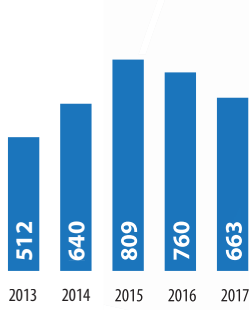


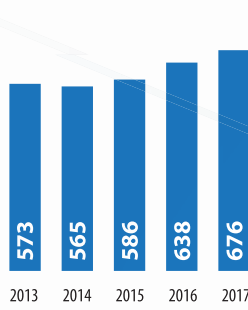


KEY FINANCIAL METRICS

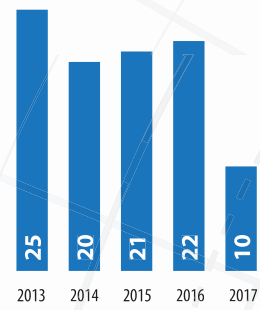
Premiums Written (\$M)



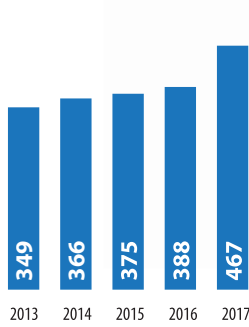
Premiums Earned (\$M)



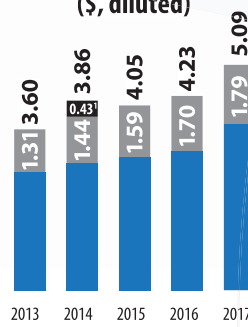
Loss Ratio (%)



Net Operating Income (\$M)



Operating Earnings per Share (\$, diluted)



Book Value per Share (\$, diluted, including AOCI)



■ EPS net of dividends ■ Ordinary dividends

¹ Special dividend



FIVE YEAR FINANCIAL HIGHLIGHTS

(\$ millions, except per share data or otherwise noted)

	2017	2016	2015	2014	2013
Financial results					
Premiums written	663	760	809	640	512
Premiums earned	676	638	586	565	573
Net operating income	467	388	375	366	349
Net income	528	417	398	377	375
Total assets	6,924	6,612	6,239	5,770	5,691
Total shareholders' equity	3,961	3,649	3,420	3,271	3,087
Other financial measures					
Loss ratio	10%	22%	21%	20%	25%
Expense ratio	20%	19%	18%	19%	20%
Combined ratio	30%	41%	39%	39%	44%
Minimum Capital Test ratio ¹	172%	245%	234%	225%	223%
Operating return on equity	13%	11%	12%	12%	12%
Per share data					
Book value per share (diluted, incl. AOCI)	43.13	39.28	36.82	35.02	32.53
Operating earnings per share (diluted)	5.09	4.23	4.05	3.86	3.60
Dividends per share	1.79	1.70	1.59	1.87	1.31

¹ Effective January 1, 2017, the 2016 holding target MCT ratio of 220% was recalibrated to the OSFI Supervisory MCT ratio target of 150% and the minimum MCT ratio under PRMHIA was reduced to 150%.

At Genworth Canada, we employ 270 of the smartest and most dedicated people in the mortgage default insurance industry. We support them with smart technology that taps into our proprietary database-driven decision making.

WHY DOES THIS MATTER? Because in our business, Smarter MI means a better customer experience and enhanced risk management.

And that matters to all of us.



Dear fellow shareholders,

2017 was another strong year for Genworth Canada, with outstanding underwriting results, and continued strength in portfolio quality. On the economic front, we saw strength in labour markets across most regions of the country, and an ongoing recovery in oil producing sectors. In the housing markets, we generally saw favourable conditions, particularly in the Greater Toronto and Vancouver areas. We also saw the beginning of what should amount to a normalization phase as changes made by both the federal and provincial governments, together with the impact of rising rates and the B-20 mortgage rate stress test are leading to slowing sales and stabilizing prices. This should bode well for longer term stability and affordability. Ultimately, the fundamentals around the housing market remain sound, with a strong desire for home ownership, and a pipeline of future first-time homebuyers supported by the federal government's immigration targets.

In this letter, I will discuss our results for 2017, and provide a view on our outlook and strategic priorities for the coming year.

