GENWORTH FINANCIAL INC
Form 424B3
February 27, 2006
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The information in this preliminary prospectus supplement and accompanying prospectus is not complete and may be changed. A registration statement relating to these securities has been declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion Dated February 27, 2006

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-127472

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated September 12, 2005)

71,216,559 Shares

Class A Common Stock

GE Financial Assurance Holdings, Inc., the selling stockholder and an indirect subsidiary of General Electric Company, is offering all the 71,216,559 shares of Class A Common Stock to be sold in this offering. We will not receive any proceeds from the sale by the selling stockholder of Class A Common Stock in this offering.

Our Class A Common Stock is listed on the New York Stock Exchange under the symbol GNW. On February 24, 2006, the last reported sale price of the Class A Common Stock was $32.64 per share.

We have agreed to repurchase directly from the selling stockholder, concurrently with the closing of this offering, 15,000,000 shares of our Class B Common Stock at a price per share equal to the net proceeds per share that the selling stockholder will receive from the underwriters in this offering. The closing of the stock repurchase will be contingent on the closing of this offering.

Investing in our Class A Common Stock involves risks. See Risk Factors beginning on page 72 of our annual report on Form 10-K for the year ended December 31, 2005, which is incorporated by reference herein.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to selling stockholder	$	$

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on , 2006.

Merrill Lynch & Co.

Global Coordinator

Citigroup **Goldman, Sachs & Co.** **JPMorgan** **Morgan Stanley**

Banc of America Securities LLC **Credit Suisse** **Deutsche Bank Securities**
Lehman Brothers **UBS Investment Bank** **Wachovia Securities**

BB&T Capital Markets **Blaylock & Company, Inc.** **Capital Management Group**
Fox-Pitt, Kelton **Friedman Billings Ramsey** **Keefe, Bruyette & Woods**
Ramirez & Co., Inc. **Utendahl Capital** **The Williams Capital Group, L.P.**

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Prospectus Supplement

Prospectus

You should rely only on the information incorporated by reference or provided in this prospectus supplement, in the accompanying prospectus and in any free writing prospectus filed by us with the Securities and Exchange Commission and any information about the terms of these securities conveyed to you by us or the underwriters. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. If anyone provided you with additional or different information, you should not rely on it. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus filed by us with the Securities and Exchange Commission and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and accompanying prospectus and may not contain all of the information that may be important to you. You should read this entire prospectus supplement, the accompanying prospectus and the information and documents incorporated herein and therein by reference carefully, including the information set forth in our annual report on Form 10-K, which is incorporated by reference herein, under Risk Factors, before making an investment decision. In this prospectus supplement and accompanying prospectus, unless the context otherwise requires, Genworth, we, us, and our refer to Genworth Financial, Inc. and its subsidiaries and include the operations of the businesses acquired from GE Financial Assurance Holdings, Inc. (GEFAHI) and other subsidiaries of General Electric Company (GE) in connection with our corporate reorganization in May 2004.

Genworth Financial, Inc.

We are a leading insurance company in the U.S., with an expanding international presence, serving the life and lifestyle protection, retirement income, investment and mortgage insurance needs of more than 15 million customers. We have leadership positions in key products that we expect will benefit from a number of significant demographic, governmental and market trends. We distribute our products and services through an extensive and diversified distribution network that includes financial intermediaries, independent producers and dedicated sales specialists. We conduct operations in 24 countries and have approximately 6,900 employees. We have the following three operating segments:

Protection. We offer U.S. customers life insurance, long-term care insurance and, primarily for companies with fewer than 1,000 employees, group life and health insurance. In Europe, we offer payment protection insurance, which helps consumers meet their payment obligations in the event of illness, involuntary unemployment, disability or death. In 2005, we were the leading provider of individual long-term care insurance and a leading provider of term life insurance in the U.S., according to LIMRA International (in each case based upon annualized first-year premiums). Our leadership in long-term care insurance is based upon over 30 years of product underwriting and claims experience. This experience has enabled us to build and benefit from what we believe is the largest actuarial database in the long-term care insurance industry. We are a leading provider of term life insurance through brokerage general agencies in the U.S., which we consider to be the largest distribution channel for term life insurance. For the year ended December 31, 2005, our Protection segment had segment net earnings of $568 million.

