates and a relatively flat yield curve, resulting in short-term investment alternatives, such as certificates of deposit, being more competitive. The continued low interest rate environment, along with our pricing discipline of selling business that meets our profitability objectives, have adversely affected sales of our fixed annuities. We believe that a continued increase in market interest rates on the long duration end of the yield curve will have a favorable impact on consumer demand for the fixed annuities. In recent quarters, we have experienced improved spreads in fixed annuities due primarily to maturities of historically high crediting rate business and resetting to market rates on some historically higher credit rate business coming off their guarantee period.

We have continued to focus on our Income Distribution Series of variable annuity products and riders. We have witnessed a decline in defined benefit retirement plans in favor of defined contribution plans with more of the responsibility for retirement income planning falling on the individual. Additionally, U.S. savings rates are at historical lows. We believe these factors support demand for products that provide various forms of guarantee benefits with the opportunity to realize market performance upside. Our Income Distribution Series provide the contractholder with a guaranteed minimum income stream that they cannot outlive, along with an opportunity to participate in market appreciation. However, through various techniques, these products are designed to reduce some of our risks that generally accompany traditional products with guaranteed living benefits. We are targeting individuals who are focused on building a personal portable retirement plan or are moving from the accumulation to the distribution phase of their retirement planning.

We offer asset management products to affluent individual investors and back office support for independent broker dealers. The industry is witnessing rapid increases of independent broker dealers as registered representatives are leaving large national firms to form their own small firms. These new small firms need back office support and access to technology. Further, individuals are increasingly transferring their money towards managed products from mutual funds. We expect these trends to continue and possibly accelerate in the future. Our products consist of separately managed accounts, managed mutual funds accounts and managed variable annuity services. We receive a management fee based upon the amount of assets under management. The results of our asset management business are a function of net flows and investment performance of assets under management, which are influenced by the relative performance of our product’s underlying investments and the overall equity market environment.

Mortgage insurance. The results of our Mortgage Insurance segment are affected by employment and other economic and housing markets trends, including mortgage origination volume, interest rate trends, home price appreciation and levels of mortgage delinquencies (including seasonal effects). In addition, movements in foreign currency exchange rates affect our international mortgage insurance results.

In the U.S., the demand for flow private mortgage insurance declined during 2005, according to data published by *Inside Mortgage Finance.* We believe this was driven principally by increases in the use of simultaneous second mortgages as an alternative to private mortgage insurance, the origination of mortgages that did not meet the eligibility requirements of Fannie Mae and Freddie Mac and mortgages that were securitized in mortgage-backed securities that did not use private mortgage insurance. We believe higher short-term interest rates and a flattening yield curve have caused the use of simultaneous second mortgages to stabilize.

The recent rise in interest rates and lower home price appreciation in the U.S. have contributed to rising persistency rates. Our U.S. persistency rates increased to 72% for the three months ended March 31, 2006. We believe that sustained higher interest rates and increased persistency will lead to stable to growing levels of insurance in-force.

Our international mortgage insurance business has continued to expand with favorable operating results. We expect that the growth of our established international mortgage insurance business and our entry into new international markets will continue to contribute an increasing portion of this segment's total revenues and profits.

As a result of the significant U.S. refinancing activity since 2002 and the expansion of our international business in recent years, as of March 31, 2006, approximately 71% of our U.S. risk in-force and 67% of our international risk in-force have not yet reached its anticipated highest claim frequency years, which are generally between the third and seventh year of the loan. We expect our loss experience on these loans will increase as these books of business continue to mature.

See "—Results of Operations by Segment" and selected operating performance measures contained herein for additional discussion of business trends and conditions.

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Results of Operations

"Net operating earnings" is a non-GAAP financial measure that we define as net earnings, excluding after-tax net realized investment gains (losses) (which can fluctuate significantly from period to period), and other adjustments, changes in accounting principles and infrequent or unusual non-operating items. There were no non-recurring, infrequent or unusual items excluded from net operating earnings in the three months ended March 31, 2006 and 2005.

Management believes that analysis of "net operating earnings" enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. However, "net operating earnings" should not be viewed as a substitute for net earnings in accordance with GAAP. In addition, our definition of "net operating earnings" may differ from the definitions used by other companies. The table below provides a reconciliation of net earnings to "net operating earnings" (as defined above) for the three months ended March 31, 2006 and 2005.

(Dollar amounts in millions, except per share amounts)	Three months ended March 31, 2006	Three months ended March 31, 2005	Increase (decrease) and percentage change 2006 vs. 2005	
Revenues:				
Premiums	$ 1,539	$ 1,605	$ (66)	(4)%
Net investment income	924	851	73	9%
Net realized investment losses	(22)	(6)	(16)	NM
Policy fees and other income	184	161	23	14%
Total revenues	2,625	2,611	14	1%
Benefits and expenses:				
Benefits and other changes in policy reserves	1,035	1,075	(40)	(4)%
Interest credited	373	340	33	10%
Acquisition and operating expenses, net of deferrals	475	447	28	6%
Amortization of deferred acquisition costs and intangibles	174	193	(19)	(10)%
Interest expense	82	72	10	14%
Total benefits and expenses	2,139	2,127	12	1%
Net earnings before income taxes and accounting change	486	484	2	— %
Provision for income taxes	156	162	(6)	(4)%
Net earnings before accounting change	330	322	8	2%
Cumulative effect of accounting change, net of taxes	4	—	4	NM
Net earnings	334	322	12	4%
Adjustments to net earnings:				
Net realized investment losses (gains) net of taxes and other adjustments	15	4	11	NM
Cumulative effect of accounting change	(4)	—	(4)	NM
Net operating earnings	$ 345	$ 326	$ 19	6%
Net earnings per common share:				
Basic	$ 0.72	$ 0.66		
Diluted	$ 0.70	$ 0.65		
Net earnings before accounting change per common share:				
Basic	$ 0.71	$ 0.66		
Diluted	$ 0.69	$ 0.65		
Net operating earnings per common share:				
Basic	$ 0.74	$ 0.67		
Diluted	$ 0.72	$ 0.66		
Weighted-average common shares outstanding:				
Basic	467.0	488.8		
Diluted	479.5	494.3		

Three Months Ended March 31, 2006 Compared to Three Months Ended March 31, 2005

Premiums. Our premiums consist primarily of premiums earned on individual life, long-term care, Medicare supplement, group life and health, payment protection, single premium immediate annuities and structured settlements with life contingencies and mortgage insurance policies. Premiums decreased primarily due to the $64 million decrease in our Retirement Income and Investments segment primarily attributable to our continued pricing discipline on our life-contingent structured settlements and single premium immediate annuities in a low interest rate environment. Also contributing to the decrease was a $33 million decrease in our Protection segment due to a decrease in the U.K. market and changes in foreign exchange rates, amounting to $23 million, in our payment protection business. Partially offsetting these decreases was a $32 million increase in our Mortgage Insurance segment driven by the continued growth and aging of our international mortgage insurance business.

Net investment income. Net investment income increased primarily as a result of an increase in average invested assets attributable to growth in assets resulting from new production in spread-based retail and institutional products, growth of our long-term care in-force block and an increase related to assets purchased using proceeds from our issuance of non-recourse funding obligations supporting certain term life insurance policies. The increase in net investment income was also the result of an increase in weighted average investment yields to 5.6% for the three months ended March 31, 2006 from 5.5% for the three months ended March 31, 2005. The increase in weighted average investment yields was primarily attributable to increased yields on floating rate investments.

Net realized investment gains (losses). For the three months ended March 31, 2006, gross realized gains were $22 million and gross realized (losses) were $(44) million, including $1 million of impairments. Realized gains for the three months ended March 31, 2006 were attributable to $18 million in gains on recoveries of previously impaired securities, and the recovery of $4 million on the sale of fixed maturities and equity investments. Realized losses includes $26 million related to disposition of securities, $17 million on the derecognition of assets and liabilities related to certain securitization entities and a $1 million impairment charge related to a limited partnership investment. The $26 million of realized losses on the disposition of selected lower yielding securities related to portfolio yield enhancement activities undertaken during the quarter. For the three months ended March 31, 2005, gross realized gains were $39 million and gross realized losses were $(45) million, including $34 million of impairments. These impairments were attributable to fixed maturities, limited partnership investments and equity investments ($28 million, $5 million and $1 million, respectively). The fixed maturities impairments related primarily to securities issued by companies in the automotive, transportation and consumer products industries ($14 million, $12 million and $2 million, respectively). There was no material unrealized investment gains (losses) on our securities designated as trading as cost of the trading portfolio approximates fair value.

Policy fees and other income. Policy fees and other income consist primarily of cost of insurance and surrender charges assessed on universal life insurance policies, fees assessed against policyholder and contractholder account values, and commission income. The increase in policy fees and other income was primarily due to higher sales and growth in assets under management in the Retirement Income and Investments' fee-based products of $16 million as a result of distribution expansion, favorable equity markets, and continued product enhancements.

Benefits and other changes in policy reserves. Benefits and other changes in policy reserves consist primarily of reserve activity related to current claims and future policy benefits on life, long-term care, Medicare supplement, group life and health, payment protection, structured settlements, single premium immediate annuities with life contingencies and claim costs incurred related to mortgage insurance products. The decrease in benefits and other changes in policy reserves was primarily driven by a $65 million decrease in our Retirement Income and Investments segment as a result of the reduction in the life-contingent structured settlement and single premium immediate annuities sales. Partially offsetting this decrease was a $21 million increase in our international mortgage insurance business driven by higher losses in Australia, which were favorable in the prior year and also reflect the seasoning of more recent in-force blocks of business.

Interest credited. Interest credited represents interest credited on behalf of policyholder and contractholder general account balances. The increase was primarily driven by a $33 million increase in our Retirement Income and Investments' spread-based institutional products resulting from increased yields on floating rate products and higher assets under management.

Acquisition and operating expenses, net of deferrals. Acquisition and operating expenses, net of deferrals, represent costs and expenses related to the acquisition and ongoing maintenance of insurance and investment contracts, including commissions, policy issuance expenses and other underwriting and general operating costs. These costs and expenses are net of amounts that are capitalized and deferred, which are primarily costs and expenses which vary with and are primarily related to the sale and issuance of our insurance policies and investment contracts, such as first-year commissions in excess of ultimate renewal commissions and other policy issuance expenses. Acquisition and operating expenses, net of deferrals, increased primarily due to a $16 million increase in our Retirement Income and Investments segment, a $9 million increase in our Mortgage Insurance segment and a $6 million increase in our Corporate and Other segment. The increase in our Retirement Income and Investment segment was primarily attributable to expenses associated with higher sales and growth in assets under management in fee-based products. The increase in our Mortgage Insurance segment was primarily attributable to an increase in costs in our existing international platforms and continued investment in potential new international mortgage insurance platforms. The increase in our Corporate and Other segment was attributable to an accrual adjustment related to certain employee benefits in March 2005, which did not recur in 2006 and expenses related to insurance and the issuance of stock options and stock appreciation rights.

Amortization of deferred acquisition costs and intangibles. Amortization of deferred acquisition costs and intangibles consists primarily of the amortization of acquisition costs that are capitalized and PVFP. These amortization costs decreased primarily due to a $30 million decrease in our Protection segment primarily attributable to a decrease in our payment protection insurance business run-off block and changes in foreign exchange rates.

Interest expense. Interest expense increased primarily as a result of the issuance of additional non-recourse funding obligations in the first quarter of 2006 and the second and third quarters of 2005, and an increase in average variable rate yields paid on non-recourse funding obligations supporting our term life insurance capital management strategy. This was partially offset by a decrease in interest expenses associated with the derecognition of borrowings related to securitization entities.

Provision for income taxes. The effective tax rate decreased to 32.1% for the three months ended March 31, 2006 from 33.5% for the three months ended March 31, 2005. The decrease in effective tax rate was primarily attributable to the increase in lower taxed foreign earnings, offset in part by nonrecurring favorable examination developments in 2005.

Net operating earnings. The increase in net operating earnings reflects increases in segment net operating earnings in each of our segments, except for our Corporate and Other segment, which remained unchanged.

Results of Operations by Segment

Management regularly reviews the performance of each of our operating segments (Protection, Retirement Income and Investments and Mortgage Insurance) based on after-tax segment net operating earnings (loss), which excludes: (1) cumulative effect of accounting changes, and (2) infrequent or unusual non-operating items. Certain other items, including most of our interest and other financing expenses and advertising, marketing and other corporate expenses, are included in our Corporate and Other segment. Although these excluded items are significant to our consolidated financial performance, we believe that the presentation of segment net operating earnings (loss) enhances our understanding and assessment of the results of operations of our operating segments by highlighting net earnings (loss) attributable to the normal, recurring operations of our business. However, segment net operating earnings (loss) is not a substitute for net income determined in accordance with U.S. GAAP.

Protection segment

We offer U.S. customers life, long-term care, Medicare supplement insurance and, primarily for companies with fewer than 1,000 employees, group life and health insurance. In Europe, we offer payment protection insurance, which helps consumers meet their payment obligations in the event of illness, involuntary unemployment, disability or death. Beginning January 1, 2006, Seguros, a small Mexican-domiciled multi-line insurer that was previously included in our Corporate segment, is now being managed within our Protection segment and whose results are now included as part of the payment protection insurance business.

The following table sets forth the results of operations relating to our Protection segment.

	Three months ended March 31,		Increase (decrease) and percentage change	
(Dollar amounts in millions)	2006	2005	2006 vs. 2005	
Revenues:				
Premiums	$ 1,105	$ 1,138	$ (33)	(3)%
Net investment income	346	315	31	10%
Net realized investment gains (losses)	4	—	4	NM
Policy fees and other income	97	89	8	9%
Total revenues	1,552	1,542	10	1%
Benefits and expenses:				
Benefits and other changes in policy reserves	747	745	2	— %
Interest credited	95	90	5	6%
Acquisition and operating expenses, net of deferrals	330	330	—	— %
Amortization of deferred acquisition costs and intangibles	122	152	(30)	(20)%
Interest expense	25	9	16	178%
Total benefits and expenses	1,319	1,326	(7)	(1)%
Earnings before income taxes	233	216	17	8%
Provision for income taxes	81	77	4	5%
Segment net earnings	152	139	13	9%
Adjustments to segment net earnings:				
Net realized investment losses (gains) net of taxes and other adjustments	(3)	—	(3)	NM
Segment net operating earnings	$ 149	$ 139	$ 10	7%

The following table sets forth net earnings for the products included in our Protection segment:

	For the three months ended March 31,		Increase (decrease) and percentage change	
(Dollar amounts in millions)	2006	2005	2006 vs. 2005	
Segment net operating earnings:				
Life insurance	$ 74	$ 68	$ 6	9%
Long-term care insurance	43	42	1	2%
Payment protection insurance	25	22	3	14%
Group life and health insurance	7	7	—	— %
Total segment net operating earnings	$ 149	$ 139	$ 10	7%

Three Months Ended March 31, 2006 Compared to Three Months Ended March 31, 2005

Segment net operating earnings

The increase in life insurance was primarily related to growth of the term life in-force blocks and favorable in-force performance. The increase in our payment protection insurance business was due to growth in

Continental Europe and $3 million attributable to a lower effective tax rate, partially offset by $2 million attributable to unfavorable changes in foreign exchange rates. Our long-term care business benefited from growth in the in-force block and lower loss ratios, which offset pressure from investment yields and higher renewal commissions resulting in relatively flat net operating earnings. The lower loss ratios was the result of higher terminations, a $5 million, net of tax, reserve release and stable paid claims. The prior year quarter included $3 million, net of tax, of favorable experience on reinsured blocks.