Delivering consistently strong performance

Our 2017 results illustrate the strength and soundness of our business model. Compared to 2016, we delivered positive changes across a number of key metrics including:

- 20 per cent higher operating earnings per share,
- 10 per cent increase in book value per share, on \$4.0 billion in shareholders' equity,
- 7 per cent increase in the quarterly dividend paid to shareholders in Q4 '17, and;
- 5 per cent growth in total assets to \$6.9 billion.

I trust this overview, along with our quarterly disclosures, provides you with a deeper understanding of our business and instills in you the same level of confidence that I have in the strength, profitability and long-term sustainability of Genworth Canada.

2017 was a more challenging year as it relates to market size and resulting new insurance business volumes, predominantly as a result of regulatory and legislative changes that eliminated certain products in the low loan-to-value or portfolio insurance segment and reduced the purchasing power of first-time homebuyers through the introduction of the insured mortgage qualifying rate stress test in late 2016. While the impact of these changes were in line with our expectations, the market has become more challenging for first-time buyers to enter. As discussed above, we are pleased with the normalization trends underway in major housing markets, as this ultimately bodes well for first-time homebuyer participation over the medium to long term.

That said, our market share position remained strong during the year, and while our served market shrunk, higher transactional premium rates from the March 2017 premium rate increase, drove \$663 million in annual premiums written from both transactional and portfolio insurance.



Another key driver of our overall performance is our proactive risk management strategy and comprehensive underwriting practices. These have driven a high-quality, well-diversified insurance portfolio, which serves to reduce performance volatility throughout all phases of the economic cycle. This is evident in the 10 per cent loss ratio we delivered for the full year, a clear reflection of the strength of our risk management and underwriting expertise along with the benefits of a high-quality portfolio maturing in an extremely positive economic environment. It also reflects our loss mitigation programs which have proven to add tremendous value both financially, and to the strong relationships we have with our lenders and their borrowers.

As an organization, we remain focused on delivering continued business execution, facilitated by three key themes: being people powered, customer centric, and data driven. Simply put, we have some of the best people in this industry, and they are key to our competitive differentiation in the market. We are also highly focused on the needs of our customers and have built our business around the customer.

Customer Focused

Genworth Canada's success is built on creating and maintaining value-added customer relationships at all levels within our diverse customers. Everyone in the Company is empowered to respond to customer needs and to deliver value beyond the mortgage insurance transaction. We grow our market share through brand-defining customer experiences at every point of interaction. We strive to understand our customer's business goals and objectives, to help them grow their business, reduce costs and originate high-quality loans.

Our customers view Genworth Canada as an essential resource; a company that enables first-time homeownership, and provides value-added sales and service experiences, and thought leadership on emerging issues, including home buyer, real estate market trends and regulatory developments. While our value proposition extends across a wide variety of service offerings, the area of industry education and professional development is one for which we are particularly well-known.

To further support our thought leadership, we commission market research and surveys on a bi-annual basis. Most notable is the Genworth Canada First-Time Homebuyers Study, which looks at the trends and behaviours of today's generation of first-time homebuyers. We also continue to monitor the financial health of Canadians through our partnership with the Canadian Association of Credit Counselling Services (CACCS) and have developed a Financial

Fitness Survey designed to help Canadians assess their financial fitness.

Offering hope in times of need, Genworth Canada's Homeowner Assistance Program, often referred to as "HOAP", helps qualified homeowners weather short-term financial hardship without sacrificing their homeownership dreams. Over the years, we have helped more than 40,000 Genworth Canada-insured homeowners stay in their homes during times of financial pressure, normally caused by short-term job loss, marital separation, illness or other unexpected situations that affected their incomes.

Genworth Canada's reputation as the leading private residential mortgage insurer was not achieved by default, but rather by design. We intend to maintain our reputation through continued investments in our people, processes, and technology thought leadership. A priority is ensuring that our team has a deep understanding of the economic and competitive climate we operate in, and that they are equipped with the right information and tools to deliver the best customer experience. We will continue to deliver an enhanced customer experience, deepen our lender relationships and ultimately drive growth. Genworth Canada's common-sense underwriting approach, personalized and accessible services along with our knowledgeable and dedicated team will continue to differentiate Genworth Canada as the mortgage insurer of choice.

