



NEWS RELEASE

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Genworth Comments on Capital Position and Financial Flexibility

RICHMOND, Va., Sept. 18 /PRNewswire-FirstCall/ -- While it is not Genworth's practice to comment on market rumors, Genworth believes that its recent stock price performance does not reflect the fundamental condition of the company.

The following information reflects Genworth's sound capital position and financial flexibility:

-- Genworth currently has approximately \$900 million of cash and cash equivalents at the holding company and an additional \$4.0 billion of cash and cash equivalents in its operating company investment portfolios.

-- Genworth continues to optimize capital using reinsurance transactions to fund excess life statutory reserves and to free up capital associated with legacy low return life and annuity blocks as we have stated to investors. Genworth has made strong progress in this area, completing new reinsurance contracts in the third quarter generating \$330 million of capital capacity, and we are targeting completion of agreements generating between \$400 million and \$700 million by year end.

-- In the U.S. mortgage insurance segment, management is comfortable with the current capital position and the ability to absorb losses in the current stressed market environment. Standard & Poor's affirmed the ratings of the U.S. mortgage insurance company on September 11, 2008 and in that report indicated that Genworth's U.S. mortgage insurance company's capital is in excess of the AAA rating requirement and that over time the company is expected to maintain its capital in line with the AA category. In order to provide investors with additional information associated with performance with the U.S. mortgage insurance business, Genworth will hold an investor conference call on Thursday, September 25.

-- Genworth has excellent sources of liquidity including two \$1 billion revolving credit facilities and has diversified sources of additional capital including earnings and capital from our strongly performing international segment whose operating earnings will increase 10% in 2008.

-- Genworth has \$158 million of commercial paper outstanding and as noted above has more than adequate cash positions to absorb these maturities if circumstances require. Genworth is not dependent upon the commercial paper market.

-- Genworth is comfortable with liquidity in its institutional business, (which includes GICs and funding agreements) and in response to investor inquiries, there are no ratings downgrade provisions in these contracts.

-- Genworth has continued to actively manage exposures in its investment portfolio to reduce risk, and has provided market transparency to its manageable positions in Fannie Mae, Freddie Mac, Lehman Bros., and AIG. Based on market conditions at this time, Genworth expects third quarter gross realized investment

losses, including impairments, to be at or above second quarter 2008 levels. However, Genworth does not expect gross realized losses, including impairments, to have a material adverse effect.

-- Even in today's environment Genworth anticipates ending the year with life company risk-based capital in the range of 325% to 400% with a target level in excess of 350%, consistent with desired operating levels, and very strong AA and above capital levels in U.S. mortgage insurance.

Cautionary Note Regarding Forward-Looking Statements

This press release 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 the company's 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 the company's businesses, including interest rate fluctuations, downturns and volatility in equity and credit markets, downgrades in the company's financial strength or credit ratings, insufficiency of reserves, legal constraints on dividend distributions by subsidiaries, intense competition, availability and adequacy of reinsurance, defaults by counterparties, legal or regulatory investigations or actions, political or economic instability, regulatory restrictions on the company's operations and changes in applicable laws and regulations, the failure or any compromise of the security of the company's computer systems, and the occurrence of natural or man-made disasters or a disease pandemic;

-- Risks relating to the company's Retirement and Protection segment, including changes in morbidity and mortality, accelerated amortization of deferred acquisition costs and present value of future profits, goodwill impairments, reputational risks as a result of an announced rate increase on certain in-force long term care insurance products, medical advances such as genetic mapping research, unexpected changes in persistency rates, increases in statutory reserve requirements, and the failure of demand for long term care insurance to increase as the company expects;

-- Risks relating to the company's International segment, including political and economic instability, foreign exchange rate fluctuations, unexpected changes in unemployment rates, deterioration in economic conditions or decline in home price appreciation, unexpected increases in mortgage insurance delinquency rates or severity of defaults, decreases in the volume of high loan-to-value international mortgage originations, increased competition with government-owned and government-sponsored entities offering mortgage insurance, changes in regulations, and growth in the global mortgage insurance market that is lower than the company expects;

-- Risks relating to the company's U.S. Mortgage Insurance segment, including increases in mortgage insurance delinquency rates or severity of defaults, deterioration in economic conditions or a decline in home price appreciation, the influence of Fannie Mae, Freddie Mac and a small number of large mortgage lenders and investors, decreases in the volume of high loan-to-value mortgage originations or increases in mortgage insurance cancellations, increases in the use of alternatives to private mortgage insurance (such as simultaneous second mortgages) and reductions by lenders in the level of coverage they select, increases in the use of reinsurance with reinsurance companies affiliated with the company's mortgage lending customers, increased competition with government-owned and government-sponsored entities offering mortgage insurance, changes in regulations, legal actions under Real Estate Settlement Practices Act, and potential liabilities in connection with the company's U.S. contract underwriting services; and

-- Other risks, including the possibility that in certain circumstances the company will be obligated to make payments to General Electric Company (GE) under the company's tax matters agreement with GE even if the company's corresponding tax savings are never realized and the company's payments could be accelerated in the event of certain changes in control, and provisions of the company's certificate of incorporation and bylaws and the company's tax matters agreement with GE may discourage takeover attempts and business combinations that stockholders might consider in their best interests.

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

About Genworth Financial

Genworth Financial, Inc. (NYSE: GNW) is a leading public Fortune 500 global financial security company. Genworth has \$114 billion in assets and employs approximately 7,000 people in 25 countries. Its products and services help meet the investment, protection, retirement and lifestyle needs of over 15 million customers. Genworth operates through three segments: Retirement and Protection, International and U.S. Mortgage Insurance. Its products and services are offered through financial intermediaries, advisors, independent distributors and sales specialists. Genworth Financial, which traces its roots back to 1871, became a public company in 2004 and is headquartered in Richmond, Virginia. For more information, visit genworth.com.

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