Revenues

Premiums decreased primarily as a result of a $76 million decrease in the payment protection business. This decrease was primarily due to a decrease of $68 million in the U.K. market and a decrease of $23 million attributable to changes in foreign exchange rates, partially offset by an increase in Continental Europe. The decrease in the U.K. market was attributable to the continued run-off of low return blocks of business and the exit from the travel insurance business. The increase in Continental Europe was attributable to the growth due to new distribution relationships and the growth of consumer lending in those markets. The decrease in the payment protection business was partially offset by a $20 million increase in our life insurance business primarily related to growth of the term life insurance in-force blocks, a $17 million increase in our long-term care business primarily attributable to in-force growth and a $6 million increase in our group business related to increased sales in the non-medical and individual voluntary products.

The increase in net investment income, which included a $2 million decrease attributable to changes in foreign exchange rates, was primarily the result of an increase in average invested assets attributable to new assets backing growth of our long-term care in-force block and an increase related to assets purchased using proceeds from our issuance of non-recourse funding obligations supporting certain term life insurance policies.

For a discussion of net realized investment gains (losses), see the comparison for this line item under "—Results of Operations."

Benefits and expenses

Benefits and other changes in policy reserves increased due to an $11 million increase in our life business primarily due to growth of the term life in-force blocks offset in part by favorable mortality and an $8 million increase in each our long-term care and group businesses. The increase in our long-term care business was due to increased claims associated with the aging of the in-force block partially offset by favorable seasonal termination levels and a claim reserve release. The increase in the group business was due to higher claims on non-medical business. Offsetting the increase was a decrease of $25 million in our payment protection business, including $3 million attributable to changes in foreign exchange rates, primarily driven by a reduction of claim reserves in our run-off block.

Acquisition and operating expenses, net of deferrals, were flat primarily due to a $16 million increase in our long-term care business due to investment in growth initiatives and growth in our in-force premium levels driving higher renewal commission expense, partially offset by a decrease in our payment protection business, which was primarily due to a $14 million decrease due to changes in foreign exchange rates.

Amortization of deferred acquisition costs and intangibles decreased primarily due to a $41 million decrease in our payment protection business, including $5 million attributable to changes in foreign exchange rates. This decrease was primarily attributable to our run-off block. Partially offsetting this decrease was an increase of $9 million in our long-term care business due primarily to growth in our in-force block and higher terminations.

Interest expense increased $16 million as the result of the issuance of additional non-recourse funding obligations in the first quarter of 2006 and the second and third quarters of 2005, and an increase in average variable rate yields paid on non-recourse funding obligations supporting our term life insurance capital management strategy.

Provision for income taxes

The effective tax rate decreased to 34.8% for the three months ended March 31, 2006 from 35.6% for the three months ended March 31, 2005. The decrease in effective tax rate was primarily attributable to the increase in lower taxed foreign earnings and a reduction in excess foreign tax credits, partially offset by nonrecurring favorable examination developments in 2005.

Protection selected operating performance measures

Life insurance

The following table sets forth selected operating performance measures regarding our life insurance products as of or for the dates indicated:

(Dollar amounts in millions)	As of or for the three months ended March 31, 2006	2005	Increase (decrease) and percentage change 2006 vs. 2005	
Term life insurance				
Net earned premiums	$ 213	$ 191	$ 22	12%
Annualized first-year premiums	34	29	5	17%
Revenue, net of reinsurance	268	227	41	18%
Life insurance in-force, net of reinsurance (face amount)	393,812	337,927	55,885	17%
Life insurance in-force before reinsurance (face amount)	554,472	494,431	60,041	12%
Universal and whole life insurance				
Net earned premiums and deposits	$ 122	$ 100	$ 22	22%
Annualized first-year deposits	9	7	2	29%
Excess deposits	19	6	13	NM
Revenue, net of reinsurance	174	173	1	1%
Life insurance in-force, net of reinsurance (face amount)	40,890	42,428	(1,538)	(4)%
Life insurance in-force before reinsurance (face amount)	49,335	50,805	(1,470)	(3)%
Total life insurance				
Net earned premiums and deposits	$ 335	$ 291	$ 44	15%
Annualized first-year premiums	34	29	5	17%
Annualized first-year deposits	9	7	2	29%
Excess deposits	19	6	13	NM
Revenue, net of reinsurance	442	400	42	11%
Life insurance in-force, net of reinsurance (face amount)	434,702	380,355	54,347	14%
Life insurance in-force before reinsurance (face amount)	603,807	545,236	58,571	11%

Term life insurance. Term life annualized first-year premiums increased as a result of increased competitiveness of our product offerings. This increase in annualized first-year premiums was the primary driver for the increase in term life insurance net earned premiums, revenues and insurance in-force. Term life insurance revenues also increased due to an increase in invested assets related to assets purchased using the proceeds from our issuance of non-recourse funding obligations supporting certain term life insurance policies.

Universal and whole life insurance. Universal life annualized first-year deposits increased primarily due to new product offerings gaining momentum in the market. The decrease in our in-force block was primarily due to the continued run-off on our closed block of whole life insurance.

Long-term care insurance

The following table sets forth selected operating performance measures regarding our long-term care insurance business, which includes long-term care insurance, Medicare supplement insurance, as well as several run-off blocks of accident and health insurance and corporate-owned life insurance for the periods indicated:

(Dollar amounts in millions)	For the three months ended March 31, 2006	For the three months ended March 31, 2005	Increase (decrease) and percentage change 2006 vs. 2005	
Net earned premiums	$ 425	$ 408	$ 17	4%
Annualized first-year premiums	48	41	7	17%
Revenue, net of reinsurance	608	566	42	7%

The increase in annualized first-year premiums was primarily due to the broadening of our product offering in Medicare supplement of $4 million and individual long-term care products of $3 million. The additional layer of 2005 annualized first-year premiums was the primary driver for the increase in net earned premium and revenue, net of reinsurance. The increase in revenue was also due to an increase in net investment income primarily due to an increase in average invested assets backing growth of our long-term care in-force block.

Payment protection insurance

The following table sets forth selected operating performance measures regarding our payment protection insurance and other related consumer protection insurance products for the periods indicated:

(Dollar amounts in millions)	For the three months ended March 31, 2006	For the three months ended March 31, 2005	Increase (decrease) and percentage change 2006 vs. 2005	
Payment protection insurance gross written premiums	$ 419	$ 453	$ (34)	(8)%
Mexico operations gross written premiums	16	12	4	33%
Net earned premiums	291	367	(76)	(21)%
Revenue, net of reinsurance	319	399	(80)	(20)%

Payment protection insurance gross written premiums, gross of reinsurance and cancellations, increased $2 million, offset by unfavorable changes in foreign exchange rates of $36 million. Net earned premiums and revenues decreased primarily due to continued run-off of low return blocks of business in the U.K. market, the exit from our travel insurance business and unfavorable changes in foreign exchange rates, partially offset by growth in the Continental European market.

Group life and health insurance

The following table sets forth selected operating performance measures regarding our group products for the periods indicated:

(Dollar amounts in millions)	For the three months ended March 31, 2006	For the three months ended March 31, 2005	Increase (decrease) and percentage change 2006 vs. 2005	
Net earned premiums	$ 168	$ 162	$ 6	4%
Annualized first-year premiums	34	30	4	13%
Revenue, net of reinsurance	183	177	6	3%

The increase in annualized first-year premiums is attributable to an increase in sales in the non-medical products partially offset by lower sales in the medical and individual voluntary products due to competitive pricing in that market. The increase in revenue and net earned premium was primarily due to an increase in annualized first-year premiums.

Retirement Income and Investments segment

We offer U.S. customers fixed and variable deferred annuities, single premium immediate annuities, variable life insurance, asset management, and specialized products, including guaranteed investment contracts, or GICs, funding agreements, funding agreements backing notes and structured settlements.

The following table sets forth the results of operations relating to our Retirement Income and Investments segment.

(Dollar amounts in millions)	Three month ended March 31, 2006	Three month ended March 31, 2005	Increase (decrease) and percentage change 2006 vs. 2005	
Revenues:				
Premiums	$ 180	$ 244	$ (64)	(26)%
Net investment income	465	433	32	7%
Net realized investment gains (losses)	(9)	—	(9)	NM
Policy fees and other income	77	58	19	33%
Total revenues	713	735	(22)	(3)%
Benefits and expenses:				
Benefits and other changes in policy reserves	241	308	(67)	(22)%
Interest credited	278	250	28	11%
Acquisition and operating expenses, net of deferrals	72	59	13	22%
Amortization of deferred acquisition costs and intangibles	36	27	9	33%
Interest expense	1	—	1	NM
Total benefits and expenses	628	644	(16)	(2)%
Earnings before income taxes	85	91	(6)	(7)%
Provision for income taxes	30	31	(1)	(3)%
Segment net earnings	55	60	(5)	(8)%
Adjustments to segment net earnings:				
Net realized investment losses (gains), net of taxes and other adjustments	6	—	6	NM
Segment net operating earnings	$ 61	$ 60	$ 1	2%

The following table sets forth net operating earnings for the products included in our Retirement Income and Investments segment:

(Dollar amounts in millions)	Three months ended March 31, 2006	Three months ended March 31, 2005	Increase (decrease) and percentage change 2006 vs. 2005	
Segment net operating earnings:				
Spread-based retail	$ 36	$ 34	$ 2	6%
Spread-based institutional	10	9	1	11%
Fee-based	15	17	(2)	(12)%
Total segment net earnings	$ 61	$ 60	$ 1	2%

Three Months Ended March 31, 2006 Compared to Three Months Ended March 31, 2005

Segment net operating earnings

Segment net operating earnings from spread-based retail increased primarily due to growth in assets under management, improved spreads and a reduction in reserves on a closed block of business. Segment net operating earnings on spread-based institutional increased marginally due primarily to growth in assets under management. Segment net operating earnings on fee-based decreased primarily as a result of unusually low expenses in the prior year.

Revenues

The decrease in premiums was primarily the result of a $65 million reduction in sales of our life-contingent structured settlement and single premium immediate annuities. This is due to our continued pricing discipline in the continuing low long-term interest rate environment.

The increase in net investment income was primarily due to increased yields on floating rate investments backing spread-based institutional products and higher assets under management. This was partially offset by a decrease in bond calls and mortgage prepayment fees.

For a discussion of net realized investment gains (losses), see the comparison for this line item under "—Results of Operations."

The increase in policy fees and other income was primarily due to a $16 million increase in the fee-based segment as a result of increased sales and growth in assets under management from distribution expansion, strong equity markets, and continued product enhancements.

Benefits and expenses

Benefits and other changes in policy reserves decreased primarily as a result of the $65 million decrease in the life-contingent structured settlement and single premium immediate annuities sales.

The increase in interest credited was primarily due to a $33 million increase related to spread-based institutional products as a result of increased crediting rates on floating rate products and higher assets under management.

The increase in acquisition and operating expenses, net of deferrals, was primarily due to $16 million in expenses associated with higher sales and growth in assets under management in fee-based products.

The increase in amortization of deferred acquisition costs and intangibles was primarily the result of a $7 million increase in spread-based retail products due primarily to growth in spreads and assets under management.

Provision for income taxes

The effective tax rate increased to 35.3% for the three months ended March 31, 2006 from 34.1% for the three months ended March 31, 2005. This increase in the effective tax rate was primarily attributable to lower dividends received deductions as a proportion of pretax earnings in 2006 and nonrecurring favorable IRS examination developments in 2005.

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Retirement Income and Investments selected operating performance measures

Spread-based retail products

The following table sets forth selected operating performance measures regarding our spread-based retail products as of or for the dates indicated:

(Dollar amounts in millions)	As of or for three months ended March 31, 2006	2005
Fixed annuities		
Account value net of reinsurance, beginning of period	$ 15,547	$ 15,113
Deposits	267	285
Interest credited	145	150
Surrenders, benefits and product charges	(718)	(334)
Account value net of reinsurance, end of period	$ 15,241	$ 15,214
Single premium immediate annuities		
Account value net of reinsurance, beginning of period	$ 5,680	$ 5,344
Net earned premiums and deposits	250	212
Interest credited	80	77
Surrenders, benefits and product charges	(238)	(218)
Account value net of reinsurance, end of period	$ 5,772	$ 5,415
Structured settlements		
Account value net of reinsurance, beginning of period	$ 871	$ 533
Net earned premiums and deposits	58	124
Interest credited	12	11
Surrenders, benefits and product charges	(16)	(15)
Account value net of reinsurance, end of period	$ 925	$ 653
Total annualized first-year premiums from spread-based retail products	$ 180	$ 244
Total deposits on spread-based retail products	$ 395	$ 377

Fixed annuities. The account value net of reinsurance increased primarily due to increased net flows in the first half of 2005. The flattening of the yield curve during 2005 has resulted in a shift in demand to shorter duration instruments like bank certificates of deposit and money market funds from longer duration products like fixed annuities. Additionally, we lowered crediting rates on several blocks of lower return, high rate, fixed annuity business that reached crediting rate reset periods during 2005 and the first quarter of 2006. As we lowered crediting rates, we experienced a higher level of surrenders. We expect this trend to continue throughout 2006 and 2007. The level of these surrenders has been at or near our expected levels.

Single premium immediate annuities. The account value net of reinsurance increased primarily due to positive net flows along with interest credited on account values in 2005 and 2006.

Structured settlements. We continue to write structured settlements to the extent that we are able to achieve our targeted returns. Our continued pricing discipline in a low long-term interest rate environment was the primary reason for the lower sales of these products in the first quarter of 2006.