Retirement Income and Investments. We offer U.S. customers fixed and variable deferred annuities, fixed immediate annuities, variable life insurance, asset management, and specialized products, including guaranteed investment contracts, or GICs, funding agreements and structured settlements. We are an established provider of these products. In 2005, according to VARDS, we were the largest provider of variable income annuities in the U.S., and according to LIMRA International, we were the second-largest provider of fixed immediate annuities in the U.S. (in each case based upon total premiums and deposits). For the year ended December 31, 2005, our Retirement Income and Investments segment had segment net earnings of $247 million.

Mortgage Insurance. In the U.S., Canada, Australia, Europe, New Zealand, Mexico and Japan, we offer mortgage insurance products that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages. These products generally also aid financial institutions in managing

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their capital efficiently by reducing the capital required for low-down-payment mortgages. According to *Inside Mortgage Finance*, in 2005, we were the fifth-largest provider of mortgage insurance in the U.S. based on flow new insurance written. We also believe we are the largest provider of private mortgage insurance outside the U.S., with leading mortgage insurance operations in Canada, Australia, Europe and New Zealand and a growing presence in Mexico and Japan. The net premiums written in our international mortgage insurance business have increased by a compound annual growth rate of 32% for the three years ended December 31, 2005. For the year ended December 31, 2005, our Mortgage Insurance segment had segment net earnings of $507 million.

We also have a Corporate and Other segment which consists primarily of unallocated corporate income and expenses (including amounts incurred in settlement of some class action lawsuits), the results of small, non-core businesses that are managed outside our operating segments, most of our interest and other financing expenses and net realized investment gains (losses). For the year ended December 31, 2005, our Corporate and Other segment had segment net losses of $101 million.

We had $13.3 billion of total stockholders equity and $105.3 billion of total assets as of December 31, 2005. For the year ended December 31, 2005, our revenues were $10.5 billion and our net earnings from continuing operations were $1.2 billion. Our principal life insurance companies have financial strength ratings of AA- (Very Strong) from S&P, Aa3 (Excellent) from Moody s, A+ (Superior) from A.M. Best and AA- (Very Strong) from Fitch, and our rated mortgage insurance companies have financial strength ratings of AA (Very Strong) from S&P, Aa2 (Excellent) from Moody s and AA (Very Strong) from Fitch. The AA and AA- ratings are the third- and fourth-highest of S&P s 20 ratings categories, respectively. The Aa2 and Aa3 ratings are the third- and fourth-highest of Moody s 21 ratings categories, respectively. The A+ rating is the second-highest of A.M. Best s 15 ratings categories. The AA and AA- ratings are the third- and fourth-highest of Fitch s 24 ratings categories, respectively.

Until our initial public offering, or IPO, in May 2004, our business was wholly owned by GE. Immediately following our IPO, GE owned approximately 70% of our outstanding common stock. GE subsequently sold additional shares in March, September and December 2005 and GE currently owns approximately 18% of our outstanding common stock. After the completion of this offering and the stock repurchase described below under The Stock Repurchase , GE will not own any of our outstanding common stock.

Market Environment and Opportunities

We believe we are well positioned to benefit from a number of significant demographic, governmental and market trends, including the following:

Aging U.S. population with growing retirement income needs, resulting from increasing numbers of baby boomers approaching retirement and significant increases in life expectancy that heighten the risk that individuals will outlive their retirement savings.

Growing lifestyle protection gap, with individuals lacking sufficient resources, including insurance coverage, to support their desired lifestyle due to declining individual savings rates, rising healthcare and nursing care costs and a shifting of the burden for funding protection needs from governments and employers to individuals.

Increasing opportunities for mortgage insurance internationally and in the U.S., resulting from increasing homeownership levels, expansion of low-down payment mortgage loan offerings, the potential for favorable legislative and regulatory policies, and expansion of secondary mortgage markets that require credit enhancements.

