



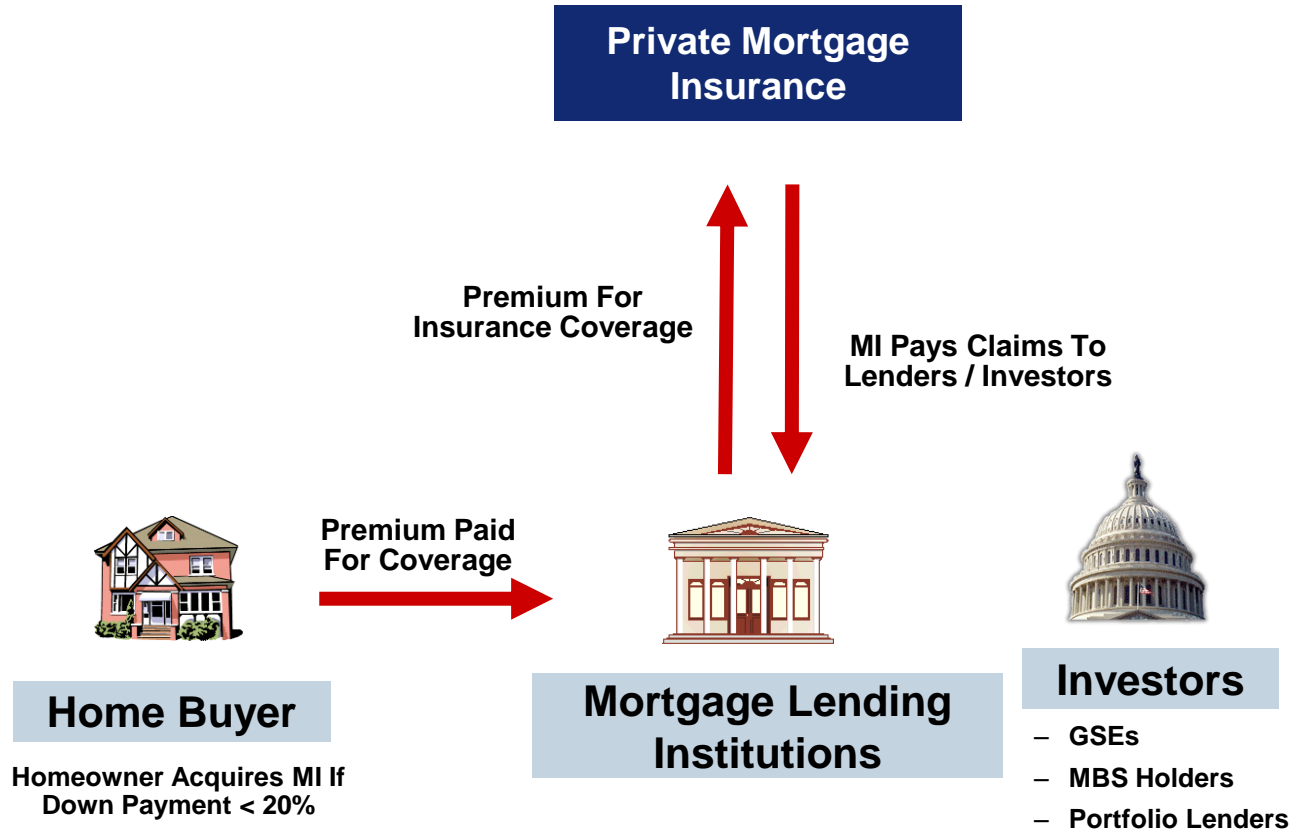
Making Housing Finance More Sustainable

Rohit Gupta, President & CEO

Genworth U.S. Mortgage Insurance

June 2017

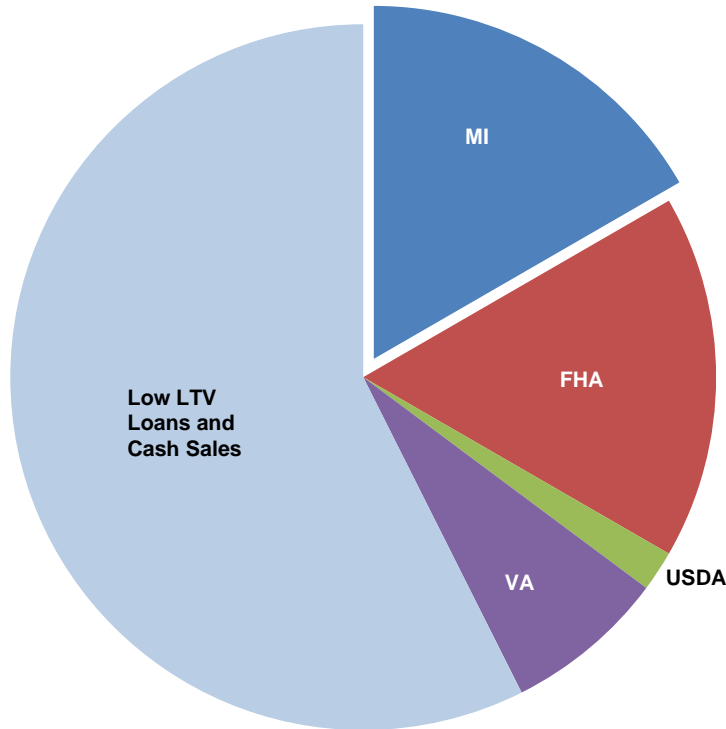
About Private Mortgage Insurance



MI Insures Lenders / Investors in Event of Default by Homeowner ... MI is in First Loss Position

MI Facilitates Purchase Of Homes With Less Than 20% Down ... Credit Enhancement Required by Fannie Mae and Freddie Mac Charter

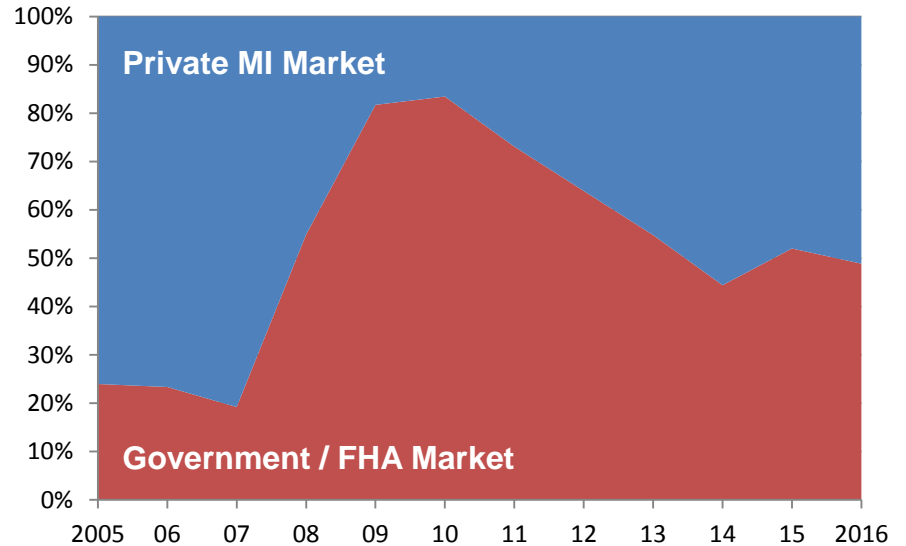
Mortgage Insurance Market



Total Single-Family Home Sales 5.4M (2016)

2.3M used greater than 80 LTV mortgages

High LTV market is mostly served by MI and FHA



