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FROM: Pam Schutz, Executive Vice President, Retirement and Protection  
RE: Genworth Update  
DATE: November 6, 2008

Undoubtedly, this is the toughest market many of us have ever seen, and like many companies in our industry, we are facing unprecedented challenges in the credit, equity and housing markets. I am writing today to let you know that Genworth is committed to taking appropriate steps to address these challenges and effectively position our company for the future. I also want you to know that we will continue to invest in key relationships and product lines. Above all, we continue our focus on meeting our policyholder obligations.

Let me share with you our 3<sup>rd</sup> quarter financial results and some important planned actions that will help us strengthen our capital levels and maximize our flexibility as we take Genworth forward. As Genworth's Chairman and CEO Michael D. Fraizer stated in our earnings release, this was a disappointing quarter for the company, which was compounded by the ongoing turmoil in the market. Among immediate actions we've taken to maintain appropriate liquidity, strengthen our capital levels and maximize our flexibility. are:

- the suspension of our common stock dividend,
- the formal suspension of our share repurchase program, which has been inactive since the first quarter, and
- the contribution of \$500 million of cash from the holding company to our life operating companies, leaving those companies with a combined 360 percent RBC at the end of the third quarter.

Genworth is managing its liquidity profile effectively, with approximately \$435 million of cash and cash equivalents at the holding company level and approximately \$6.2 billion at the insurance company operating levels. The life insurance company consolidated risk-based capital ratio is estimated at approximately 360 percent at September 30, 2008, following the contribution of \$500 million from the holding company as of that date.

Genworth is planning to reduce annual expenses by approximately \$100 million to \$150 million, reflecting refinement of business focus in the Retirement and Protection segment, along with the impact of economic slowdowns in the U.S. and global markets generally.

Finally, Genworth is evaluating several additional capital flexibility alternatives including potential asset sales, continued review of the U.S. Mortgage Insurance business, and the potential to raise private or public equity, or debt capital. These steps may be needed to navigate continued market uncertainty and turmoil in the credit markets, while effectively positioning Genworth for the future.

For complete details of our 3<sup>rd</sup> quarter results, please review our [news release](#), posted on the Investor Section of Genworth.com



Regarding ratings, we remain focused on maintaining appropriate ratings across all of our businesses. We are actively communicating with rating agencies and are working closely with them during their review cycles. Overall, any shifts in ratings will not impact our focus on meeting our policyholder obligations. Recognizing the importance of ratings to our many constituents, we will continue to post information on Genworth's [current ratings](#) on the Investor section of [genworth.com](#).

Throughout this difficult environment, we remain committed to our vision to be a specialist provider of financial security solutions and to our customers who rely on us for their financial security needs. And, we will continue to communicate with you, our key distribution partners.

We have a dedicated and experienced team who is committed to being a preferred partner to our distribution firms and financial advisors. If you have questions, please contact your relationship manager or any member of the Genworth Team.