



Genworth Strategic Highlights

November 14, 2008

Genworth is working intently to manage through this unprecedented period and effectively position our company for the future. These actions will help us strengthen our capital levels and maximize our flexibility. As of September 30, 2008:

- We have repositioned investment portfolios to increase cash and cash equivalents and are operating the company sufficiently to meet both ongoing and potentially heightened levels of surrenders or withdrawals given the market environment.
- We have modeled policyholder obligations and cash needs, even under a variety of stress scenarios, to ensure that we are prepared for contingencies. As of our November 6, 2008 earnings call, we had increased cash and cash equivalents at our operating companies to \$6.2 billion, up from \$4.3 billion as of September 30, 2008.
- We deployed \$500 million in cash from our holding company to our U.S. life insurance companies, which both enhances the liquidity of the life insurance companies and increases their consolidated risk-based capital ratios to approximately 360 percent for the third quarter. As of November 6, and as a result of the infusion to the life insurance companies, we have about \$435 million of cash remaining at the holding company.
- We have two available five-year lines of credit totaling approximately \$1.7 billion of effective liquidity. On November 13, we borrowed \$930 million of the \$1.7 billion available to the Company. The funding will be used together with other sources of liquidity for the repayment of outstanding holding company debt (including the senior notes maturing in 2009) at maturity and/or the purchase and retirement of outstanding debt prior to maturity or for other general corporate purposes.
- We have suspended our common dividend for the foreseeable future which gives us about \$175 million of additional available capital per year. We also have formally suspended share buyback actions.

To add to capital levels in our U.S. life insurance companies, we took and are taking several steps.

- We downstreamed \$500 million from the holding company to improve statutory capital levels primarily impacted by higher investment impairments.
- Second, we have been able to complete reinsurance transactions and other capital efficiency projects, adding about \$750 million of capital capacity by increasing capital levels and reducing risk-based capital requirements. Since the end of the quarter, we've completed an additional \$115 million and have plans to complete approximately \$500 million of additional reinsurance and other capital management actions. This gives us a buffer for adverse future credit and equity market volatility, and a clear expectation to maintain risk-based capital levels in the target AA rating category range and have clear plans to complete more by year-end, despite difficult reinsurance market conditions.
- Third, we will refine our business focus in certain product lines to preserve capital and enhance risk and profitability profiles.
- Along with this tightened strategic focus across Genworth, we intend to shrink our total expense base by approximately \$100 to \$150 million.
- We recognize that additional steps may be needed to navigate these uncharted circumstances and to ensure we have sufficient capital to sustain additional pressures, such as those related to risks of investment impairments or ongoing underperformance of equity markets.

We will continue to invest in key distribution relationships and product lines. Above all, we will uphold our obligations to our policyholders, supported by regulations that ensure the assets of our company further protect these policies.

Genworth has a dedicated and experienced team with a clear vision and strategy. Throughout this difficult environment, we remain committed to our vision to be a specialist provider of financial security solutions and to deliver for our customers who rely on us.