The Federal Housing Agency (FHA) market share is still above historical levels.

FHA market share is highly sensitive to changes in premiums it charges.

Genworth – Largest Global MI Provider

Genworth	
(\$MM) – RISK In Force	December 31, 2016
U.S. Mortgage	33,269
Canada*	58,100
Australia*	81,400
Other MI	245
Total	173,014

Note: Genworth owns 57% of Canada MI platform and 52% of Australia.

Genworth is the leading provider of mortgage insurance in the world.

Largest book of business insuring \$539B of loans in US, Canada, Australia, Mexico and India.

Consensus Principles of Housing Finance

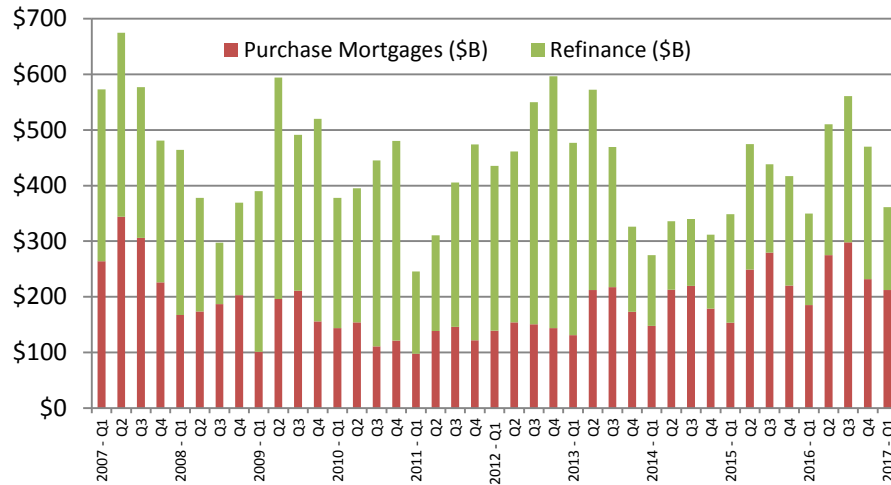
Broad access to affordable, sustainable homeownership for creditworthy borrowers