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Competitive Strengths

We believe the following competitive strengths will enable us to capitalize on opportunities in our targeted markets:

Leading positions in diversified targeted markets. We believe our leading positions in our targeted markets, including individual long-term care insurance, term life insurance and fixed immediate annuities in the U.S., payment protection insurance in Europe and international mortgage insurance, provide us with the scale necessary to compete effectively in these markets as they grow. We also believe our strong presence in multiple markets provides balance to our business, reduces our exposure to adverse economic trends affecting any one market and provides stable cash flow to fund growth opportunities.

Product innovation and breadth. We have a tradition of developing innovative financial products to serve the needs of our customers. We offer a breadth of products that meet the needs of consumers throughout the various stages of their lives, thereby positioning us to benefit from the current trend among distributors to reduce the number of insurers with whom they maintain relationships. We are selective in the products we offer and strive to maintain appropriate return and risk thresholds when we expand the scope of our product offerings.

Extensive, multi-channel distribution network. We have extensive distribution reach and offer consumers access to our products through a broad network of financial intermediaries, independent producers and dedicated sales specialists. In addition, we maintain strong relationships with leading distributors by providing a high level of specialized and differentiated distribution support and through technology and service solutions that support the distributors sales efforts.

Technology-enhanced, service-oriented, scalable, low-cost operating platform. We have pursued an aggressive approach to cost-management and continuous customer service improvement. We use sophisticated technology tools that enhance performance by automating key processes and reducing response times and process variations. Our teams of trained associates focus on delivering superior customer service. In addition, we have centralized our operations and have established scalable, low-cost operating centers in Virginia, North Carolina and Ireland. Through an outsourcing provider, we also have a substantial team of professionals in India who provide us with a variety of back office support services.

Disciplined risk management with strong compliance practices. Risk management and regulatory compliance are critical parts of our business. We employ comprehensive risk management processes in virtually every aspect of our operations, including product development, underwriting, investment management, asset-liability management and technology development programs.

Strong balance sheet and high-quality investment portfolio. We believe our size, ratings and capital strength provide us with a significant competitive advantage. We have a diversified, high-quality investment portfolio with $66.5 billion of invested assets, as of December 31, 2005. Approximately 95% of our fixed maturities had ratings equivalent to investment-grade, and less than 1% of our total investment portfolio consisted of equity securities, as of December 31, 2005. We also actively manage the relationship between our investment assets and our insurance liabilities.

Experienced and deep management team. Our senior management team has an average of approximately 19 years of experience in the financial services industry. We have an established track record for successfully developing managerial talent at all levels of our organization and have instilled a performance- and execution-oriented corporate culture.

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Growth Strategies

Our objective is to increase operating earnings and enhance returns on equity. We intend to pursue this objective by focusing on the following strategies:

Capitalize on attractive growth prospects in three key markets. We have positioned our product portfolio and distribution relationships to capitalize on the attractive growth prospects in three key markets:

Retirement income, where we believe growth will be driven by a variety of favorable demographic trends and the approximately $4.2 trillion of invested financial assets in the U.S. that are held by people within 10 years of retirement and $2.4 trillion of invested financial assets that are held by individuals who are under age 70 and consider themselves retired, in each case according to a survey conducted by SRI Consulting Business Intelligence in 2004. Our products are designed to enable the growing retired population to convert their accumulated assets into reliable income throughout their retirement years.

Protection, particularly life insurance, long-term care insurance and payment protection insurance. In life insurance, we believe growth will be driven by the significant life insurance gap for individuals and families. In long-term care insurance, we believe growth will be driven by the increasing protection needs of the expanding aging population and a shifting of the burden for funding these needs from governments and employers to individuals. In our payment protection insurance business, we believe market growth will result from the increase in consumer borrowing across Europe, the expansion of the European Union and reduced unemployment benefits in the European markets where we offer our products.

International mortgage insurance, where we continue to see attractive growth opportunities with the expansion of homeownership and low-down-payment loans. The net premiums written in our international mortgage insurance business have increased by a compound annual growth rate of 32% for the three years ended December 31, 2005.