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Spread-based institutional products

The following table sets forth selected operating performance measures regarding our spread-based institutional products as of or for the dates indicated:

(Dollar amounts in millions)	As of or for the three months ended March 31, 2006	2005
GICs, funding agreements and funding agreements backing notes		
Account value, beginning of period	$ 9,777	$ 9,541
Deposits (1)	980	841
Interest credited	114	82
Surrenders and benefits (1)	(1,105)	(1,056)
Account value, end of period	$ 9,766	$ 9,408

(1) "Surrenders and benefits" include contracts that have matured but are redeposited with us and reflected as deposits. In the three months ended March 31, 2006 and 2005, surrenders and deposits included $210 million and $483 million, respectively, that was redeposited and reflected under "Deposits."

Spread-based institutional account values increased primarily due to the launch of our registered notes program in the fourth quarter of 2005. This program resulted in an issuance of $300 million of funding agreements backing notes in the fourth quarter of 2005 and $700 million in the first quarter of 2006. The increase in interest credited was driven by higher crediting rates on our floating rate products due to an increase in the underlying indices. This was partially offset by expected maturities.

Fee-based products

The following table sets forth selected operating performance measures regarding our fee-based products as of or for the dates indicated:

(Dollar amounts in millions)	As of or for three months ended March 31, 2006	2005
Income Distribution Series(1)		
Account value, beginning of period	$ 911	$ 462
Deposits	281	85
Interest credited and investment performance	59	(4)
Surrenders, benefits and product charges	(16)	(3)
Account value, end of period	$ 1,235	$ 540
Traditional variable annuities		
Account value, beginning of period	$ 1,182	$ 632
Deposits	132	143
Interest credited and investment performance	78	(13)
Surrenders, benefits and product charges	(32)	(15)
Account value, end of period	$ 1,360	$ 747

(Dollar amounts in millions)	As of or for three months ended March 31, 2006	2005
Variable life insurance		
Account value, beginning of period	$ 363	$ 345
Deposits	9	8
Interest credited and investment performance	18	(11)
Surrenders, benefits and product charges	(13)	(7)
Account value, end of period	$ 377	$ 335
Third-party assets		
Account value, beginning of period	$ 5,180	$ 3,973
Deposits	582	324
Interest credited and investment performance	254	(96)
Surrenders, benefits and product charges	(192)	(155)
Account value, end of period	$ 5,824	$ 4,046

(1) The Income Distribution Series offers variable annuity products and four riders that provide the contractholder with a guaranteed minimum income stream that they cannot outlive, along with an opportunity to participate in market appreciation.

Income Distribution Series. We experienced an increase in assets under management attributable to the successful launch of our guaranteed minimum withdrawal for life benefit rider in the fourth quarter of 2005. Sales of this product remained strong in the first quarter of 2006.

Traditional variable annuities. The increase in assets under management was attributable to ongoing sales of our core variable annuity products and positive investment performance.

Third-party assets. Third-party assets include assets managed by our Private Asset Management and Genworth Financial Advisor groups. The increase was primarily due to growth in deposits from new and existing clients, as well as positive investment performance during the last three quarters of 2005 and the first quarter of 2006. Significant contributors to the growth in deposits was the expansion of our distribution network, growth in our sales force, and changes in our fee structure.

Mortgage Insurance segment

In the U.S., Canada, Australia, Europe, New Zealand, Mexico and Japan, we offer mortgage insurance products that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages. These products generally also aid financial institutions in managing their capital efficiently by reducing the capital required for low-down-payment mortgages.

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Segment results of operations

The following table sets forth the results of operations relating to our Mortgage Insurance segment.

(Dollar amounts in millions)	Three months ended March 31, 2006	2005	Increase (decrease) and percentage change 2006 vs. 2005	
Revenues:				
Premiums	$ 247	$ 215	$ 32	15%
Net investment income	80	69	11	16%
Net realized investment gains (losses)	1	—	1	NM
Policy fees and other income	7	10	(3)	(30)%
Total revenues	335	294	41	14%
Benefits and expenses:				
Benefits and other changes in policy reserves	46	21	25	119%
Acquisition and operating expenses, net of deferrals	68	59	9	15%
Amortization of deferred acquisition costs and intangibles	15	11	4	36%
Total benefits and expenses	129	91	38	42%
Earnings before income taxes	206	203	3	1%
Provision for income taxes	57	62	(5)	(8)%
Segment net earnings	149	141	8	6%
Adjustments to segment net earnings:				
Net realized investment losses (gains), net of taxes and other adjustments	—	—	—	—
Segment net operating earnings	$ 149	$ 141	$ 8	6%

The following table sets forth net earnings for the products included in our Mortgage Insurance segment:

(Dollar amounts in millions)	Three months ended March 31, 2006	2005	Increase (decrease) and percentage change 2006 vs. 2005	
Segment net earnings:				
U.S. mortgage insurance	$ 72	$ 72	$ —	— %
International mortgage insurance	77	69	8	12%
Total segment net operating earnings	$ 149	$ 141	$ 8	6%

Three Months Ended March 31, 2006 Compared to Three Months Ended March 31, 2005

Segment net operating earnings

Our U.S. mortgage insurance business net earnings remained unchanged. The increase in losses was offset by earnings related to intra-segment reinsurance agreement with our international mortgage insurance business. The increase in our international mortgage insurance business earnings of $8 million, including $1 million in foreign exchange rates changes, was driven primarily by the growth of the business, seasoning of our insurance in-force, a decrease in effective tax rate due to an increase in lower taxed foreign earnings and a reduction in excess foreign tax credits. This was partially offset by an increase in losses and continued investments in our global expansion.

Revenues

In our international mortgage insurance business, premiums increased by $27 million, including $1 million due to changes in foreign exchange rates, driven by the growth and aging of our international in-force block, which resulted in increased earned premiums from prior year new insurance written. This year-over-year increase was impacted by higher premiums ceded to our U.S. mortgage insurance business in the current period, as well as the release of unearned premium reserves on our single premium product of $10 million in the first quarter of 2005 due to the completion of a European cancellation study. The increase in our U.S. mortgage insurance business of $5 million was primarily a result of increased reinsurance premiums assumed from our international mortgage insurance business.

The increase in net investment income, which included $1 million due to changes in foreign exchange rates, was primarily the result of an increase in invested assets associated with the growth of our international business.

Policy fees and other income remained relatively flat in our U.S. and international mortgage insurance businesses.

Benefits and Expenses

In our international mortgage insurance business, benefits and other changes in policy reserves increased $21 million primarily due to higher losses in Australia, which were favorable in the prior year and also reflect the seasoning of more recent in-force blocks of business. The increase in our U.S. business of $4 million was primarily due to average reserve per delinquency favorability in the first quarter of 2005, which was not repeated in the current year, which was partially offset by a decline in claims paid and a $3 million decrease in reserves for severely impacted areas associated with Hurricanes Katrina and Rita.

The increase in acquisition and operating expenses, net of deferrals, was primarily attributable to an increase in costs in our existing international platforms and continued investment in potential new international mortgage insurance platforms.

Amortization of deferred acquisition cost and intangibles increased by $4 million primarily due to the growth and seasoning in our international mortgage insurance business.

Provision for income taxes

Provision for income taxes decreased $5 million, which includes an $1 million increase due to changes in foreign exchange rates. The effective tax rate decreased to 27.7% for the three months ended March 31, 2006 from 30.5% for the three months ended March 31, 2005. This decrease in effective tax rate was primarily attributable to the increase in lower taxed foreign earnings and a reduction in excess foreign tax credits. Our Mortgage Insurance segment’s effective tax rate is below the statutory rate primarily as a result of tax-exempt investment income and lower taxed foreign earnings.

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Mortgage Insurance selected operating performance measures

The following tables set forth selected operating performance measures regarding our U.S. and international mortgage businesses as of or for the dates indicated:

(Dollar amounts in millions)	As of or for the three months ended March 31, 2006	2005	Increase (decrease) and percentage change 2006 vs. 2005	
Primary insurance in-force:				
U.S. mortgage insurance	$ 100,500	$ 106,000	$ (5,500)	(5)%
International mortgage insurance	256,800	209,900	46,900	22%
Total primary insurance in-force	$ 357,300	$ 315,900	$ 41,400	13%
Risk in force:				
U.S. mortgage insurance	$ 22,300	$ 23,100	$ (800)	(3)%
International mortgage insurance	82,800	68,000	14,800	22%
Total risk in-force	$ 105,100	$ 91,100	$ 14,000	15%
Net premiums written:				
U.S. mortgage insurance	$ 115	$ 109	$ 6	6%
International mortgage insurance	204	137	67	49%
Total net premiums written	$ 319	$ 246	$ 73	30%
Net premiums earned:				
U.S. mortgage insurance	$ 116	$ 111	$ 5	5%
International mortgage insurance	131	104	27	26%
Total net premium earned	$ 247	$ 215	$ 32	15%
New insurance written:				
U.S. mortgage insurance	$ 6,800	$ 5,700	$ 1,100	19%
International mortgage insurance	20,400	14,200	6,200	44%
Total new insurance written	$ 27,200	$ 19,900	$ 7,300	37%

Primary insurance in-force and risk in-force

The increases in primary insurance in-force and risk in-force were driven primarily by new insurance written in our international business, as we continue to execute our global expansion strategy. Offsetting strong increases in international insurance in-force and risk in-force was a decline in our U.S. business. This decline was driven by continued low persistency rates, which have caused policy cancellations to exceed new insurance written.

Our businesses in Australia, New Zealand and Canada currently provide 100% coverage on the majority of the loans we insure in those markets. For the purpose of representing our risk in-force, we have computed an “effective risk in-force” amount, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor that represents our highest expected average per-claim payment for any one underwriting year over the life of our businesses in Australia, New Zealand and Canada. For the three months ending March 31, 2006 and 2005, this factor was 35%.

Net premiums written

The increase in net premiums written was driven primarily by increases in new insurance written in our international business. The increase in our international business of $67 million, which includes a $2 million decrease due to changes in foreign exchange rates, was primarily driven by increased new insurance written in our Australian and European businesses. Included in the international increase was the impact of incremental new insurance written as a result of the timing of customer reporting in Australia.

Most of our international mortgage insurance policies provide for single premiums at the time that loan proceeds are advanced. We initially record the single premiums to unearned premium reserves and recognize the premiums earned over time in accordance with the estimated expiration of risk. As of March 31, 2006, our unearned premium reserves in our international mortgage insurance business were $1.9 billion.

New insurance written

The increase in new insurance written was driven primarily by our international business. International new insurance written increased $6,200 million, which included a $600 million decrease in foreign exchange movements, as a result of ongoing expansion of our customer base in Europe, continued account penetration in Canada and a catch-up of sales reported to us caused a delay in timing of customer reporting in Australia. U.S. new insurance written also increased $1,100 million as a result of an 11% increase in flow new insurance written driven by strong customer penetration and an increase in our prime bulk product writings.

Loss and expense ratios

	As of or for the three months ended March 31,		Increase (decrease)
	2006	2005	2006 vs. 2005
Loss ratio:			
U.S. mortgage insurance	16%	14%	2%
International mortgage insurance	21%	6%	15%
Total loss ratio	19%	10%	9%
Expense ratio:			
U.S. mortgage insurance	35%	37%	(2)%
International mortgage insurance	21%	22%	(1)%
Total expense ratio	26%	28%	(2)%

The loss ratio (expressed as a percentage) is the ratio of incurred losses and loss adjustment expense to net premiums earned. In our international business, our loss ratio increased due to higher losses primarily in Australia, which were favorable in the prior year and also reflect the seasoning of more recent in-force blocks of business. The increase in our U.S. business loss ratio is primarily due to average reserve per delinquency favorability in the first quarter of 2005, which was not repeated in the current year, offset partially by a decline in claims paid and a $3 million decrease in reserves for severely impacted areas associated with Hurricanes Katrina and Rita.

The expense ratio (expressed as a percentage) is the ratio of general expenses to net premiums written. In our business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of deferred acquisition cost and intangibles. The decrease in the expense ratio was primarily driven by our continued focus on expense management in our U.S. business and strong net premium written growth in our international business.

Corporate and Other segment

The Corporate and Other segment consists primarily of unallocated corporate income and expenses (including amounts accrued in settlement of some class action lawsuits), the results of small, non-core businesses that are managed outside our operating segments, most of our interest expense and other financing costs.

The following table sets forth the results of operations relating to our Corporate and Other segment.

(Dollar amounts in millions)	Three months ended March 31, 2006	2005	Increase (decrease) and percentage change 2006 vs. 2005	
Revenues:				
Premiums	$ 7	$ 8	$ (1)	(13)%
Net investment income	33	34	(1)	(3)%
Net realized investment gains (losses)	(18)	(6)	(12)	200%
Policy fees and other income	3	4	(1)	(25)%
Total revenues	25	40	(15)	(38)%
Expenses:				
Benefits and other changes in policy reserves	1	1	—	— %
Acquisition and operating expenses, net of deferrals	5	(1)	6	NM
Amortization of deferred acquisition costs and intangibles	1	3	(2)	(67)%
Interest expense	56	63	(7)	(11)%
Total benefits and expenses	63	66	(3)	(5)%
Loss before income taxes	(38)	(26)	(12)	46%
Benefit for income taxes	(12)	(8)	(4)	50%
Cumulative effect of accounting change, net of taxes	4	—	4	NM
Segment net loss	(22)	(18)	(4)	22%
Adjustments to segment net loss:				
Net realized investment losses (gains), net of taxes and other adjustments	12	4	8	200%
Cumulative effect of accounting change	(4)	—	(4)	— %
Segment net operating loss	$ (14)	$ (14)	$ 0	— %

Three Months Ended March 31, 2006 Compared to Three Months Ended March 31, 2005

Segment net operating loss

Segment net operating loss remained unchanged. The increase in operating expenses was attributable to certain employee benefits accrual adjustments in 2005 that did not recur in 2006. This was offset by higher net investment income from limited partnership distributions.

Revenues

Premiums decreased primarily as a result of decreased premiums from our Bermuda reinsurer attributable to the run-off of certain credit life insurance blocks.

The decrease in net investment income was primarily the result of lower income from consolidated securitization entities partially offset by an increase in net investment income associated with non-qualifying derivatives and higher yields on our Corporate and Other investment portfolio.

For a discussion of net realized investment gains (losses), see the comparison for this line item under "—Results of Operations."

Benefits and expenses

Acquisition and operating expenses, net of deferrals, increased primarily as a result of a $3 million accrual release related to certain employee benefits in 2005 that did not recur in 2006 and a $3 million increase in expenses related to insurance and the issuance of stock options and stock appreciation rights.

Interest expense consists of interest and other financial charges related to our debt that is not allocated for segment reporting purposes. The decrease was primarily associated with the derecognition of borrowings related to securitization entities which was partially offset by a higher interest environment on corporate debt.

Provision for income taxes

The increased benefit for income taxes was primarily attributable to higher pretax losses in 2006.

