Balance Sheet of

GENWORTH MI CANADA INC.

June 30, 2009
(Unaudited)

GENWORTH MI CANADA INC.

Balance Sheet

June 30, 2009
(Unaudited)

Assets

Cash	$ 2
	$ 2

Shareholders' Equity

Share capital:	
Authorized:	
Unlimited common shares	
1 special share	
Issued:	
1 common share (1 issued for cash)	$ 1
1 special share (1 issued for cash)	1
Subsequent events (note 1)	
	$ 2

See accompanying note to balance sheet.

On behalf of the Board:

"Brian Hurley" Director

"Brian Kelly" Director

GENWORTH MI CANADA INC.

Note to Balance Sheet

June 30, 2009
(Unaudited)

Genworth MI Canada Inc. (the "Company") was incorporated under the Canada Business Corporations Act pursuant to a Certificate of Incorporation dated May 25, 2009. The Company is a subsidiary of Brookfield Life Assurance Company Limited, and its ultimate parent company is Genworth Financial, Inc., a public company listed on the New York Stock Exchange.

At incorporation, the Company issued one common share for cash of $1.

On June 29, 2009, the Company issued one special share to Brookfield Life Assurance Company Limited. The attributes of the special share provide that the holder of special share be entitled to nominate and elect a certain number of directors to the Board, as determined by number of common shares that the holder of the special share and affiliates beneficially own.

1. Subsequent events (in thousands of dollars):

Pursuant to an underwriting agreement dated June 29, 2009, the Company filed a prospectus which qualified issuance of 44,740,000 common shares for net proceeds of $91,667, which does not include the proceeds of sale of common shares by the parent company. The Initial Public Offering ("IPO") was completed on July 7, 2009.

Immediately prior to completion of the IPO, the Company's parent company, Brookfield Life Assurance Company Limited ("Brookfield"), completed a reorganization whereby the Company acquired all of the issued and outstanding shares of Genworth Holdings I Limited ("Holdings I") and Genworth Holdings II Limited ("Holdings II") from Brookfield in return for 111,999,999 newly issued common shares. As no substantial change in ownership interests results from this transaction, the Company will carry forward the basis of measurement of the assets and liabilities as reflected in the consolidated financial statements of Holdings I and the financial statements of Holdings II.

Upon completion of the IPO transaction, the Company used $67,500 of the IPO proceeds to purchase additional common shares of Holdings I. The capital provided by the Company enabled Holdings I to repay the debentures issued to Genworth Financial International Holdings, Inc. of $66,726, along with interest on the debentures accrued to July 7, 2009 of $791. The remainder of the IPO proceeds will be used for general corporate purposes and working capital requirements.

1. Subsequent events (continued):

The following pro forma consolidated balance sheet as at June 30, 2009 give effect to the IPO and reorganization that occurred on July 7, 2009:

	Genworth MI Canada Inc.	Genworth Canada Holdings I Limited	Genworth Canada Holdings II Limited	Pro forma adjustments	Reference	Genworth MI Canada Inc. pro forma consolidated
Assets						
Invested assets:						
Cash and cash equivalents	$ –	$ 511,107	$ 22	$ 24,204	(3) (4)	$ 535,333
Short-term securities	–	184,703	–	–		184,703
Bonds and debentures:						
Held-for-trading	–	27,332	–	–		27,332
Available-for-sale	–	3,578,347	–	–		3,578,347
Investment in affiliate	–	–	50,000	(50,000)	(2)	–
Guarantee fund	–	551,383	–	–		551,383
	–	4,852,872	50,022	(25,796)		4,877,098
Other:						
Accrued investment income and accounts receivable	–	27,758	–	–		27,758
Due from affiliate	–	–	228	(228)	(2)	–
Salvage and subrogation	–	15,253	–	–		15,253
Deferred policy acquisition costs	–	146,065	–	–		146,065
Goodwill	–	11,172	–	–		11,172
Capital assets	–	17,265	–	–		17,265
Other assets	–	1,649	–	–		1,649
	–	219,162	228	(228)		219,162
	$ –	$ 5,072,034	$ 50,250	$ (26,024)		$ 5,096,260

GENWORTH MI CANADA INC.

Note to Balance Sheet (continued)

June 30, 2009
(Unaudited)

1. Subsequent events (continued):

	Genworth MI Canada Inc.	Genworth Canada Holdings I Limited	Genworth Canada Holdings II Limited	Pro forma adjustments	Reference	Genworth MI Canada Inc. pro forma consolidated
Liabilities and Shareholders' Equity						
Policy liabilities:						
Loss reserves	$ –	$ 230,086	$ –	$ –		$ 230,086
Unearned premium reserves	–	2,066,907	–	–		2,066,907
	–	2,296,993	–	–		2,296,993
Other liabilities:						
Accounts payable and accrued liabilities	–	50,562	–	–		50,562
Due to parent company and companies under common control	–	70,082	–	(67,691)	(3) (4)	2,391
Income taxes payable	–	69,852	–	–		69,852
Preferred shares	–	50,000	–	(50,000)	(2)	–
	–	240,496	–	(117,691)		122,805
Future taxes	–	207,132	–	–		207,132
Accrued benefit under employee benefit plans	–	8,724	–	–		8,724
	–	2,753,345	–	(117,691)		2,635,654
Shareholders' equity:						
Share capital	–	1,592,709	50,000	91,667	(1) (3)	1,734,376
Retained earnings	–	671,460	250	–		671,710
Accumulated other comprehensive income	–	54,520	–	–		54,520
	–	2,318,689	50,250	91,667		2,460,606
	$ –	$ 5,072,034	$ 50,250	$ (26,024)		$ 5,096,260

1. Subsequent events (continued):

Basis of presentation:

The unaudited pro forma consolidated balance sheet gives effect to the reorganization of the Company as if it had occurred as at June 30, 2009. The pro forma balance sheet has been prepared by the Company's management and is based on Holdings I's unaudited consolidated balance sheet and Holdings II's unaudited balance sheet.

The unaudited pro forma consolidated balance sheet is not intended to reflect the financial position that would have actually resulted had the reorganization been effected on the date indicated or the results which may be obtained in the future.

Pro forma adjustments:

The following pro forma adjustments have been made to reflect the transaction:

(1) Acquisition of the common shares of Holdings I and Holdings II in exchange for newly issued common shares.

(2) Elimination of the preferred shares and related dividends of Genworth Financial Mortgage Insurance Company Canada, the wholly owned subsidiary of Holdings I, which are held by Holdings II at June 30, 2009. The elimination occurs because the outcome of the reorganization is such that Holdings I and Holdings II are consolidated as companies under common control of the Company.

(3) Completion of the IPO resulting in net proceeds of $91,667.

(4) Repayment of an intercompany loan due to Genworth Financial International Holdings, Inc., a company under common control, of $66,726, including accrued interest at June 30, 2009 of $737, using proceeds of the IPO.

On the completion of the IPO, the Company granted 792,500 stock options and 85,900 restricted stock units to the employees of Genworth Financial Canada. Any compensation expenses related to these benefits will be incurred over the benefit vesting period of three years. As no portion of the benefits had vested on date of the IPO, no adjustment is considered for the purpose of this pro forma balance sheet.