Finally, we continue to leverage the power of our 20+ years of performance data. It helps us to be proactive and thoughtful regarding data analytics, modeling for potential losses, stress testing, and influencing our regulatory environment. Genworth Canada is a recognized thought leader in both the mortgage and housing industries, and we believe these critical factors will continue to contribute to the success we have enjoyed for many years.

Supporting sound regulatory policy

Without question, the mortgage industry has experienced much change and disruption over the last number of years. It is clear however that the changes are beginning to take hold, leading to a normalization trend in major markets across the country. While most of the regulatory changes over the past decade have been focused on the insured mortgage segment, driving significant improvements in the overall quality of our insured loan portfolio, the recent round of changes are clearly more focused on the uninsured mortgage segment, which is helping to restore some parity between qualifying criteria for both insured and uninsured borrowers.

We support the recent regulatory changes and the stance of provincial governments with respect to Canada's varied and unique regional housing markets. Many of these efforts are focused on improving affordability and market stabilization. Genworth Canada is routinely called upon by various governmental stakeholders to provide our views and share our knowledge on the housing and mortgage markets. We place a great deal of importance on this. It is our duty to provide thoughtful analysis to aid in the policy makers' efforts to help overall affordability and access to responsible housing for Canadians.

Building stronger communities across Canada

The success of our business stems from collaboration and long-standing relationships with lenders, mortgage brokers, realtors, builders and industry associations across Canada. An underlying theme binds us together: our passion for helping Canadians achieve responsible homeownership and for helping to build stronger communities in all parts of the country. I am proud to say that Genworth Canada promotes a culture of giving and active volunteerism that is embraced by our people. In 2017 Genworth Canada donated over \$800,000 to support affordable housing, food banks, shelter, medical research, financial literacy and other important causes. In addition, our employees volunteered more than 3,400 hours in support of charities across the country, and raised more than \$120,000 through fundraising and personal donations. Genworth Canada is proud to be recognized with the Corporation of the Year award in 2017 by the Association of Fundraising Professionals for its community involvement. You can find out more about our commitment to building stronger communities across Canada in our 2017 Public Accountability Statement.

Culture and values

In 2017, we started a series of business initiatives under the umbrella of 'Smarter M.I.' The goal of Smarter M.I. is ultimately to improve customer experience and risk management practices. Smarter M.I. focuses on enhancing the customer experience by leveraging our extensive performance data and the creativity of our people to develop enhancements to our risk management, underwriting, and loss mitigation processes. We are encouraged by our results to date and are focused on the second round of Smarter M.I. initiatives in 2018. In 2017, we also took the opportunity to re-visit our corporate culture and enterprise values in support of our business strategy. As a result, we clarified the behavior and beliefs we embrace as an organization. Our values reflect the following key attributes: customer centric, integrity, collaboration, growth, and heart. We focus on providing a best-in-class customer experience. We do so with an unyielding integrity. We embrace collaboration and believe that more minds make better solutions. We create opportunities for employee growth, because the whole organization grows when employees grow. Finally, we foster a giving value that promotes the spirit of caring, for each other as well as the communities in which we live. We believe that giving back to the communities in which we work and live pays tremendous dividends, not just in goodwill and in how our employees feel about our company, but in the difference it makes in the lives of those who we impact.



Looking forward to the future

With respect to our future, we see a number of key themes that will influence our business in 2018: a positive albeit somewhat moderating macro-economic climate, ongoing normalization of housing markets, stability in mortgage qualifying criteria and strong underlying first-time homebuyer fundamentals. Our efforts remain focused on providing a best-in-class customer service experience and driving mortgage industry thought leadership.

Our key strategic priorities are therefore as follows:

1. Invest in process innovation and technology to drive an improved customer experience;
2. Continue to exercise prudent risk management and proactive loss mitigation;
3. Leverage our data and mortgage expertise to influence our regulatory environment, and;
4. Maintain an efficient capital structure to ensure capital strength while maximizing ROE.