Investments

Investment results

The following table sets forth information about our investment income, excluding realized investment gains (losses), for each component of our investment portfolio for the periods indicated:

	For the three months ended March 31,				Increase (decrease)	
	2006		2005		2006 vs. 2005	
(Dollar amounts in millions)	Yield	Amount	Yield	Amount	Yield	Amount
Fixed maturities—taxable	5.7%	$ 719	5.6%	$ 669	0.1%	$ 50
Fixed maturities—non-taxable	4.4%	31	4.5%	33	(0.1)%	(2)
Commercial mortgage loans	6.3%	121	6.4%	98	(0.1)%	23
Equity securities	12.3%	7	8.8%	6	3.5%	1
Other investments	5.2%	11	6.9%	14	(1.7)%	(3)
Policy loans	8.8%	30	8.3%	26	0.5%	4
Restricted investments held by securitization entities(1)	8.2%	7	6.9%	14	1.3%	(7)
Cash, cash equivalents and short-term investments	3.6%	17	1.7%	8	1.9%	9
Gross investment income before expenses and fees	5.7%	943	5.6%	868	0.1%	75
Expenses and fees		(19)		(17)		(2)
Net investment income	5.6%	$ 924	5.5%	$ 851	0.1%	$ 73

(1) Amount reflects 2 months of activity prior to the re-securitization of these assets as described in note 9 of the condensed consolidated financial statements contained herein.

Yields for fixed maturities and equity securities are based on amortized cost and cost, respectively. Yields for securities lending activity, which is included in other investments, are calculated net of the corresponding securities lending liability. All other yields are based on average carrying values.

The increase in overall investment yields was primarily attributable to increased crediting rates on our floating rate spread-based institutional products due to an increase in the short-term rates.

The following table sets forth gross realized investment gains and losses resulting from the sales and impairments of investment securities classified as available-for-sale for the three months ended March 31:

(Dollar amounts in millions)	2006	2005
Gross realized investment		
Gains on sale	$ 22	$ 39
Losses on sale	(26)	(11)
Loss on derecognition of securitization entities	(17)	—
Impairment losses	(1)	(34)
Net realized investment gains (losses)	$(22)	$ (6)

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For a discussion of the change in net realized investment gains (losses), see the comparison for this line item under "—Results of Operations."

Investment portfolio

The following table sets forth our cash, cash equivalents and invested assets as of the dates indicated:

(Dollar amounts in millions)	March 31, 2006 Carrying value	March 31, 2006 % of total	December 31, 2005 Carrying value	December 31, 2005 % of total
Fixed-maturities, available-for-sale				
Public	$ 39,928	59%	$ 40,539	59%
Private	13,631	20	13,398	19
Commercial mortgage loans	7,854	12	7,558	11
Other investments	2,738	4	3,174	5
Policy loans	1,362	2	1,350	2
Restricted investments held by securitization entities	—	—	685	1
Equity securities, available for sale	193	—	206	—
Cash and cash equivalents	1,909	3	1,875	3
Total cash, cash equivalents and invested assets	$ 67,615	100%	$ 68,785	100%

The total investment portfolio decreased $1.2 billion. The decrease was primarily due to the derecognition of restricted investments held by securitization entities from our consolidated statement of financial position and a reduction in fair value, as a result of higher interest rate environment, partially offset by cash generated from operating activities which was invested in fixed maturities and commercial mortgage loans.

Impairments of investment securities

See note 4 of the condensed consolidated financial statements contained herein.

Liquidity and Capital Resources

Liquidity and capital resources represent our overall financial strength and our ability to generate strong cash flows from our businesses, borrow funds at competitive rates and raise new capital to meet our operating and growth needs.

Genworth Financial and Subsidiaries

The following table sets forth our condensed consolidated cash flows for the three months ended March 31:

(Dollar amounts in millions)	2006	2005
Net cash from operating activities	$ 771	$ 733
Net cash from investing activities	(649)	(456)
Net cash from financing activities	(76)	(775)

Cash flows from operating activities are affected by the timing of premiums received, fees received, investment income and expenses paid. Principal sources of cash include sales of our products and services. The increase in cash flows from operating activities for the three months ended March 31, 2006 was primarily the result of cash flows from our long-term care insurance in-force and tax payments made in 2005 that did not recur in 2006, offset by timing of cash settlements for other assets and other liabilities.

As an insurance business, we typically generate positive cash flows from operating activities, as premiums and deposits collected from our insurance and investment products exceed benefits paid and redemptions, and we invest the excess. Accordingly, in analyzing our cash flow we focus on the change in the amount of cash available and used in investing activities.

The decrease in net cash from investing activities for the three months ended March 31, 2006, compared to March 31, 2005, was primarily the result of an increased level of purchases caused primarily by cash from the issuances of non-recourse funding obligations and commercial paper borrowings. The cash provided by these issuances was partially offset by investment proceeds used to provide for the net redemptions of our investment contracts.

Changes in cash from financing activities primarily relate to the issuance and repayment of borrowings, dividends to our stockholders and other capital transactions, as well as the issuance of, and redemptions and benefit payments on, investment contracts. During the three months ended March 31, 2006, cash from financing activities included net redemptions on investment contracts of $541 million and cash used for the acquisition of treasury stock of $(479) million, partially offset by an issuance of $750 million in non-recourse funding obligations, and $229 million of commercial paper borrowings.

Total assets were $104.9 billion as of March 31, 2006, compared to $105.7 billion as of December 31, 2005. The increase in total assets was driven primarily by increased balances in commercial mortgage loans and cash and cash equivalents driven primarily by normal business growth. Offsetting these increases in total assets was a decrease in other invested assets due to a reduction in the participation in our securities lending program.

Total liabilities were $92.4 billion as of March 31, 2006, compared to $92.3 billion as of December 31, 2005. The increase in total liabilities was primarily driven by an increase in our non-recourse funding obligations and short-term borrowings offset partially by a decrease in future annuity and contract benefits due to net redemptions of our investment contracts, offset by an increase in our long-term care insurance from normal aging of the in-force block, as well as liability for policy and contract claims.

Genworth Financial, Inc.—holding company

We conduct all our operations through our operating subsidiaries. Dividends from our subsidiaries and permitted payments to us under our tax sharing arrangements with our subsidiaries are our principal sources of cash to pay stockholder dividends and to meet our holding company obligations, including payments of principal and interest on our outstanding indebtedness.

Our primary uses of funds at our holding company level include payment of general operating expenses, payment of principal, interest and other expenses related to holding company debt, payment of dividends on our common and preferred stock, amounts we owe to GE under the Tax Matters Agreement, contract adjustment payments on our Equity Units, contributions to subsidiaries, and, potentially, acquisitions.

Our holding company had $207 million and $332 million of cash and cash equivalents as of March 31, 2006 and December 31, 2005, respectively.

In the fourth quarter of 2005, we declared common stock dividends of $35 million which were paid in the first quarter of 2006. During the first quarter of 2006, we declared dividends on our common stock of $34 million to be paid during the second quarter of 2006. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors including our receipt of dividends from our insurance and other operating subsidiaries, financial condition, earnings, capital requirements of our subsidiaries, legal requirements, regulatory constraints and other factors as the board of directors deems relevant. In addition, our Series A Preferred Stock bears dividends at an annual rate of 5.25% of the liquidation value of $50 per share. We also pay quarterly contract adjustment payments with respect to our Equity Units at an annual rate of 2.16% of the stated amount of $25 per Equity Unit.

Based on statutory results as of December 31, 2005, we estimate our subsidiaries could pay dividends of approximately $1.3 billion to us in 2006 without obtaining regulatory approval. The ability of our insurance subsidiaries to pay dividends to us, and our ability to pay dividends to our stockholders, also are subject to various conditions imposed by the rating agencies for us to maintain our ratings. During the three months ended March 31, 2006, we received dividends from our insurance subsidiaries of $254 million.

In addition to dividends from our insurance subsidiaries, our other sources of funds include service fees we receive from GE, payments from our subsidiaries pursuant to tax sharing arrangements, borrowings pursuant to our credit facilities, and proceeds from any additional issuances of commercial paper.

Regulated insurance subsidiaries

The liquidity requirements of our regulated insurance subsidiaries principally relate to the liabilities associated with their various insurance and investment products, operating costs and expenses, the payment of dividends to us, contributions to their subsidiaries, payment of principal and interest on their outstanding debt obligations and income taxes. Liabilities arising from insurance and investment products include the payment of benefits, as well as cash payments in connection with policy surrenders and withdrawals, policy loans and obligations to redeem funding agreements under applicable put option provisions.

Historically, our insurance subsidiaries have used cash flow from operations and sales of investment securities to fund their liquidity requirements. Our insurance subsidiaries' principal cash inflows from operating activities derive from premiums, annuity deposits and policy and contract fees and other income, including commissions, cost of insurance, mortality, expense and surrender charges, contract underwriting fees, investment management fees, and dividends and distributions from their subsidiaries. The principal cash inflows from investment activities result from repayments of principal, sales of invested assets and investment income.

As of March 31, 2006, we had approximately $2.6 billion of renewable floating rate funding agreements, which are deposit-type products that generally credit interest on deposits at a floating rate tied to an external market index. Purchasers of renewable funding agreements include money market funds, bank common trust funds and other short-term investors. Some of our funding agreements contain "put" provisions, through which the contractholder has an option to terminate the funding agreement for any reason after giving notice within the contract's specified notice period, which is generally 90 days or 180 days. Of the $2.6 billion aggregate amount outstanding as of March 31, 2006, $875 million had put option features including $425 million with put options features of 90 days and $450 million with put options of 180 days.

Our insurance subsidiaries maintain investment strategies intended to provide adequate funds to pay benefits without forced sales of investments. Products having liabilities with longer durations, such as certain life insurance and long-term care insurance policies, are matched with investments having similar estimated lives such as long-term fixed maturities and commercial mortgage loans. Shorter-term liabilities are matched with fixed maturities that have short- and medium-term fixed maturities. In addition, our insurance subsidiaries hold highly liquid, high-quality short-term investment securities and other liquid investment-grade fixed maturities to fund anticipated operating expenses, surrenders, and withdrawals. As of March 31, 2006, our total cash and invested assets was $67.8 billion. Our investments in privately placed fixed maturities, commercial mortgage loans, policy loans and limited partnership interests are relatively illiquid. These asset classes represented approximately 34% of the carrying value of our total cash and invested assets as of March 31, 2006.

In 2005, we transferred investment securities to an affiliated special purpose entity ("SPE"), whose sole purpose is to securitize these investment securities and issue secured notes to various affiliated companies. The securitized investments are owned in their entirety by the SPE and are not available to satisfy the claims of our creditors. The value of those securities as of March 31, 2006, was $316.9 million and included in other invested assets and are shown as restricted.

Capital resources and financing activities

On January 20, 2006, River Lake Insurance Company III ("River Lake III"), a special purpose financial captive insurance company wholly owned by First Colony Life Insurance Company ("First Colony"), itself an indirect wholly owned subsidiary of Genworth issued $750 million in aggregate principal amount of floating rate surplus notes due 2036 (the "Notes"). River Lake III has received regulatory approval to issue additional series of its floating rate surplus notes up to an aggregate amount of $1,200 million (including the Notes), but is under no obligation to do so. The Notes are direct financial obligations of River Lake III and are not guaranteed by First Colony or Genworth.

The Notes were issued by River Lake III to fund statutory reserves required by the Valuation of Life Insurance Policies Regulation. River Lake III has reinsured on a coinsurance basis from First Colony certain term life insurance policies having guaranteed level premiums. The Notes have been sold to Lehman Brothers Inc. for deposit into certain Delaware trusts that will issue money market or term securities. The principal and interest payments due on the money market and term securities will be insured by a third party insurance company. The holders of the Notes cannot require repayment from Genworth or any of its subsidiaries, other than River Lake III, the direct issuer of the Notes. First Colony has agreed to indemnify River Lake III and the third party insurer for certain limited costs.

River Lake III will pay interest on the principal amount of the Notes on a monthly basis, subject to regulatory approval. Any payment of principal of, including by redemption, or interest on the Notes may only be made with the prior approval of the Director of Insurance of the State of South Carolina in accordance with the terms of its licensing order and in accordance with applicable law. The holders of the Notes have no rights to accelerate payment of principal of the Notes under any circumstances, including without limitation, for nonpayment or breach of any covenant. River Lake III reserves the right to repay the Notes at any time, subject to the terms of the Notes and prior regulatory approval.

On December 21, 2005, our Board of Directors approved a stock repurchase program, authorizing Genworth to repurchase up to $750 million of our common stock over the succeeding 18 months. We expect the purchases to be made from time to time in the open market or in privately negotiated transactions, and will be funded from cash and/or the proceeds from issuance of debt securities.

Concurrently with GE's secondary offering of our Class A Common Stock completed in March 2006, we repurchased 15 million shares of our Class B Common Stock directly from GE, which were automatically converted to Class A Common Stock upon the transfer of these shares to us, for an aggregate price of $479 million. We financed the stock repurchase with $250 million cash available at the holding company and the proceeds of the issuance of $229 million in commercial paper under our existing commercial paper program.

We believe our revolving credit facilities, further issuances under our commercial paper program and anticipated cash flows from operations, will provide us with sufficient liquidity to meet our operating requirements for the foreseeable future.

Contractual obligations and commercial commitments

We enter into obligations to third-parties in the ordinary course of our operations. However, we do not believe that our cash flow requirements can be assessed based upon an analysis of these obligations. The most significant factor affecting our future cash flows is our ability to earn and collect cash from our customers. Future cash outflows, whether they are contractual obligations or not, also will vary based upon our future needs. Although some outflows are fixed, others depend on future events. Examples of fixed obligations include our obligations to pay principal and interest on fixed-rate borrowings. Examples of obligations that will vary include obligations to pay interest on variable-rate borrowings and insurance liabilities that depend on future interest rates and market performance. Many of our obligations are linked to cash-generating contracts. These obligations include payments to contractholders that assume those contractholders will continue to make deposits in accordance with the terms of their contracts. In addition, our operations involve significant expenditures that are not based upon "commitments." These include expenditures for income taxes and payroll.

During the first quarter of 2006, we issued $750 million in non-recourse funding obligations, and $229 million of commercial paper borrowings as further described in "—Capital Resources and Financing Activities"

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included herein. There have been no other material additions or changes to our contractual obligations and commercial commitments as set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005.

Securitization Entities

During the first quarter of 2006, we derecognized December 31, 2005 securitization entity balances of $685 million, $44 million, $660 million and $15 million of restricted investments held by securitization entities, other assets, borrowings related to securitization entities and other liabilities, respectively. We continue to hold a retained interest in the form of interest-only strips. We recognized a loss on sale of $11 million, net of tax from this re-securitization transaction. See note 9 of the condensed consolidated financial statements contained herein.