Further strengthen and extend our distribution channels. We intend to further strengthen and extend our distribution channels by continuing to differentiate ourselves in areas where we believe we have distinct competitive advantages. These areas include:

Product and service innovations, as illustrated by new product introductions, such as the introduction of Clear Course℠ for the employer-sponsored 401(k) market, our VantagePoint℠ and MasterKey℠ return of premium term products, our Income Distribution Series of guaranteed income products and riders, our long-term care insurance products for the group market, our Homeopeners® mortgage insurance products designed to attract first-time home buyers, our private mortgage insurance products in the European market, and our service innovations, which include programs such as automated underwriting in our life, long-term care and mortgage insurance businesses, dedicated customer service teams, and customer care programs supporting wellness and homeownership.

Collaborative approach to key distributors, which includes our joint business improvement programs and our tailored approach to our sales intermediaries addressing their unique service needs, which have benefited our distributors and helped strengthen our relationships with them.

Technology initiatives, such as our proprietary underwriting systems, which have made it easier for distributors to do business with us, improved our term life, long-term care and mortgage insurance underwriting speed and accuracy, and lowered our operating costs.

Enhance returns on capital and increase margins. We believe we will be able to enhance our returns on capital and increase our margins through the following means:

Adding new business layers at targeted returns and optimizing mix. We have introduced new products and revised pricing in a number of business lines, which we believe will increase our

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expected returns. In U.S. mortgage insurance, we are targeting distribution segments in which we can generate new business at higher returns in order to shift our overall mix of new business.

Capital efficiency and management. We continually seek opportunities to use our capital more efficiently, while maintaining our ratings and strong capital position. We have developed a capital markets solution to fund additional statutory reserves on our term life insurance policies related to Regulation XXX, and we are working to develop similar structures for other product lines, including universal life insurance. In addition, we intend to complement our core growth strategy through selective acquisitions designed to enhance product and distribution capabilities and returns, the breadth of our product portfolio, or our distribution reach. We have successfully completed the acquisition and integration of several key businesses since 1993. In addition to pursuing opportunities for core growth and accretive acquisitions, we also will consider making share repurchases and increasing dividends on our common stock.

Run-off of low return blocks and redeployment of capital. We have exited or placed in run-off certain product lines in blocks of business with low returns, including, for example, our older, fixed GICs, older generation long-term care policies and certain payment protection insurance contracts in the U.K. As these blocks continue to decrease, we expect to release capital over time to deploy to higher-return products and/or businesses.

Ongoing operating cost reductions and efficiencies. We continually focus on reducing our cost base while maintaining strong service levels for our customers. We expect to accomplish this goal in each of our operating units through a wide range of cost management disciplines, including consolidating operations, using low-cost operating locations, reducing supplier costs, leveraging process improvement efforts, forming focused teams to identify opportunities for cost reductions and investing in new technology, particularly for web-based, digital end-to-end processes.

Investment income enhancements. The yield on our investment portfolio is affected by the practice, prior to our IPO, of realizing investment gains through the sale of appreciated securities and other assets during a period of historically low interest rates. This strategy had been pursued to offset impairments in our investment portfolio, fund consolidations and restructurings and provide current income. Since 2003, our investment strategy has been to optimize investment income without relying on realized investment gains. We continue to experience a challenging interest-rate environment in which the yields that we can achieve on new investments are lower than the aggregate yield on our existing portfolio. We will seek to mitigate declines in investment yields by continuously evaluating and potentially repositioning our asset class mix, pursuing additional investment classes, utilizing active management strategies, and accepting additional credit risk when we believe that it is prudent to do so.

The Stock Repurchase

On December 21, 2005, our Board of Directors approved a stock repurchase program. Under the program, we are authorized to repurchase up to $750 million of our common stock during the 18-month period that commenced on December 21, 2005. We expect the purchases to be made from time to time in the open market or in privately negotiated transactions (including from GE as described below), and will be funded from our available cash or the proceeds of issuances of our debt securities.

As part of the stock repurchase program, on February 27, 2006, we entered into a stock purchase agreement with the selling stockholder, pursuant to which we agreed to purchase from the selling stockholder, concurrently with the closing of this offering, 15,000,000 shares of our Class B Common Stock at a price per share equal to the net proceeds per share that the selling stockholder will receive from the underwriters in this offering. We will finance the stock repurchase with cash available at our holding company and the proceeds of an issuance of commercial paper under our existing commercial paper program. The closing of the stock repurchase will be contingent on the closing of this offering.