In summary, we believe execution on these priorities will preserve portfolio quality and drive solid underwriting results, producing another year of strong profitability in 2018.

Thank you for your continued support.



Stuart Levings

President and
Chief Executive Officer



Leadership Team, Genworth Financial Mortgage Insurance Company Canada:

From left to right: Michel Cubric, SVP, Operations; Philip Mayers, SVP, Chief Financial Officer; Debbie McPherson, SVP, Sales & Marketing; Stuart Levings, President and CEO; Mary-Jo Hewat, SVP, Human Resources and Facilities; Winsor Macdonell, SVP, General Counsel and Secretary; Craig Sweeney, SVP, Chief Risk Officer



Brian Hurley
Chairman of the Board

To all of our stakeholders,

On behalf of the Board of Directors, I want to thank each and every one of you for your support and trust. We are proud to be part of a business organization that sits at the intersection of housing, the mortgage markets and indeed, the broader economy. This organization has seen a great deal in its history in Canada, and has served the nation well for over 20 years. As Chairman, it is my responsibility to provide stewardship to the Board. Along with the rest of the Board, our mandate is to deliver guidance and oversight to this dynamic enterprise. Additionally, the Board functions as a check-and-balance for management, and truly represents all stakeholders' interests equally.

Our purpose

For over two decades, our business has worked tirelessly to help Canadians get into homes in a responsible way. Homeownership has historically helped many individuals build wealth and fosters a sense of community. As a leading mortgage insurance company, we are proud to provide this and other unique value to Canadians.

In 2017, as in the case of many prior years, we saw significant change. However, with significant change comes meaningful opportunities. And last year we capitalized upon those opportunities with the business remaining focused on executing on our strategic priorities. On behalf of the Board, I would like to extend my sincere congratulations to our President and CEO Stuart Levings, our leadership team, as well as all of our employees across Canada for their strong dedication and execution.

Board focus

Our Board's primary focus is concentrated on a few critical areas: risk management, talent development, strategic oversight, and effective governance. As a mortgage insurer, the management of risk is one of our most critical undertakings. And as a Board, we challenge management, and leverage our broad experience, ensuring that we are putting the "right" risk on the books with due consideration to the economic environment in which we are operating. The development of talent is one of our key organizational priorities and the Board is focused on developing



and retaining key people. Employee development will continue to be a priority and we are focused on helping to drive this initiative deep into the organization.

With regard to enterprise strategy, our role as a board is to provide oversight, drawing on our varied experiences, and we remain dedicated to improving performance to drive stakeholder value. Last but certainly not least, governance is of paramount importance. Part of our role is to ensure governance is the best it can be, and we conduct a robust rhythm of review, and regular interactive sessions focused on governance. The drive of these sessions is to ask challenging questions, probe at potential risk areas within the business, and explore other business opportunities.

Board depth and breadth

Our Board is made up of seasoned professionals with decades of experience in their respective fields. We review experience and Board composition on a regular basis, ensuring that the Board's make up of skills and experience are diverse, meaningful and relevant.

The critical aptitudes for the Board include: financial, risk management, business leadership, legal and governance proficiency. The position of Lead Independent Director is also an important one; focused on facilitating the functioning of the Board independently of Company management.

Driving stakeholder value

Our Board is truly dedicated to generating and sustaining stakeholder value. Going forward, this will remain our focus. Once again, I would like to thank the management team, and my fellow Board members for all their dedication over the past year and prior years. I would like to also express my gratitude to our customers, shareholders, employees and other key stakeholders, for all their respective contributions.



Brian Hurley

Chairman of the Board



Directors of Genworth MI Canada Inc. and its operating subsidiary, Genworth Financial Mortgage Insurance Company Canada:

From left to right: Rohit Gupta, Andrea Bolger, Jerome Upton, Sidney Horn, Leon Roday, Brian Kelly, Brian Hurley, Sharon Giffen, Stuart Levings, Neil Parkinson and John Walker

Shareholder Information

Exchange Listing

The Toronto Stock Exchange:
Common shares (MIC)

Common Shares

As at December 31, 2017, there were 90,942,040 common shares (basic) outstanding.