Private capital in first loss position ahead of taxpayers

Access to the housing finance system for lenders of all sizes & types

Liquidity for housing finance across economic cycles

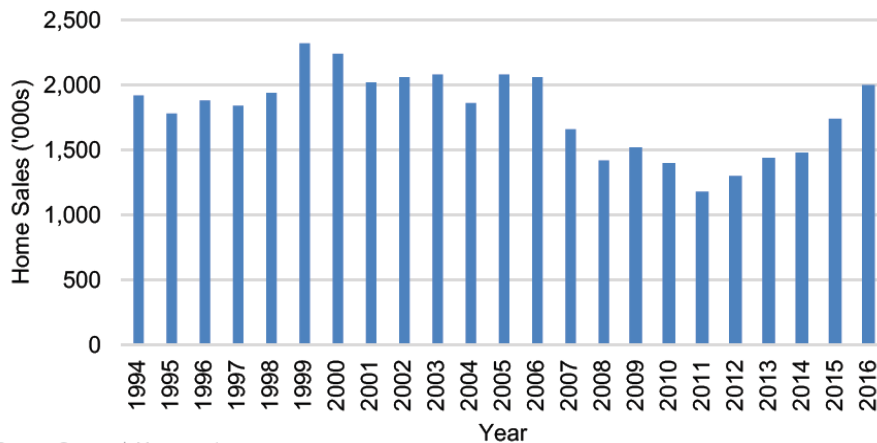
Strong Housing Market – More to Do



Purchase Mortgage Market has strengthened significantly

Some segments of the market could be served more.

First-Time Homebuyers Market

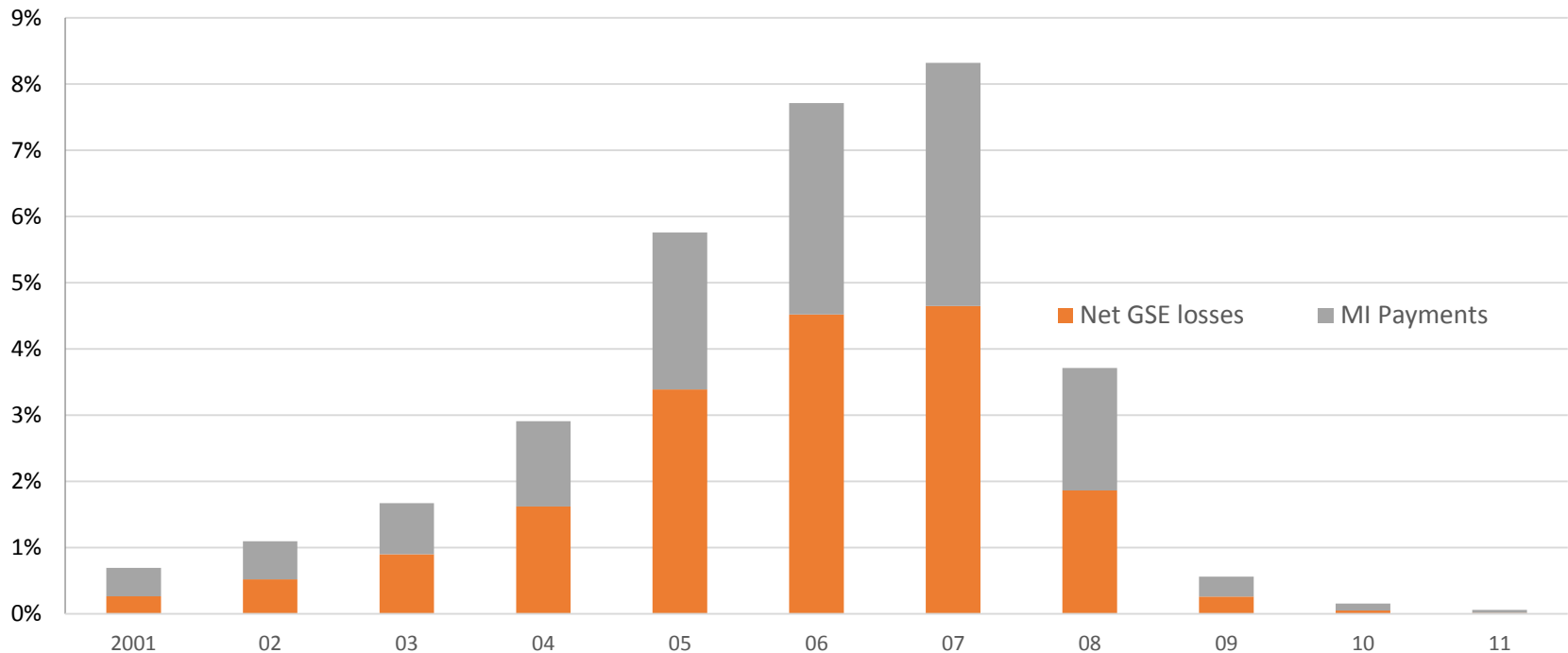


Genworth's comprehensive First Time Homebuyers Market report indicates that **around 3 million families have been locked out of the market** since the crisis.