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Both we and the selling stockholder have the right to terminate the stock purchase agreement if this offering is not consummated prior to March 31, 2006.

Consequences of Reduction of GE s Ownership Interest

Upon the closing of this offering and the stock repurchase, GE will not own any of our outstanding common stock. This change in GE s ownership of our common stock will have an important consequence for our board composition. Pursuant to our amended and restated certificate of incorporation, when GE owns less than 10% of our common stock, the holders of the Class A Common Stock will be entitled, commencing at our annual stockholder meeting scheduled for May 17, 2006, to elect all directors entitled to be elected by the holders of our common stock, and GE will not have the right to appoint any members of our board of directors.

Following the completion of this offering, there will be no outstanding shares of Class B Common Stock. All our shares of common stock will be Class A Common Stock.

Risks Relating to Our Company

As part of your evaluation of our company, you should consider the risks associated with our business, our separation from GE and this offering. These risks include:

Risks relating to our businesses, including interest rate fluctuations, downturns and volatility in equity markets, defaults in portfolio securities, downgrades in our financial strength and credit ratings, insufficiency of reserves, legal constraints on dividend distributions by subsidiaries, illiquidity of investments, competition, inability to attract or retain independent sales intermediaries and dedicated sales specialists, availability of reinsurance, defaults by counterparties to reinsurance arrangements or derivative instruments, foreign exchange rate fluctuations, regulatory restrictions on our operations and changes in applicable laws and regulations, legal or regulatory actions or investigations, political or economic instability, the failure or any compromise of the security of our computer systems and the occurrence of natural or man-made disasters or a disease pandemic;

Risks relating to our Protection and Retirement Income and Investments segments, including unexpected changes in mortality, morbidity and unemployment rates, accelerated amortization of deferred acquisition costs and present value of future profits, goodwill impairments, medical advances such as genetic mapping research, unexpected changes in persistency rates, increases in statutory reserve requirements, the failure of demand for long-term care insurance to increase as we expect and changes in tax and securities laws;

Risks relating to our Mortgage Insurance segment, including the influence of Fannie Mae, Freddie Mac and a small number of large mortgage lenders and investors, increased regulatory scrutiny of Fannie Mae and Freddie Mac resulting in possible regulatory changes, decreases in the volume of high loan-to-value mortgage originations, increases in mortgage insurance cancellations, increases in the use of simultaneous second mortgages and other alternatives to private mortgage insurance and reductions by lenders in the level of coverage they select, unexpected increases in mortgage insurance default rates or severity of defaults, deterioration in economic conditions, insufficiency of premium rates to compensate us for risks associated with mortgage loans bearing high loan-to-value ratios, increases in the use of captive reinsurance in the mortgage insurance market, changes in the demand for mortgage insurance that could arise as a result of efforts of large mortgage investors, legal or regulatory actions or investigations under applicable laws and regulations, including the Real Estate Settlement Practices Act and the Federal Fair Credit Reporting Act, potential liabilities in connection with U.S. contract underwriting services and growth in the European mortgage insurance market that is lower than we expect;

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Risks relating to our separation from GE, including our need to establish our new Genworth brand identity quickly and effectively, the possibility that we will not be able to replace services previously provided by GE on terms that are at least as favorable, our dependence on GE for a significant portion of the premiums in our payment protection business, the possibility that in certain circumstances we will be obligated to make payments to GE under our tax matters agreement even if our corresponding tax savings either are delayed or never materialize, the possibility that in the event of a change in control of our company we would have insufficient funds to meet accelerated obligations under the tax matters agreement and GE s control over certain tax matters that could have an impact on us; and

Risks relating to our common stock, including regulatory and statutory requirements and contractual arrangements that may delay or prevent a takeover of our business.

Additional Information

Our principal executive offices are located at 6620 West Broad Street, Richmond, Virginia 23230. Our telephone number at that address is (804) 281-6000. We maintain a variety of websites to communicate with our distributors, customers and investors and to provide information about various insurance and investment products to the general public. None of the information on our websites is part of this prospectus.