Independent Auditors

KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, Ontario M5H 2S5

Registrar and Transfer Agent

AST Trust Company (Canada)
1 Toronto Street, Suite 1200
Toronto, Ontario M5V 2V6
Tel: 416-682-3800
Fax: 1-877-715-0494
astfinancial.com/ca-en

All inquiries related to address changes, elimination of multiple mailings, transfer of MIC shares, dividends or other shareholder account issues should be forwarded to the offices of AST Trust Company.

Investor Relations

Shareholders, security analysts and investment professionals should direct inquiries to:

Jonathan A. Pinto
Vice-President, Investor Relations
investor@genworth.com

Additional financial information has been filed electronically with various securities regulators in Canada through the System for Electronic Document Analysis and Retrieval (SEDAR) and with the Office of the Superintendent of Financial Institutions (OSFI) as the primary regulator for the Company's subsidiary, Genworth Financial Mortgage Insurance Company Canada.

The Company holds a conference call following the release of its quarterly results. These calls are archived in the Investor Relations section of the Company's website.

Annual General Meeting of Shareholders

Date: Wednesday, June 6th, 2018
Time: 10:00 AM
Location: TMX Broadcast Centre
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2

Board of Directors

Complaints about the Company's internal accounting controls or auditing matters or any other concerns may be addressed directly to the Board of Directors or the Audit Committee at:

Board of Directors
Genworth MI Canada Inc.
c/o Winsor Macdonell, Secretary
2060 Winston Park Drive, Suite 300
Oakville, Ontario L6H 5R7
Tel: 905-287-5484

Corporate Ombudsperson

Concerns related to compliance with the law, Genworth policies or government contracting requirements may be directed to:

Genworth Ombudsperson
2060 Winston Park Drive, Suite 300
Oakville, Ontario L6H 5R7
Tel: 905-287-5510
Canada-ombudsperson@genworth.com

Disclosure Documents

Corporate governance, disclosure and other investor information is available online from the Investor Relations pages of the Company's website at:
<http://investor.genworthmicanada.ca>

Cautionary Statements

The cautionary statements included in the Company's Management's Discussion and Analysis and Annual Information Form, including the "Special note regarding forward-looking statements" and the "Non-IFRS financial measures," also apply to this Annual Report and all information and documents included herein. These documents can be found at www.sedar.com.

Common Share Dividend Policy

The declaration and payment of dividends and the amount thereof are at the discretion of the Board, which takes into account the Company's financial results, capital requirements, available cash flow and other factors the Board considers relevant from time to time.

Eligible Dividend Designation

For purposes of the dividend tax credit rules contained in the Income Tax Act (Canada) and any corresponding provincial or territorial tax legislation, all dividends (and deemed dividends) paid by Genworth MI Canada Inc. to Canadian residents are designated as eligible dividends. Unless stated otherwise, all dividends (and deemed dividends) paid by the Company hereafter are designated as eligible dividends for the purposes of such rules.

Information for Shareholders Outside Canada

Dividends paid to residents in countries with which Canada has bilateral tax treaties are generally subject to the 15% Canadian non-resident withholding tax. There is no Canadian tax on gains from the sale of shares (assuming ownership of less than 25%) or debt instruments of the Company owned by non-residents not carrying on business in Canada. (No government in Canada levies estate taxes or succession duties.)

Contact

Investor Relations
Email: investor@genworth.com
Genworth MI Canada
2060 Winston Park Drive, Suite 300
Oakville, Ontario L6H 5R7
Tel: 905.287.5300
Fax: 905.287.5472
www.genworth.ca



CUSTOMER CENTRIC

DATA DRIVEN

PEOPLE POWERED

SMARTER M.I. PRINCIPLES

Genworth 
Canada

We focus on the
CUSTOMER

SUPPORTED BY CULTURE

WE HAVE
HEART

WE GROW
WHEN YOU GROW

WE EMBRACE
COLLABORATION

WE ACT
WITH INTEGRITY

Genworth 
Canada Date FEB 27, 2018
PAY TO THE ORDER OF SICK KIDS HOSPITAL \$ 2500.00
Two Thousand Five Hundred 00/100 Dollars
Signature *Benip*

Genworth 
Canada

genworth.ca