Source: Genworth Mortgage Insurance

Private MI Capital At Work

GSE Losses on >80 LTV Loans by Origination Year



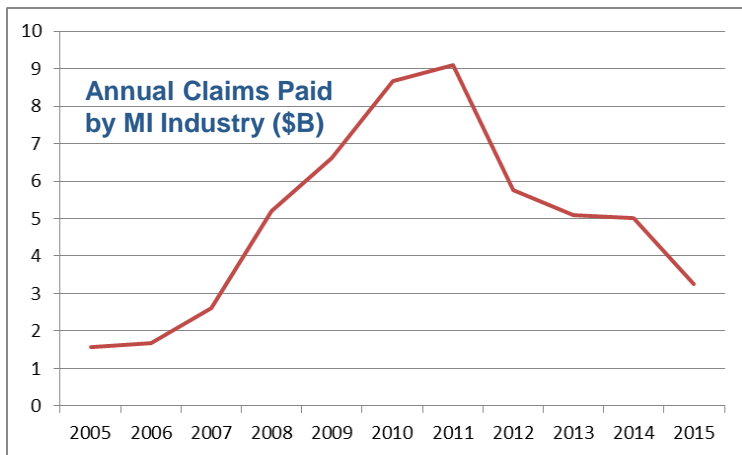
Source: Fannie Mae Investor presentation. <http://www.fanniemae.com/resources/file/credit-risk/pdf/cas-program-investor-presentation.pdf>

Total GSE losses in the >80 LTV bucket hit a high of 8.3% in 2007

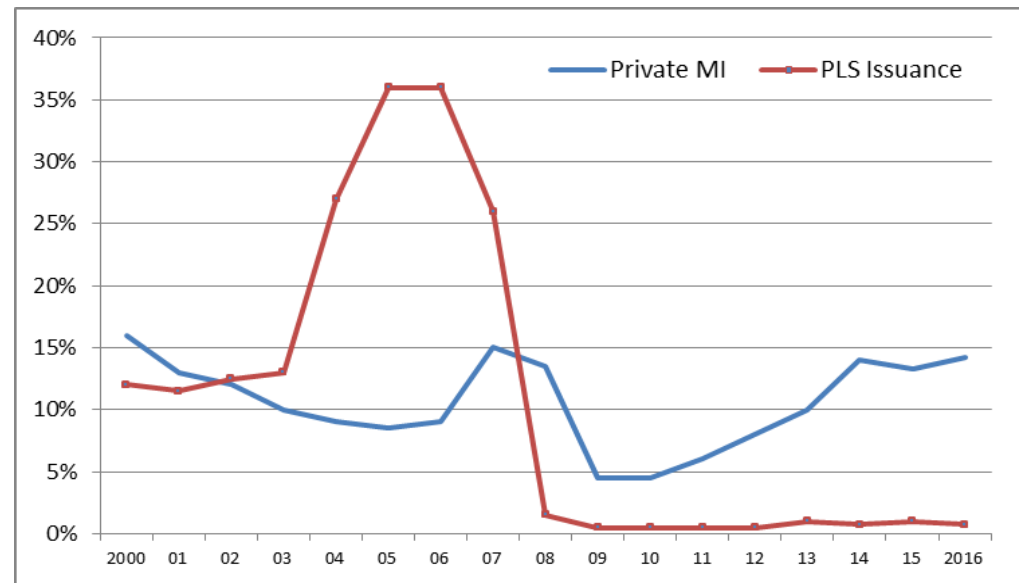
Net of MI payments GSE losses were 4.7%

Sustainability and Market Presence of MI

- MI is consistently offered in the market
- Capital markets structures (PLS) exited during the crisis and have not returned in any meaningful volume since
- MI industry has attracted over \$10 billion in new capital since the crisis
- MIs are well positioned to raise additional capital to meet demand



The Stability Of Credit Enhancements Through A Crisis Private Mortgage Insurers Never Left the Market



Percent of Total Originations. Source: Inside Mortgage Finance

- MI Industry paid \$50B in claims throughout the recent housing cycle.
- With Deeper MI, the industry would have paid \$80B in claims to the GSEs during the housing downturn.