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The Offering

Class A Common Stock offered by the selling stockholder	71,216,559 shares
Common stock to be held by the selling stockholder immediately after this offering and the stock repurchase	0 shares
Common stock to be outstanding immediately after this offering and the stock repurchase	
Class A	455,961,038 shares
Class B	0 shares
Voting rights	One vote per share for all matters on which stockholders are entitled to vote.
Use of proceeds	We will not receive any proceeds from the sale by the selling stockholder of Class A Common Stock in this offering.
Dividend policy	We currently pay quarterly cash dividends on our common stock at a rate of $0.075 per share. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including our financial condition, earnings, capital requirements of our subsidiaries, legal requirements, regulatory constraints and other factors as the board of directors deems relevant.
New York Stock Exchange symbol	Our Class A Common Stock is listed on the New York Stock Exchange under the symbol GNW.

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USE OF PROCEEDS

We will not receive any proceeds from the sale by the selling stockholder of Class A Common Stock in this offering.

PRICE RANGE OF COMMON STOCK

Our Class A Common Stock is listed on the New York Stock Exchange under the symbol GNW. The following table sets forth the high and low intraday sales prices per share of our Class A Common Stock, as reported by the New York Stock Exchange, since our initial public offering for the periods indicated.

	High	Low
2004:		
Second Quarter (commencing May 25, 2004)	$ 23.04	$ 18.75
Third Quarter	$ 23.99	$ 20.75
Fourth Quarter	$ 27.84	$ 22.77
2005:		
First Quarter	$ 29.80	$ 25.72
Second Quarter	$ 31.00	$ 26.80
Third Quarter	$ 33.50	$ 29.26
Fourth Quarter	$ 35.25	$ 29.73
2006:		
First Quarter (through February 24)	$ 35.37	$ 31.53

The last reported sale price of our Class A Common Stock on the New York Stock Exchange on February 24, 2006 was $32.64 per share.

As of February 24, 2006, we had 107 holders of record of our Class A Common Stock.

DIVIDEND POLICY

We currently pay quarterly cash dividends on our common stock at a rate of $0.075 per share. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our operating subsidiaries, legal requirements, regulatory constraints and other factors as the board of directors deems relevant.

We are a holding company and have no direct operations. As a result, our ability to pay dividends in the future will depend on receiving dividends from our subsidiaries. Our insurance subsidiaries are subject to the laws of the jurisdictions in which they are domiciled and licensed and consequently are limited in the amount of dividends that they can pay. See Item 1. Business Regulation in our annual report on Form 10-K, which is incorporated by reference herein.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2005 on an actual basis and as adjusted to give effect to the repurchase of 15,000,000 shares of our Class B common stock concurrently with the closing of this offering and the assumed issuance (as described below) of $240 million of our commercial paper to fund part of the stock repurchase. The sale of Class A Common Stock in this offering will not have an impact on the amounts shown in this table (except for the reclassification of issued and outstanding shares from Class B Common Stock to Class A Common Stock).

For purposes of the table below, we have assumed that (1) we will purchase shares in the stock repurchase at a price of $32.64 per share, the last reported sale price of our Class A Common Stock on February 24, 2006 (which represents an aggregate repurchase price of $490 million), and (2) we will finance $250 million of the stock repurchase with cash available at our holding company and the balance ($240 million) with the proceeds of an issuance of commercial paper under our existing commercial paper program. For every $1 increase (decrease) in the price per share that we pay as part of the stock repurchase, the aggregate purchase price we pay for the repurchased shares, and the amount of commercial paper we issue, will increase (decrease) by $15 million.

You should read this information in conjunction with Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and the related notes included in our annual report on Form 10-K incorporated by reference herein.