New Accounting Standards

Recently adopted

On January 1, 2006, we adopted Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 123R, *Share-Based Payment*, an amendment of SFAS No. 123, *Accounting for Stock-Based Compensation*. We adopted SFAS No. 123R under the modified prospective transition method. The statement requires companies to recognize the grant-date fair value of options and other equity-based awards within the income statement over the respective vesting period of the awards. We adopted SFAS No. 123 effective January 1, 2002 and, as permitted, we determined a grant date fair value using a Black-Scholes model and recognized the related compensation expense through the income statement for all equity awards issued subsequent to January 1, 2002. As a result of the adoption of SFAS No. 123R, we will continue to recognize the remaining portion of the requisite service under previously granted unvested awards including those awards granted prior to January 1, 2002. Prior to the adoption of SFAS No. 123R, we adjusted compensation cost related to forfeiture of awards when the actual forfeiture occurred. SFAS No. 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates and requires companies which previously accounted for forfeitures on an occurrence basis to include in income of the period of adoption a cumulative effect of a change in accounting principle for the adjustment to reflect estimated forfeitures for prior periods. We recognized an increase to net income of $4 million related to the cumulative effect of a change in accounting principle for the adoption of SFAS No. 123R. See note 5 for additional information.

As of January 1, 2006, we adopted Statement of Financial Accounting Standards (SFAS) No. 155, *Accounting for Certain Hybrid Financial Instruments*. SFAS No. 155 amends SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. SFAS No. 155 allows financial instruments that have embedded derivatives to be accounted for as a whole, eliminating the need to bifurcate the derivative from its host, if the holder elects to account for the whole instrument on a fair value basis. In addition, among other changes, SFAS No. 155 (i) clarifies which interest-only strips and principal-only strips are not subject to the requirements of SFAS No. 133; (ii) establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation; (iii) clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives; and (iv) eliminates the prohibition on a qualifying special-purpose entity ("QSPE") from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial interest. Adoption of SFAS No. 155 did not have a material impact on our consolidated financial statements.

Accounting pronouncements not yet adopted

In September 2005, the American Institute of Certified Public Accountants issued Statement of Position (SOP) 05-1, *Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With*

Modifications or Exchanges of Insurance Contracts. This statement provides guidance on accounting for deferred acquisition costs and other deferred balances on an internal replacement, defined broadly as a modification in product benefits, features, rights, or coverages that occurs by the exchange of an existing contract for a new contract, or by amendment, endorsement, or rider to an existing contract, or by the election of a benefit, feature, right, or coverage within an existing contract. Depending on the type of modification, the period over which these deferred balances will be recognized could be accelerated. SOP 05-1 is effective for internal replacements occurring in fiscal years beginning after December 15, 2006. We are currently evaluating the impact that SOP 05-1 will have on our results of operations and financial position.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of the loss of fair value resulting from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and equity prices. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying financial instruments are traded. There were no material changes in these risks since December 31, 2005.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2006, an evaluation was carried out under the supervision and with the participation of Genworth’s management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting During the Quarter Ended March 31, 2006

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2006 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We face a significant risk of litigation and regulatory investigations and actions in the ordinary course of operating our businesses, including the risk of class action lawsuits. Our pending legal and regulatory actions include proceedings specific to us and others generally applicable to business practices in the industries in which we operate. In our insurance operations, we are, have been, or may become subject to class actions and individual suits alleging, among other things, issues relating to sales or underwriting practices, payment of contingent or other sales commissions, claims payments and procedures, product design, product disclosure, administration, additional premium charges for premiums paid on a periodic basis, denial or delay of benefits, charging excessive or impermissible fees on products, recommending unsuitable products to customers, that our pricing structures and business practices in our mortgage insurance business, such as captive reinsurance arrangements with lenders and contract underwriting services, violate RESPA or related state anti-inducement laws, and breaching fiduciary or other duties to customers. Plaintiffs in class action and other lawsuits against us may seek very large or indeterminate amounts, including punitive and treble damages, which may remain unknown for substantial periods of time. In our investment-related operations, we are subject to litigation involving commercial disputes with counterparties. We are also subject to litigation arising out of our general business activities such as our contractual and employment relationships. We are also subject to various regulatory inquiries, such as information requests, subpoenas and books and record examinations, from state, federal and international regulators and other authorities. A substantial legal liability or a significant regulatory action against us could have an adverse effect on our business, financial condition and results of operations. Moreover, even if we ultimately prevail in the litigation, regulatory action or investigation, we could suffer significant reputational harm, which could have an adverse effect on our business, financial condition and results of operations.

Except as described below, there were no material developments during the quarter in any of the legal proceedings identified in Part 1, Item 3 of our Annual Report on Form 10-K for the year ended December 31, 2005. In addition, there were no new material legal proceedings during the quarter.

As previously identified, in May 2005, each of our U.S. mortgage insurance subsidiaries received an information request from the State of New York Insurance Department with respect to captive reinsurance transactions with lender-affiliated reinsurers and other types of arrangements in which lending institutions receive from our subsidiary any form of payment, compensation or other consideration in connection with issuance of a policy covering a mortgagor of the lending institution. In February 2006, we received a follow-up industry-wide inquiry from New York requesting supplemental information. In March 2006, we responded to that follow-up industry-wide inquiry.

As previously identified, antitrust authorities in the U.K. conducted an investigation of the store card sector of the retail financial services market in the U.K. to ascertain whether there are any characteristics that restrict or distort competition in this market. As part of the investigation, the authorities also examined various insurance products sold to store cardholders. These products include payment protection insurance, purchase protection and price protection. Our U.K. payment protection insurance business currently underwrites these products that are sold by one of the largest providers of store cards in the U.K. As part of that investigation, we responded to an information request. The provisional findings of the U.K. antitrust authorities were published in September 2005. In March 2006, the U.K. antitrust authorities published their final report confirming its provisional findings that there are features in the store card sector that have had an adverse effect on competition in this sector. The report contains remedies (aimed at mitigating these adverse effects on competition) relating to the various insurance products sold to store cardholders, including a requirement that the store card sector of the retail financial services market in the U.K. offer payment protection insurance separately from other elements of store card insurance. The remedies have to be implemented by March 2007. We cannot predict the effect that this final report, including the remedies, may have on either the store card sector in the U.K. and the sale of insurance products linked to store cards or the wider payment protection insurance sector in the U.K or our payment protection business in the U.K.

We cannot assure that the current investigations and proceedings will not have a material adverse effect on our business, financial condition or results of operations. In addition, it is possible that related investigations and proceedings may be commenced in the future, and we could become subject to further investigations and have lawsuits filed against us. In addition, increased regulatory scrutiny and any resulting investigations or proceedings could result in new legal precedents and industry-wide regulations or practices that could adversely affect our business, financial condition and results of operation.

As previously identified, one of our mortgage insurance subsidiaries is named as a defendant in two lawsuits filed in the U.S. District Court for the Northern District of Illinois, *William Portis et al. v. GE Mortgage Insurance Corp.* and *Karwo v. Citimortgage, Inc. and General Electric Mortgage Insurance Corporation.* The *Portis* complaint was filed on January 15, 2004, and the *Karwo* complaint was filed on March 15, 2004. Each action seeks certification of a nationwide class of consumers who allegedly were required to pay for our private mortgage insurance at a rate higher than our "best available rate," based upon credit information we obtained. Each action alleges that the Fair Credit Reporting Act ("FCRA") requires notice to such borrowers and that we violated the FCRA by failing to give such notice. The plaintiffs in *Portis* allege in the complaint that they are entitled to "actual damages" and "damages within the Court's discretion of not more than $1,000 for each separate violation" of the FCRA. The plaintiffs in *Karwo* allege that they are entitled to "appropriate actual, punitive and statutory damages" and "such other or further relief as the Court deems proper." Similar cases were filed against six other mortgage insurers. We have vigorously denied liability with respect to plaintiffs' allegations. Nevertheless, to avoid the risks and costs associated with protracted litigation and to resolve our differences with consumers, our mortgage insurance subsidiary reached an agreement to settle the cases on a nationwide class action basis. The settlement documents have been finalized and submitted to the court for approval. On April 25, 2006, the court held a preliminary fairness hearing on the terms of the settlement and set September 25, 2006 as the date for a hearing to determine whether to give final approval to the settlement. In the fourth quarter of 2005, upon reaching an initial agreement in principle with respect to the settlement, an accrual was established representing our best estimate of the cost of the settlement. The precise amount of payments in this matter cannot be estimated because they are dependent upon court approval of the class and related settlement, the number of individuals who ultimately will seek relief in the claim form process of any approved class settlement, the identity of such claimants and whether they are entitled to relief under the settlement terms.

As previously identified, one of our mortgage insurance subsidiaries is involved in an arbitration regarding our delegated underwriting practices. A mortgage lender that underwrote loan applications for mortgage insurance under our delegated underwriting program commenced the arbitration against us in 2003 after we rescinded policy coverage for a number of mortgage loans underwritten by that lender. We rescinded coverage because we believe those loans were not underwritten in compliance with applicable program standards and underwriting guidelines. However, the lender claims that we improperly rescinded coverage. In addition to seeking reinstatement of coverage, attorney's fees and punitive damages are sought. The first phase of the arbitration covering 30 loans was held in January 2005 and the panel ordered that 28 of the loans be reinstated. The second phase covering 33 loans was held in July 2005 and the arbitration panel ordered reinstatement of coverage on 5 of the 33 loans. We agreed to a recess of the third phase of arbitration to determine if any settlement can be effected. In March 2006, an agreement in principle to settle this matter was reached and we are in the process of documenting a proposed settlement agreement. Previously established reserves are adequate to cover the expected settlement costs.

Item 1A. Risk Factors

The discussion of our business and operations should be read together with the risk factors contained in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, filed with the Securities and Exchange Commission, which describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner. As of March 31, 2006, there have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2005.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares (or units) Purchased(1)	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs(2)
January 1, 2006 through January 31, 2006	—	$ —	—	$ 750,000,000
February 1, 2006 through February 28, 2006	—	$ —	—	750,000,000
March 1, 2006 through March 31, 2006	15,000,000	$ 31.93125	15,000,000	271,000,000
Total	15,000,000		15,000,000	$ 271,000,000

(1) On February 27, 2006, we entered into a stock purchase agreement with GE, pursuant to which we agreed to purchase from GE $479 million of our Class B Common Stock at a price per share equal to the net proceeds per share that GE received from the underwriters in a secondary offering of our common stock by GE. The secondary offering was consummated on March 8, 2006, and on that date, pursuant to the stock purchase agreement, we repurchased 15,000,000 shares of Class B Common Stock at a price of $31.93125 per share. The stock repurchase was financed with $250 million of cash available at the holding company and $229 million from the proceeds of an issuance of commercial paper.

(2) On December 21, 2005, our Board of Directors approved a stock repurchase program, authorizing Genworth to repurchase up to $750 million of our common stock over the succeeding 18 months.

Item 6. Exhibits

10.52.6	Sub-Plan under the 2004 Genworth Financial, Inc. Omnibus Incentive Plan: Genworth Financial Canada Stock Savings Plan
12	Statement of Ratio of Earnings to Fixed Charges
31.1	Certification of Michael D. Fraizer
31.2	Certification of Richard P. McKenney
32.1	Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code— Michael D. Fraizer
32.2	Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code— Richard P. McKenney

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SIGNATURES

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

GENWORTH FINANCIAL, INC.
(Registrant)

Date: April 28, 2006

By: /s/ RICHARD P. MCKENNEY

Richard P. McKenney
Senior Vice President—Chief Financial Officer
Duly Authorized Officer and
Principal Financial Officer

GENWORTH FINANCIAL CANADA

STOCK SAVINGS PLAN

(a Sub-Plan to the 2004 Genworth Financial, Inc. Omnibus Incentive Plan)

GENWORTH FINANCIAL CANADA
STOCK SAVINGS PLAN

PREFACE

The Genworth Financial Canada Stock Savings Plan (Plan) is hereby established as a sub-plan to the 2004 Genworth Financial, Inc. Omnibus Incentive Plan (the "Omnibus Plan") on the terms and conditions hereinafter set forth. The shares of Class A common stock of Genworth Financial, Inc. ("Genworth Stock") that may be purchased and allocated to participants' accounts pursuant to this Plan shall be deemed equity awards granted under the Omnibus Plan as "Other Stock-Based Awards," subject to all of the terms and conditions of the Omnibus Plan, which terms and conditions are incorporated into and made a part of this Plan. In the event of any actual or alleged conflict between the provisions of the Omnibus Plan and the provisions of this Plan with respect to such awards, the provisions of the Omnibus Plan shall be controlling and determinative.

The purpose of the Plan is to provide eligible employees of participating Canadian affiliates of Genworth Financial, Inc. with the opportunity to invest in Genworth Stock on a regular basis by payroll deduction, and to provide an incentive to participate in the Plan by providing participating employees with matching contributions from their employer out of accumulated undistributed profits in accordance with the terms and conditions as set out herein.

The Plan is intended to qualify as an Employees Profit Sharing Plan under the Income Tax Act (Canada).

GENWORTH FINANCIAL CANADA
STOCK SAVINGS PLAN

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ARTICLE 1

DEFINITIONS

The following words as used in the Plan shall have the meanings set forth in this Article I unless a different meaning is plainly required by the context:

"Account" means the account established and maintained for a Member pursuant to Article 6, to which Employee Contributions and Company Matching Contributions are allocated, to which Genworth Stock is allocated, to which Dividends are allocated and from which Genworth Stock is sold and Distributions are made.

"Authorized Leave " means a period during which the Member is not actively at work and in respect of which Company contributions are being made under the registered pension plan known as the Pension Plan for the Employees of Genworth Financial Canada.

"Automatic Payroll Deposits" means Employee Contributions by an Eligible Member through automatic deductions from payroll.

"Available Pay Date" means:

(i) in the case of enrolment of a Member pursuant to Section 2.1 or a change in the percentages of Employee Contributions pursuant to Section 3.2, a Pay Date which is as soon as practicable after the date of filing with the Company of the relevant Enrolment Form;

(ii) in the case of a cessation or resumption of Employee Contributions pursuant to Section 3.3, a Pay Date which is as soon as practicable after the date of filing with the Company of the relevant Enrolment Form;

(iii) in the case of a voluntary Distribution pursuant to Section 9.1 or 9.2, a Pay Date which is as soon as practicable after the date of filing with the Company of the relevant Distribution Form; and

(iv) in the case of a compulsory Distribution pursuant to Section 9.4, a Pay Date which is as soon as practicable after the date of receipt by the Company of all of the information necessary to process such Distribution.