	December 31, 2005	
(Dollar amounts in millions)	**Actual**	**As Adjusted**
Cash and cash equivalents	$ 1,875	$ 1,625
Borrowings and other obligations:		
Short-term borrowings	$ 152	$ 392
Long-term borrowings:		
Yen notes(1)	491	491
Senior notes(2)	2,245	2,245
Total long-term borrowings	2,736	2,736
Non-recourse funding obligations(3)	1,400	1,400
Borrowings related to securitization entities(4)	660	660
Senior notes underlying Equity Units(5)	600	600
Series A Preferred Stock, mandatorily redeemable, liquidation preference $50 per share	100	100
Total borrowings and other obligations	5,648	5,888
Stockholders equity:		
Class A Common Stock, $0.001 par value; 1.5 billion shares authorized; 404 million shares issued and 385 million shares outstanding, actual; 490 million shares issued and 456 million shares outstanding, as adjusted		
Class B Common Stock, $0.001 par value; 700 million shares authorized; 86 million shares issued and outstanding, actual; no shares issued and outstanding, as adjusted		
Additional paid-in capital	10,671	10,671

Total paid-in capital	10,671	10,671
Accumulated other comprehensive income	1,404	1,404
Retained earnings	1,735	1,735
Treasury stock, at cost (19 million shares, actual; 34 million shares, as adjusted)	(500)	(990)
Total stockholders equity	13,310	12,820
Total capitalization	$ 18,958	$ 18,708

(1) Represents 1.6% notes due 2011, denominated in Japanese yen. For a description of the Yen notes, see note 13 to our financial statements included in our annual report on Form 10-K, which is incorporated by reference herein.

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(2) Represents LIBOR floating rate senior notes due 2007, 4.75% senior notes due 2009, 5.75% senior notes due 2014, 4.95% senior notes due 2015 and 6.50% senior notes due 2034. For a description of the senior notes, see note 13 to our financial statements included in our annual report on Form 10-K, which is incorporated by reference herein.

(3) For a description of our outstanding non-recourse funding obligations, see note 13 to our financial statements included in our annual report on Form 10-K, which is incorporated by reference herein. We intend, from time to time, to engage in similar non-recourse funding transactions to finance statutory reserves required by the Valuation of Life Insurance Policies Regulation (known as Regulation XXX).

(4) Reflects borrowings associated with certain securitization entities that we were required to include in our financial statements upon adoption of FASB Interpretation 46, Consolidation of Variable Interest Entities. Upon its adoption, GE Capital, of which we are an affiliate, was required to consolidate the funding conduit it sponsored. As a result, assets and liabilities of certain previously off-balance sheet securitization entities were required to be included in our financial statements because the funding conduit no longer qualified as a third party. For more information regarding these arrangements, see Management s Discussion and Analysis of Financial Condition and Results of Operations Off-balance Sheet Transactions in our annual report on Form 10-K, which is incorporated by reference herein.

(5) Represents notes forming part of our 6.00% Equity Units, which we refer to as the Equity Units. For a description of the terms of our Equity Units, see note 13 to our financial statements included in our annual report on Form 10-K, which is incorporated by reference herein.

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SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information. The selected financial information as of December 31, 2005 and 2004, and for the years ended December 31, 2005, 2004 and 2003 has been derived from our financial statements, which have been audited by KPMG LLP and are included in our annual report on Form 10-K, which is incorporated by reference herein. You should read this information in conjunction with the information under Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations, our financial statements, the related notes and the accompanying independent registered public accounting firm s report (which refers to a change in accounting for certain nontraditional long-duration contracts and for separate accounts in 2004), which are included in our annual report on Form 10-K, which is incorporated by reference herein. The selected financial information as of December 31, 2003 and 2002 and for the years ended December 31, 2002 and 2001 has been derived from our financial statements, which have been audited by KPMG LLP, but are not included in our annual report on Form 10-K.

The financial information set forth below has been derived from our financial statements, which have been prepared as if Genworth had been in existence throughout all periods. Our financial statements include, for all periods, the insurance businesses that we acquired from GE subsidiaries in connection with our corporate reorganization on May 24, 2004. Until the corporate reorganization, our financial statements also included the businesses that were owned by GEFAHI but not transferred to us in connection with our corporate reorganization.

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(Amounts in millions, except per share amounts)	Years ended December 31, 2005	2004	2003(1)	2002	2001
Statement of Earnings Information					
Revenues:					
Premiums	$ 6,297	$ 6,559	$ 6,707	$ 6,107	$ 6,012
Net investment income	3,536	3,648	4,051	3,979	3,895
Net realized investment gains	(2)				