"Beneficiary" means the one or more persons designated by a Member pursuant to Section 10.2 to receive a Distribution of the Member's Account upon the death of the Member. In the event the Member dies with no surviving Beneficiary, the Member's estate shall be considered the Member's Beneficiary, and the executor or administrator of the Member's estate shall have all of the rights and powers of a Beneficiary under the Plan.

"Catch-Up Payment Eligible Employee" means any Eligible Employee who was in the employ of the Company on September 26, 2005.

"Company" means Genworth Canada and, where any reference in the Plan is made to any action to be taken, consent, approval or opinion to be given, discretion or decision to be exercised or made by the Company, "Company" means Genworth Canada, acting through its board of directors or any person or persons authorized by its board of directors to so act.

"Company Matching Contributions", means the contributions made by a Participating Company with respect to an Eligible Member pursuant to Section 4.1 and pursuant to Section 4.2.

"Compensation" means the base salary or hourly pay a Member receives from a Participating Company and overtime pay, plus 50% of each of the following paid amounts: annual variable incentive compensation (VIC), other sales bonuses and commissions. Compensation shall not include payments under any rewards and recognition program or any long term incentive award program, as determined by the Participating Company.

"Distribution," "Distribute," or **"Distributed"** means the payment in cash from a Member's Account of the net proceeds of the sale of Genworth Stock, the withdrawal in kind from a Member's Account of Genworth Stock, the delivery in kind from a Member's Account of property other than cash or additional shares of Genworth Stock received as a Dividend, the delivery in kind from a Member's Account of cash or other property received in exchange for Genworth Stock in a tender or exchange offer or the payment of cash from a Member's Account in lieu of any fractional share of Genworth Stock remaining in such Account.

"Distribution Form" means the form prescribed by the Company for use by a Member or a Beneficiary to elect the amount and form of voluntary Distributions and the form of compulsory Distributions.

"Dividends" means dividends (whether cash, Genworth Stock or other property) declared and paid on Genworth Stock allocated to a Member's Account, and shares of Genworth Stock issued in respect of Genworth Stock allocated to a Member's Account as a result of a stock split.

"Effective Date" means June 4, 2006.

"Eligible Employee" means any individual who is employed by a Participating Company in Canada on a permanent full-time or, subject as hereinafter provided, permanent part-time basis, has attained the age of 18 and has completed any applicable probationary period, and shall include a Member who is on temporary assignment outside Canada for a period of 5 years or less with Genworth or a corporation under the direct or indirect control of Genworth so long as such Member remains an employee of a Participating Company. For an employee who is employed by a Participating Company on a permanent part-time basis, such employee shall be considered to be an Eligible Employee after completing 24 months of service and having, in each of the 2 immediately preceding consecutive calendar years either earnings of not less than 35% of the YMPE or 700 hours of employment. The foregoing notwithstanding, Eligible Employee shall not include:

(i) an employee represented by a labour organization which has not signed an agreement making the Plan applicable to such employee;

(ii) any person employed on a fixed term contract;

(iii) any independent contractor;

(iv) an employee who is not actively at work and who is not on an Authorized Leave;

(v) a former employee, upon his or her Termination of Employment, unless and until such person again becomes employed by a Participating Company;

(vi) a Member who is on temporary assignment outside Canada with Genworth or a corporation under the direct or indirect control of Genworth, where such assignment has exceeded a period of 5 years from the date of transfer outside Canada;

(vii) an employee who is within a category of employees specified by the Company or any other Participating Company as not eligible to be Eligible Employees; or

(viii) an employee whose participation in the Plan is suspended or terminated by the Company or any other Participating Company pursuant to Section 12.2.

"Eligible Member" means an Eligible Employee who is enrolled in the Plan and whose eligibility to make Employee Contributions under the Plan is not then suspended pursuant to Section 3.4(b) or (c).

"Employee Basic Contributions" means the contributions made by an Eligible Member pursuant to Section 3.1(a).

"Employee Contributions" means Employee Basic Contributions and Employee Optional Contributions.

“Employee Optional Contributions” means the contributions made by an Eligible Member pursuant to Section 3.1(b).

“Enrolment Date” means the date on which an Eligible Employee files with the Company an Enrolment Form, but shall not be before the Effective Date.

“Enrolment Form” means the form prescribed by the Company for use by an Eligible Employee to enrol in the Plan and to make changes in his or her Employee Contributions and Beneficiary designations.

“Genworth” means Genworth Financial, Inc., a United States-based corporation, being the direct or indirect parent corporation of each Participating Company, and any successor thereto.

“Genworth Canada” means Genworth Financial Mortgage Insurance Company Canada.

“Genworth Stock” means the Class A common stock of Genworth.

“Member” means a person who: (a) is an Eligible Member; or (b) is no longer an Eligible Member but still has Genworth Stock, cash or other property allocated to his or her Account.

“Omnibus Plan” means the 2004 Genworth Financial, Inc. Omnibus Incentive Plan under which this Plan is established.

“Participating Company” means any corporation, division or business component in Canada controlled directly or indirectly by Genworth which is participating in the Plan, including Genworth Canada.

“Pay Date” means each pay date established by the Company.

“Plan” means the Genworth Financial Canada Stock Savings Plan, the terms and conditions of which are set forth herein, as it may be amended or restated from time to time.

“Plan Year” means each calendar year during which the Plan is in effect.

“Retired Member” means a Member whose employment with a Participating Company has terminated because the Member has retired from such Participating Company.

“Termination of Employment” means a Member’s cessation of employment with a Participating Company because the Member resigns, is discharged, retires or dies, as a result of which the Member is no longer employed by any Participating Company.

“Trust Agreement” means the agreement entered into between the Trustee and the Company , on behalf of each Participating Company, establishing the basis for holding and administering the Trust Fund.

“Trust Fund” means the assets of the Plan which are held and administered by the Trustee under the terms of the Trust Agreement.

“Trustee” means the trustee or trustees at any time acting as such under the Trust Agreement, each of which shall be a corporation organized under the laws of Canada or a province thereof, resident in Canada and licensed or authorized under the laws of Canada or a province thereof to carry on in Canada the business of offering to the public its services as trustee.

“YMPE” means the Year’s Maximum Pensionable Earnings as defined in the Canada Pension Plan or the Quebec Pension Plan.

ARTICLE 2

ENROLMENT AND TERMINATION OF MEMBERSHIP

2.1 ***Enrolment***

An Eligible Employee may enrol in the Plan, at any time, by filing with the Company an Enrolment Form. Automatic Payroll Deposits pursuant to Section 3.1 shall begin on the first Available Pay Date following the Enrolment Date, or such later Available Pay Date as may be specified on such Enrolment Form, provided that such Member is an Eligible Member on such Date.

2.2 ***Termination of Membership***

A person shall cease to be a Member when he or she ceases to have any Genworth Stock, cash or other property allocated to his or her Account after a 100% Distribution in accordance with the provisions of Article 9.

ARTICLE 3

EMPLOYEE CONTRIBUTIONS

3.1 ***Original Employee Contributions***

(a) *Employee Basic Contributions*

Upon enrolment pursuant to Section 2.1, an Eligible Member shall elect, on the Enrolment Form, to make Employee Basic Contributions of a designated percentage of Compensation (in 1% increments) through Automatic Payroll Deposits. The minimum rate of Employee Basic Contributions is 1% of Compensation, and the maximum is 6% of Compensation.

(b) *Employee Optional Contributions*

In addition, an Eligible Member who has elected to make Employee Basic Contributions at the applicable maximum rate may elect, on the Enrolment Form, to make Employee Optional Contributions of a designated percentage of Compensation (in 1% increments) through Automatic Payroll Deposits. The minimum rate of Employee Optional Contributions is 1% of Compensation, and the maximum is 4% of Compensation.

3.2 ***Changes in Employee Contributions***

The percentages of Compensation which an Eligible Member elects to contribute by way of Employee Contributions pursuant to Section 3.1 shall, subject to the last sentence of Section 3.1(a), continue in effect, notwithstanding any changes in such Member's Compensation, until the Member changes such election by filing with the Company a new Enrolment Form. Any such change in the percentages of Compensation which an Eligible Member elects to contribute by way of Employee Contributions shall be effective as of the first Available Pay Date following the filing of the new Enrolment Form, or such later Available Pay Date as may be specified on such Enrolment Form, provided that such Member is an Eligible Member on such Date.

3.3 ***Voluntary Cessation and Resumption of Employee Contributions***

(a) *Voluntary Cessation of Employee Contributions*

A Member may, at any time, voluntarily cease his or her Employee Contributions by filing with the Company a new Enrolment Form. Employee Contributions shall cease effective as of the first

Available Pay Date following the filing of the new Enrolment Form, or such later Available Pay Date as may be specified on such Enrolment Form.

(b) *Resumption of Employee Contributions*

Thereafter, such Member may, at any time, as long as he or she is then an Eligible Member, resume making Employee Contributions by filing with the Company a new Enrolment Form, either reaffirming such Member's original percentages of Employee Contributions pursuant to Section 3.1, or changing such percentages pursuant to Section 3.2. Automatic Payroll Deposits will begin again on the first Available Pay Date following the filing of the new Enrolment Form, or such later Available Pay Date as may be specified on such Enrolment Form, provided that such Member is an Eligible Member on such Date.

(c) *Company Discretion to Impose Waiting Period*

Notwithstanding paragraph (b) of this Section 3.3, in the event that a Member has ceased his or her Employee Contributions in accordance with Section 3.3(a), the Company shall have the discretion to impose a period during which such Member's eligibility to make any Employee Contributions would be suspended.

3.4 *Compulsory Suspension of Employee Contributions*

(a) *Suspension Upon Cessation of Eligibility*

No Employee Contributions may be made after a Member ceases to be an Eligible Employee, unless and until such person subsequently becomes an Eligible Employee, again enrols in the Plan in accordance with Section 2.1, makes new elections in accordance with Section 3.1 and is an Eligible Member on the applicable Available Pay Date.

(b) *Six-Month Suspension Following 50% Distribution*

If a Member receives a voluntary Distribution of the net cash proceeds of sale of Genworth Stock pursuant to Section 9.1, or a voluntary Distribution of Genworth Stock in kind pursuant to Section 9.2, of 50% of the Genworth Stock allocated to the Member's Account, such Member's eligibility to make any Employee Contributions shall be suspended for a period of 6 months calculated from the date of filing with the Company of the Distribution Form relating to such Distribution.

(c) *Twelve-Month Suspension Following 100% Distribution*

If a Member receives a voluntary Distribution of the net cash proceeds of sale of Genworth Stock pursuant to Section 9.1, or a voluntary Distribution of Genworth Stock in kind pursuant to Section 9.2, of 100% of the Genworth Stock allocated to the Member's Account, such Member's eligibility to make any Employee Contributions shall be suspended for a period of 12 months calculated from the date of filing with the Company of the Distribution Form relating to such Distribution.

3.5 *Authorized Leaves*

Subject to Section 3.4, each Member who is on a Authorized Leave may contribute to the Plan by depositing with the Company a post-dated cheque for each Pay Date during the intended period of absence in an amount determined using the same contribution rate as applied to the Member immediately prior to the commencement of the Authorized Leave (unless the Member elects or is deemed to have elected, pursuant to Section 3.2 or Section 3.1(a), as the case may be, another contribution rate) and using the Compensation of the Member in effect immediately prior to the beginning of such Authorized Leave. A Member making contributions pursuant to this Section 3.6 shall include in the amount of each post-dated cheque an amount determined by the Company to provide for the withholding tax and other amounts, if any, payable by the Member pursuant to applicable legislation in respect of the Company Matching Contribution under Section 4.1 on behalf of the Member for such period.

ARTICLE 4
COMPANY MATCHING CONTRIBUTIONS

4.1 ***Company Matching Contributions***

Each Participating Company shall, in respect of each Pay Date, make matching contributions with respect to each of such Participating Company's Eligible Members who makes an Employee Basic Contribution at such Pay Date, in an amount equal to 50% of the Employee's Basic Contribution (the "Company Matching Contributions"). All such Company Matching Contributions shall be deemed to have been made in the same Plan Year as the Automatic Payroll Deposits to which they correspond.

Notwithstanding anything to the contrary herein contained, the Company Matching Contributions with respect to any one Plan Year made in accordance with this Section 4.1 and in accordance with Section 4.2 shall not be less than the lesser of:

(a) 1% of the annual salaries for that Plan Year of all Eligible Members; and

(b) the product of $100 and the number of Eligible Members in the Plan Year.

Where an Eligible Member has participated for only a portion of the Plan Year, the above test shall be pro-rated accordingly.

4.2 ***Catch-Up Payment***

In addition to the contributions to be made under Section 4.1, as soon as practicable following the first anniversary of the Effective Date, each Participating Company shall make a contribution by way of lump sum, in respect of each such Participating Company's Catch-Up Payment Eligible Employees, equal to [33%] of the aggregate amount of the Employee's Basic Contributions made during the one year period from the Effective Date to the first anniversary thereof. The aforesaid lump sum contribution shall be considered to be Company Matching Contributions for the purposes of the second paragraph of Section 4.1 and of all other provisions of this Plan.

ARTICLE 5
OPERATION OF THE PLAN

5.1 ***Appointment of the Trustee***

(a) *Trust Agreement*

The Company shall appoint a Trustee under the Plan and shall enter into the Trust Agreement with such Trustee on behalf of all Participating Companies in respect of the Plan. The Trust Agreement shall provide for the payment to the Trustee of Employee Contributions and Company Matching Contributions and shall contain such other terms and conditions, not inconsistent with the Plan, as the Company shall from time to time approve.

(b) *Right to Remove*

The Company shall have the right, at any time and from time to time, to remove the Trustee from office and to appoint another Trustee in its place.

5.2 *Duties of the Trustee*

The Trustee shall establish and maintain an Account for each Member under the Plan; shall allocate all Employee Contributions, Company Matching Contributions and Dividends to Members' Accounts; shall purchase hold and sell Genworth Stock for Members' Accounts; shall make Distributions from Members' Accounts; and shall, with respect to the foregoing, keep proper records and render appropriate statements to Members and appropriate accountings to the Company, on behalf of each Participating Company. Subject to the requirements of the Plan, the Trustee shall control the time, price, amount and manner of purchases and sales of Genworth Stock and the choice of broker through which such purchases and sales are to be made

5.3 *Transmittal of Employee Contributions and Company Matching Contributions*

Employee Contributions shall be made solely by Automatic Payroll Deposits and shall be transmitted to the Trustee as soon as practicable after each Pay Date. Company Matching Contributions shall be made by the Company out of its profits and shall be transmitted to the Trustee as soon as practicable after each Pay Date.

5.4 *Genworth Stock Purchases*

(a) *Purchasing Process*

As soon as practicable (and in no event more than 30 calendar days) after each Pay Date, the Trustee shall use Employee Contributions and Company Matching Contributions relating to such Pay Date, and any net cash Dividends received by the Trustee prior to such Pay Date, to purchase Genworth Stock and to pay any brokerage commissions incurred and any taxes levied or assessed in connection therewith. The Trustee shall purchase Genworth Stock at prevailing market prices.

(b) *Allocation to Members' Accounts*

All purchases of Genworth Stock shall be made to the full extent of the funds available therefor, net of any brokerage commissions incurred and any taxes levied or assessed in connection therewith. Genworth Stock purchased on a given day shall be allocated to each affected Member's Account proportionately based on the ratio of the amount allocated on such day to the Member's Account available to purchase Genworth Stock to the total amount allocated on such day to all of the affected Members' Accounts available to purchase Genworth Stock. Any fractional share shall be allocated to a Member's Account to not less than four decimal places. For the purposes of the Income Tax Act (Canada), all profits and capital gains made and capital losses sustained by the Trust Fund shall be allocated by the Trustee to the appropriate Member's Account not later than December 31 of the Plan Year in which they are made or sustained, as the case may be.

(c) *Designation as Other Stock-Based Awards*

The shares of Genworth Stock (including fractional shares) allocated to each Member's Account shall be deemed to be an Other Stock-Based Award to such Member made under the Omnibus Plan, and the aggregate number of shares so allocated shall be debited against the pool of shares of Genworth Stock available for grants under the Omnibus Plan, as of the date of such allocation.

5.5 *Genworth Stock Purchases From and Sales to Other Members' Accounts*

If on a given day the Trustee has funds available to purchase Genworth Stock on behalf of one or more Members' Accounts and is required, pursuant to Article 9, to sell Genworth Stock on behalf of one or more Members' Accounts, the Trustee shall not be obligated to effect a purchase and sale between such Members' Accounts.

5.6 *Genworth Stock Record Ownership*

All Genworth Stock allocated to a Member's Account shall be registered in the name of the Trustee or, subject to the prior written approval of the Company, in the name of the Trustee's nominee until sold or withdrawn in kind in accordance with the terms and conditions of the Plan.

5.7 Voting and Tendering of Genworth Stock

(a) *Voting*

Each Member shall have the right and shall be afforded the opportunity to instruct the Trustee in writing how to vote, on any issue coming before owners of Genworth Stock, with respect to the shares of Genworth Stock allocated to the Member's Account at the record date for any meeting of share owners. Instructions by a Member to the Trustee shall be in such form and delivered pursuant to such regulations as the Company may prescribe, and any such instructions to the Trustee shall remain in the strict confidence of the Trustee. If the Trustee does not receive timely and proper instructions from a Member regarding the voting of Genworth Stock allocated to the Member's Account, such Genworth Stock shall not be voted. Similar procedures shall apply to any consent solicitation of Genworth share owners.

(b) *Tender and Exchange Offers*

Each Member shall have the right and shall be afforded the opportunity to instruct the Trustee in writing as to the manner in which to respond to each tender or exchange offer for any or all Genworth Stock allocated to the Member's Account. The Trustee shall, on a timely basis, notify each Member and distribute to the Member such information as will be distributed to owners of Genworth Stock in connection with any such tender or exchange offer. Instructions by a Member to the Trustee shall be in such form and delivered pursuant to such regulations as the Company may prescribe, and any such instructions to the Trustee shall remain in the strict confidence of the Trustee. Upon receipt of such instructions, the Trustee shall tender in response to such offer the shares of Genworth Stock allocated to the Member's Account to the extent so instructed. If the Trustee does not receive timely and proper instructions from a Member regarding any such tender or exchange offer for Genworth Stock, such Member will be deemed to have instructed the Trustee not to tender, and the Trustee shall not tender, any of such Member's Genworth Stock. All cash or other property received in exchange for Genworth Stock shall, subject to the payment of any fees pursuant to Section 5.8(b), be distributed to the Member, and such transaction otherwise shall be treated as a voluntary sale of Genworth Stock pursuant to Section 9.1; provided, however, that the provisions of Section 3.4 (b) and (c) and Section 9.3 shall not apply.

5.8 *Payment of Expenses and Fees*

(a) *Investment-Related Expenses*

All brokerage commissions incurred by the Trustee on a given day in connection with the purchase of Genworth Stock and any taxes levied or assessed in connection therewith, including purchases of Genworth Stock as a result of the receipt of net cash Dividends, shall be charged against the Members' Accounts to which the Genworth Stock is allocated proportionately based on the ratio of the number of shares allocated on such day to each Member's Account to the total number of shares allocated on such day to all Members' Accounts. All brokerage commissions incurred on a given day in connection with the sale of Genworth Stock and any taxes levied or assessed in connection therewith shall be charged against the Members' Accounts for which the Genworth Stock was sold proportionately based on the ratio of the number of shares sold on such day for each Member's Account to the total number of shares sold on such day for all Members' Accounts.

(b) *Transaction Fees*

The Trustee may charge a Member or Beneficiary fees, as agreed upon from time to time by the Company and the Trustee, in connection with each Distribution from the Member's Account under Article 9, each Distribution of property other than cash or additional shares of Genworth Stock received as a Dividend pursuant to Section 6.3 and each Distribution resulting from a tender of Genworth Stock from the Member's Account pursuant to Section 5.7(b). Prior to any such Distribution, such Member or Beneficiary shall, if there is then insufficient cash in the Member's Account to pay any such fees, pay such fees by separate cheque made payable to the Trustee.

(c) *Administrative Expenses*

All other expenses incurred in the administration of the Plan, including, without limitation, the expenses of the Trustee, shall be paid by the Participating Companies in such proportions as are determined from time to time by the Company to be fair and reasonable.

5.9 ***Mistaken Company Matching Contributions***

If a Participating Company makes a Company Matching Contribution in any amount due to a mistake of fact or law or because of some administrative error, the Trustee shall, upon receipt of refund instructions from the Company, on behalf of such Participating Company, return to the Company, on behalf of such Participating Company, the part thereof resulting from such mistake or administrative error (adjusted to reflect any transaction costs, gains or losses in the Trust Fund attributable thereto), and make appropriate adjustments to any affected Members' Accounts.

ARTICLE 6
ACCOUNTS

6.1 ***Establishment of Accounts***

The Trustee shall establish and maintain an Account for each Member.

6.2 ***No Interest***

No interest shall be credited to any Member's Account for any reason, including, without limitation, with respect to Employee Contributions, Company Matching Contributions and cash Dividends allocated to the Member's Account pending the purchase of Genworth Stock or with respect to the net proceeds of any sale or tender of Genworth Stock allocated to the Member's Account pending Distribution.

6.3 ***Treatment of Dividends***

The amount of all cash Dividends, net of any applicable income tax withholding, received by the Trustee from time to time shall be used to purchase additional shares of Genworth Stock for affected Members' Accounts pursuant to Section 5.4. No such Dividends shall be considered as Employee Basic Contributions for the purpose of determining Company Matching Contributions, and no such Dividends shall be Distributed in cash. All Dividends consisting of additional shares of Genworth Stock shall be allocated as such to the affected Members' Accounts. All Dividends consisting of property other than cash or additional shares of Genworth Stock shall, subject to the payment of any fees under Section 5.8(b), be Distributed to the affected Members in kind upon receipt by the Trustee.

ARTICLE 7

ACCOUNTING AND STATEMENTS

7.1 ***Accounting to Participating Companies***

The Trustee shall, not less frequently than monthly, account to the Company, on behalf of each Participating Company, for all transactions in respect of such Participating Company's Members' Accounts within the Trust Fund.

7.2 ***Statements to Members***

The Trustee shall, not less frequently than semi-annually, furnish to each Member a written statement setting forth the particulars of each transaction in the Member's Account completed during the period, including, without limitation, all Employee Contributions, Company Matching Contributions and net cash Dividends used to purchase shares of Genworth Stock, the number of shares of Genworth Stock purchased or sold and the Distributions made, as well as the share balance in the Account as of the close of the period.

ARTICLE 8

VESTING AND INALIENABILITY

8.1 ***Vesting of Account Assets***

All Genworth Stock, cash and other property allocated to a Member's Account shall at all times be vested in the Member and shall not be subject to forfeiture.

8.2 ***Inalienability of Benefits and Account Assets***

Any right to participate in the Plan, and any other right or benefit under the Plan, shall not be transferable by a Member except, upon the death of the Member, to the Member's Beneficiary. No benefit payable or Genworth Stock, cash or other property allocated to a Member's Account shall in any manner be subject to anticipation, alienation, assignment, pledge, encumbrance or charge, and no such benefit or assets shall in any manner be liable for or subject to debts, contracts, liabilities, engagements or torts of any Member or Beneficiary, and any such attempted action shall be void. If any Member or Beneficiary shall become bankrupt or shall attempt to anticipate, alienate, assign, pledge, encumber or charge any benefit payable or assets allocated to a Member's Account, the Company in its discretion may direct the Trustee to hold or apply such benefit or assets or any part thereof to or for the benefit of such Member or Beneficiary or the Member's or Beneficiary's spouse, children, blood relatives or dependents, or any of them, in such manner and in such proportions as the Company may consider proper.

ARTICLE 9

DISTRIBUTIONS

9.1 ***Distribution of Proceeds of Voluntary Sale of Shares***

Except as otherwise provided in Section 9.3, a Member may, at any time, by filing with the Company a Distribution Form, direct the Trustee to sell either 50% of the total number of whole shares of Genworth Stock, or 100% of the total number of shares of Genworth Stock, then allocated to the Member's Account, and to Distribute the cash proceeds of such sale, net of expenses and any fees payable under Section 5.8(a) and (b), to the Member. The Trustee shall sell such shares as soon as practicable after the first Available Pay Date following the filing of the Distribution Form. In no event may the net proceeds of any such sale of Genworth Stock be retained in the Member's Account or be used to purchase additional shares of Genworth Stock under the Plan.

Notwithstanding any provision herein contained, a Member shall have the right, once during the calendar year, by filing with the Company a form prescribed for such purpose, to direct the Trustee to sell or to Distribute in kind a specified number of the total shares then allocated to the Member's Account, and to transfer either the cash proceeds of such sale (net of expenses and any fees payable under Section 5.8(a) and (b)) or, in the event of a Distribution in kind, the shares of Genworth Stock, to the Member's brokerage account. The exercise of the aforesaid right shall be subject to such terms and conditions as the Company may prescribe, it being understood that the restrictions on subsequent voluntary distributions under Section 9.3 and the suspension under Section 3.4(b) or 3.4(c) shall not apply upon the exercise of the right of the Member under this paragraph.

9.2 ***Distribution of Shares as Voluntary Withdrawal in Kind***

Except as otherwise provided in Section 9.3, a Member may, at any time, by filing with the Company a Distribution Form, direct the Trustee to Distribute to the Member, in kind, either 50% or 100% of the total number of whole shares of Genworth Stock then allocated to the Member's Account plus, in the case of a Distribution of 100% of such shares, cash in lieu of any remaining fractional share. The Trustee shall, subject to the payment of any fees pursuant to Section 5.8(b), distribute such shares in kind, as well as any such cash, as soon as practicable after the first Available Pay Date following the filing of the Distribution Form.

9.3 ***Restriction on Subsequent Voluntary Distributions***

A Member who receives a voluntary Distribution of the net proceeds of sale of Genworth Stock pursuant to Section 9.1, or a voluntary Distribution in kind pursuant to Section 9.2, of 50% of the total number of whole shares of Genworth Stock then allocated to the Member's Account shall not, for a period of 6 months calculated from date of filing with the Company of the Distribution Form relating to such Distribution, be permitted to elect to receive any further voluntary Distributions from such Member's Account, pursuant to Section 9.1 or 9.2, except for a Distribution of 100%.

9.4 ***Compulsory Distributions***

Upon Termination of Employment of a Member (other than as a result of retirement), upon the death of a Retired Member or upon termination of a Member's participation in the Plan pursuant to Section 12.2, such Member or, in the case of the death of the Member, the Member's Beneficiary, shall receive a compulsory Distribution with respect to all of the shares of Genworth Stock then allocated to the Member's Account. Such Member or Beneficiary may, by filing with the Company a Distribution Form, elect the form of the Distribution as follows:

(i) in cash, consisting of the proceeds, net of expenses payable pursuant to Section 5.8(a), of a sale of 100% of the total number of shares of Genworth Stock then allocated to the Member's Account; or

(ii) in kind, consisting of 100% of the total number of whole shares of Genworth Stock then allocated to the Member's Account plus cash in lieu of any remaining fractional share.

If the Member or Beneficiary fails to elect the form of Distribution with respect to such Genworth Stock within 30 calendar days after such Termination of Employment, death or termination of the Member's participation in the Plan pursuant to Section 12.2, the Trustee shall Distribute in kind 100% of the total number of whole shares of Genworth Stock then allocated to the Member's Account plus cash in lieu of any remaining fractional share. Distributions pursuant to this Section 9.4 shall, subject to the payment of any fees pursuant to Section 5.8(b), be made as soon as practicable after the first Available Pay Date.

Notwithstanding the foregoing, in the event that on the fifth anniversary of the date of a Retired Member's cessation of employment, such Retired Member continues to have Genworth Stock allocated to his or her Account, then such Retired Member shall receive a compulsory Distribution with respect to all of the shares of such Genworth Stock. For the purposes of such compulsory Distribution, the provisions of this Section 9.4 shall apply except that the deadline of 30 calendar days after Termination of Employment shall be 30 calendar days following the fifth anniversary of the date of the Retired Member's cessation of employment and the Distribution shall, subject to the payment of any fees pursuant to Section 5.8(b), be made as soon as practicable after the said anniversary date.

9.5 *Distribution to a Retired Member*

For the period from the date of cessation of employment until the fifth anniversary of such date, a Retired Member shall not be obliged, upon Termination of Employment, to receive a Compulsory Distribution pursuant to Section 9.4, but shall, except as otherwise provided in Section 9.3, have the right to receive at any time a voluntary Distribution pursuant to Section 9.1 or 9.2.

9.6 *Special Rules for 100% Distributions*

(a) *Distribution of Cash In Lieu of Fractional Shares*

In the event of any 100% Distribution in kind in respect of which cash is to be paid in lieu of a fractional share of Genworth Stock pursuant to Section 9.2 or 9.4, the amount of such cash shall be based on the closing market price of Genworth Stock on the New York Stock Exchange the day the withdrawal is processed.

(b) *Distribution with Respect to Later Allocated Shares*

In the event that any 100% Distribution pursuant to Section 9.1, 9.2 or 9.4 is in process at a time when Employee Contributions, Company Matching Contributions or net cash Dividends are allocated to a Member's Account pending the purchase of additional shares of Genworth Stock, the Trustee shall continue to use such uninvested amounts to purchase such additional shares of Genworth Stock, allocate such additional shares to the Member's Account and, upon such allocation, treat such shares as being subject to an immediate 100% Distribution pursuant to the same terms as the original 100% Distribution that was in process while the uninvested amounts were pending investment.

9.7 *Genworth Stock Sales*

(a) *Selling Process*

Any Genworth Stock sold by the Trustee pursuant to the Plan shall be sold at prevailing market prices.

(b) *Allocation and Distribution of Sales Proceeds*

The cash proceeds of any Genworth Stock sold on a given day pursuant to Section 9.1 or 9.4 shall, net of expenses payable under Section 5.8(a), be allocated to each affected Member's Account proportionately based on the ratio of the number of shares sold on such day from the Member's Account to the total number of shares sold on such day from all affected Members' Accounts, and such proceeds shall, subject to the payment of any fees under Section 5.8(b), be forthwith Distributed to the Members entitled thereto. Any Distribution of proceeds of sales of Genworth Stock or cash in lieu of a fractional share of Genworth Stock will be reduced by any applicable income taxes which the Trustee is required to withhold.

ARTICLE 10

DEATH BENEFITS

10.1 ***Distribution to Beneficiaries***

Upon a Member's death, the Member's Account shall be Distributed to the Member's Beneficiary in the manner provided in Section 9.4.

10.2 ***Designation of Beneficiaries***

A Member may, at any time, in an Enrolment Form filed with the Company pursuant to Section 2.1, designate a Beneficiary to receive the Distribution from the Member's Account upon the Member's death and may, at any time, change or revoke any such Beneficiary designation by filing with the Company a new Enrolment Form. Notwithstanding the forgoing, a Member's right to designate a beneficiary (other than the Member's estate) shall be subject to the laws of the province in which the Member resides.

10.3 ***Death of a Member After Election of a Distribution***

If a Member dies after electing, but before receiving, a Distribution of all or any part of the Member's Account, the elected Distribution shall be made to the Member's Beneficiary, and the remainder, if any, of the Account shall be Distributed to the Beneficiary in accordance with Section 10.1.

10.4 ***Death of a Beneficiary***

If a Beneficiary dies after the death of the Member and after having made an election as to the form of Distribution, but before receiving the Distribution pursuant to Section 10.1, such Distribution shall be paid to the estate of such Beneficiary in the form elected by the Beneficiary. If the Beneficiary dies after the death of the Member and before having made an election as to the form of the Distribution, the executor or administrator of the Beneficiary's estate shall have all of the rights and powers of the Beneficiary hereunder.

ARTICLE 11

ADMINISTRATION OF THE PLAN

11.1 ***Administration and Delegation***

Subject to the powers to be exercised under the Plan by the Trustee, the Company shall be responsible for the administration of the Plan, including, without limitation, the interpretation of its provisions. The Company may, however, at any time and from time to time, delegate to one or more officers and employees of the Company or to a committee of such officers and employees any or all of its Plan responsibilities and shall determine the scope of any such delegation. Except to the extent limited by the terms of such delegation, any reference in the Plan to the authority of the Company shall be deemed to include authority of any such person or committee delegated responsibilities pursuant to this Section 11.1.

11.2 ***Decisions Final and Binding***

Any decision taken under the Plan by the Company or any person or committee delegated responsibilities pursuant to Section 11.1 shall be final and binding on all persons for all purposes.

11.3 ***Standards of Conduct***

Members of the board of directors of the Company and any person or member of a committee delegated responsibilities pursuant to Section 11.1 shall be held only to that degree of care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in a similar situation. None of the Company, any other Participating Company or the Trustee, or any director, officer or employee of the Company, any other Participating Company or the Trustee, or any person or member of a committee delegated responsibilities pursuant to Section 11.1, shall be liable for any act done in good faith, or for any good faith omission to act, under the Plan, including, without limitation, with respect to any claims of liability relating to the prices at which Genworth Stock is purchased or sold for a Member's Account, the times at which such purchases or sales are made and any changes in market value before or after the purchase or sale of Genworth Stock for a Member's Account, or any claims that a director of the Company is liable for acts or omissions of the Trustee or of any person or committee delegated responsibilities pursuant to Section 11.1, except in each case for liabilities from which no relief is permitted by applicable law.

11.4 ***Non-Discrimination***

Whenever, in the administration of the Plan, any discretionary action is required, the authorized party shall exercise authority in a non-discriminatory manner so that all persons similarly situated will receive substantially the same treatment.

11.5 ***Data and Records***

The Company shall, on behalf of each Participating Company, keep or cause to be kept in convenient form such personnel and other data and records as may be necessary or advisable for the proper administration of the Plan.

11.6 ***Services***

The Company and any person or committee delegated responsibilities pursuant to Section 11.1 may designate any person or persons to carry out and cause to be performed any services that may be required to be performed in meeting any of their respective responsibilities under the Plan; may authorize one or more persons to execute or deliver any instrument or make any payments required under the Plan; may retain actuaries, accountants, legal counsel and other professional persons, employ agents and provide for clerical and accounting services under the Plan; and shall be entitled to rely upon tables, valuations, certificates, opinions and reports furnished by any actuary, accountant, legal counsel or other professional person appointed under the Plan. Where such a designation occurs, the Company and any person or committee delegated responsibilities pursuant to Section 11.1 shall have no liability, except for liabilities from which no relief is permitted by applicable law, for any act or omission of any such person or persons.

11.7 ***Genworth Share Owner Communications***

The Trustee will transmit the Members' information to the transfer agent or a third party. In turn, the transfer agent or the third party will distribute copies of all annual reports, proxy statements and other material distributed to non-registered holders of Genworth Stock.

ARTICLE 12
AMENDMENT, SUSPENSION AND TERMINATION

12.1 ***Amendment of the Plan***

The Company may, at any time, amend any or all provisions of the Plan, in whole or in part; provided, however, that no amendment shall retroactively and materially impair any rights or benefits under the Plan which any Member or Beneficiary otherwise would have had at the date of such amendment, except with the written consent of such Member or Beneficiary.

12.2 *Termination and Suspension of the Plan or Participation Therein*

(a) *By the Company*

The Company may, at any time, amend, suspend or terminate the Plan, in whole or in part, suspend or terminate participation in the Plan by any or all Participating Companies or categories of otherwise Eligible Employees and to suspend or terminate participation in the Plan by any Member for abuse of privileges under the Plan.

(b) *Upon Expiry of the Term of the Omnibus Plan*

Unless sooner terminated by the Company in its entirety as provided in paragraph (a) of this Section 12.2, the Plan shall terminate on the date on which the Omnibus Plan terminates.

(c) *By a Participating Company*

Subject to providing such prior written notice to the payroll department of the Company, as the Company may require, a Participating Company may, at any time, suspend or terminate its participation in the Plan in respect of any or all categories of its otherwise Eligible Employees or suspend or terminate participation in the Plan by any of its Members for abuse of privileges under the Plan.

(d) *Instructions to the Trustee Upon Termination*

If the Company terminates the Plan, in whole or in part, terminates participation in the Plan by any or all Participating Companies or categories of otherwise Eligible Employees or terminates participation in the Plan by any Member, or if a Participating Company terminates its participation in the Plan in respect of any or all categories of its otherwise Eligible Employees or terminates participation in the Plan by any of its Members, the Company shall instruct the Trustee to Distribute the Account of each affected Member in accordance with Section 9.4 and to continue to administer all remaining Accounts under the Plan. This paragraph (d) shall also apply to a termination of the Plan under paragraph (b) of this Section 12.2.

ARTICLE 13
PLAN ADOPTION

13.1 *Adoption of the Plan by Participating Companies*

A corporation, division or business component in Canada controlled directly or indirectly by Genworth may become a Participating Company if:

(a) the Company first approves the adoption of the Plan by such corporation, division or business component and the eligibility of all or specified categories of its employees to be Eligible Employees;

(b) pursuant to a resolution of the board of directors of the corporation or a written authorization of the head of the division or business component, in form and substance satisfactory to the Company, the corporation, division or business component adopts the Plan and delegates to the Company authority, on its behalf, to enter into the Trust Agreement, amend, suspend or terminate the Plan or the Trust Agreement and administer the Plan in accordance with its terms and conditions; and

(c) the corporation, division or business component agrees to pay its proportionate share of the administrative expenses of the Plan, in accordance with Section 5.8(c), and be bound by any other terms and conditions which the Company may require that are consistent with the purposes of the Plan.

Once approved by the Company, the Participating Company shall adopt the Plan, delegate such authority and agree to the other terms and conditions required pursuant to this Section 13.1 through the execution, by and on behalf of such Participating Company by a senior officer thereof, of one or more agreements, in form and substance satisfactory to the Company.

ARTICLE 14

MISCELLANEOUS

14.1 ***Plan and Trust Fund Only Source of Payments***

All persons having or claiming any rights or benefits under the Plan shall look solely to the Plan and the Trust Fund for any payments with respect to such rights or benefits.

14.2 ***Addresses of Record***

Each Member, Beneficiary or other person who has or claims any rights or benefits under the Plan, actual or potential, shall file and maintain on file with the Company a current address. Communications mailed to such address will fulfill all obligations to provide required information to Members, Beneficiaries and such other persons in regard to the Plan. The last address as shown by the Company’s records will be presumed to be the current address, and all communications, including, without limitation, statements of a Member’s Account, mailed thereto shall be deemed given when mailed to such address.

14.3 ***Elections***

Members and Beneficiaries shall make all elections under the Plan, in writing, by filing with the Company an Enrolment Form, a Distribution Form or such other forms as may be prescribed by the Company for such purposes, within the time limits required with respect to each election or, if no time limit is required, such limit as may be established by the Company. When the time limit for making an election would expire on a non-business day, such time limit shall be extended to the next business day. All forms, notices and elections filed with the Company under the Plan shall be deemed to have been filed when received by the payroll department of the Company.

14.4 ***No Right to Continued Employment***

None of the establishment or continuance of the Plan, the making of any Employee Contributions or Company Matching Contributions under the Plan, the payment of any benefits under the Plan or any action by the Company, any other Participating Company, any person or committee delegated responsibilities pursuant to Section 11.1 or the Trustee shall be held or construed to confer upon any person any legal right to be continued in the employ of any Participating Company or to limit the right of any Participating Company to terminate the employment of any person, with or without cause.

14.5 ***No Assurance Against Loss***

Nothing herein will be deemed an assurance or guarantee that Genworth Stock will not decrease in value or incur a loss.

14.6 ***Headings***

Headings of Articles, Sections and subsections of the Plan are inserted for convenience of reference only and do not constitute a part of the Plan.

14.7 ***Legal Capacity***

If any benefit hereunder becomes payable to a minor or other person lacking legal capacity, and the Company or the Trustee becomes aware thereof, payment will be made only to the guardian of such person who is appointed by a court, or in such other manner as in the opinion of the Company or the Trustee will discharge the obligations of the Plan, the Trustee, the Company and any other Participating Company.

14.8 ***Legal Requirements***

The Plan and all rights and benefits hereunder shall, at all times, be subject to all applicable Canadian federal and provincial laws, rules and regulations, and to any applicable United States federal and state, laws, rules and regulations, and to such approvals by any regulatory or governmental agency, court, authority, stock exchange or other body or person as may be deemed necessary or advisable by the Company. The Company, on behalf of any Participating Company, may require any Member or Beneficiary, or any other person claiming any rights or benefits under the Plan, to furnish such information, make such representations and execute such documents as it may consider necessary or advisable in connection with the operation of the Plan or the compliance with all such applicable laws, rules and regulations and approvals.

14.9 ***Jurisdiction***

The Plan is established and is to be administered in accordance with the laws of Canada and the Province of Ontario, including, without limitation, customary practices and documentation thereof. All questions pertaining to the interpretation, regulation, validity and effect of the provisions of the Plan, including, without limitation, the Trust Agreement and such practices and documentation, shall be determined in accordance with the laws of Canada and the Province of Ontario, without regard to conflicts of law principles.

Exhibit 12

Genworth Financial, Inc.

Statement Of Ratio Of Earnings To Fixed Charges
(Dollar amounts in millions)

	Three months ended March31,	Years ended December 31,				
	2006	2005	2004	2003	2002	2001
Net earnings from continuing operations before income taxes and accounting changes	$ 486	$ 1,798	$ 1,638	$ 1,382	$ 1,791	$ 1,821
Fixed charges included in earnings from continuing operations:						
Interest expense	82	293	217	140	124	126
Interest portion of rental expense	4	13	14	23	25	23
Subtotal	86	306	231	163	149	149
Interest credited to investment contractholders	373	1,425	1,432	1,624	1,645	1,620
Subtotal	459	1,731	1,663	1,787	1,794	1,769
Fixed charges included in earnings from discontinued operations:						
Interest expense	—	—	—	12	16	15
Interest portion of rental expense	—	—	—	8	12	12
Subtotal	—	—	—	20	28	27
Interest credited to investment contractholders	—	—	—	68	79	51
Total fixed charges from discontinued operations	—	—	—	88	107	78
Total fixed charges	459	1,731	1,663	1,875	1,901	1,847
Earnings available for fixed charges (including interest credited to investment contractholders)	$ 945	$ 3,529	$ 3,301	$ 3,257	$ 3,692	$ 3,668
Earnings available for fixed charges (excluding interest credited to investment contractholders)	$ 572	$ 2,104	$ 1,869	$ 1,565	$ 1,968	$ 1,997
Ratio of earnings to fixed charges (including interest credited to investment contractholders)	2.06	2.04	1.98	1.74	1.94	1.99
Ratio of earnings to fixed charges (excluding interest credited to investment contractholders)	6.65	6.88	8.09	8.55	11.12	11.35

Exhibit 31.1

CERTIFICATIONS

I, Michael D. Fraizer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Genworth Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 28, 2006

/S/ MICHAEL D. FRAIZER

Michael D. Fraizer
Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Richard P. McKenney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Genworth Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 28, 2006

/S/ RICHARD P. MCKENNEY

Richard P. McKenney
Senior Vice President—Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

I, Michael D. Fraizer, as Chairman, President and Chief Executive Officer of Genworth Financial, Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2006 (the "Report"), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 28, 2006

/S/ MICHAEL D. FRAIZER

Michael D. Fraizer
Chairman, President and Chief Executive Officer

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

I, Richard P. McKenney, as Senior Vice President—Chief Financial Officer of Genworth Financial, Inc. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2006 (the “Report”), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 28, 2006

/S/ RICHARD P. MCKENNEY

Richard P. McKenney
Senior Vice President—Chief Financial Officer