

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the short form base shelf prospectus to which it relates, as amended or supplemented, and the documents incorporated or deemed to be incorporated by reference therein, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the 1933 Act) except in reliance on an exemption from the registration requirements of the 1933 Act or in another transaction exempt from, or not subject to, the registration requirements of the 1933 Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

Information has been incorporated by reference in this prospectus supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Vice President, General Counsel and Secretary of Genworth MI Canada Inc. at 2060 Winston Park Drive, Suite 300, Oakville, Ontario L6H 5R7 (telephone 905-287-5484) and are also available electronically at [www.sedar.com](http://www.sedar.com).

## Prospectus Supplement To a Short Form Base Shelf Prospectus dated May 7, 2010

New Issue

June 18, 2010

# GENWORTH MI CANADA INC.

## \$275,000,000

### 5.68% Debentures due June 15, 2020

This prospectus supplement (the "Prospectus Supplement") qualifies the distribution (the "Offering") of an aggregate of \$275,000,000 5.68% Debentures due June 15, 2020 (the "Debentures") of Genworth MI Canada Inc. ("Genworth Canada" or the "Company"). The Debentures will be dated June 29, 2010. The Debentures will mature on June 15, 2020. Interest on the Debentures will be paid at the rate set out above, semi-annually in arrears on December 15<sup>th</sup> and June 15<sup>th</sup> in each year commencing December 15, 2010. The initial interest payment, payable on December 15, 2010, will be \$26.29917807 per \$1,000 principal amount of the Debentures, assuming a closing date for this Offering of June 29, 2010. See "Details of the Offering".

Genworth Canada may, at its option, redeem the Debentures, in whole or in part, from time to time, on not less than 30 and not more than 60 days' prior notice to the registered holder, at a redemption price which is equal to the greater of the Canada Yield Price (as defined herein) and par, together in each case with accrued and unpaid interest to the date fixed for redemption. In cases of partial redemption, the Debentures to be redeemed will be selected by the Trustee (as defined herein) *pro rata* or in such other manner as it shall deem appropriate. Any Debentures that are redeemed by Genworth Canada will be cancelled and will not be reissued. See "Details of the Offering".

**The Debentures will not be listed on any exchange or quotation system and, consequently, there is no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this Prospectus Supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. See "Risk Factors".**

	<u>Price to the Public</u>	<u>Agents' Fee</u>	<u>Net Proceeds to Genworth Canada<sup>(1)(2)</sup></u>
Per \$1,000 principal amount of Debentures	\$ 999.50	\$ 4.00	\$ 995.50
Total	\$ 274,862,500.00	\$ 1,100,000.00	\$ 273,762,500.00

Notes:

- (1) Plus accrued interest, if any, from June 29, 2010 to the date of delivery.
- (2) Before deduction of expenses of the issue (other than the Agents' Fee (as defined herein)) estimated to be \$1,400,000, including expenses of up to \$500,000 associated with Debentures sold to purchasers other than certain institutions, which will be paid from the proceeds of this Offering. See "Plan of Distribution".

**The effective yield of the Debentures if held to maturity is 5.687% per annum.**

Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., CIBC World Markets Inc., Desjardins Securities Inc. and Macquarie Capital Markets Canada Ltd. (collectively, the "Agents"), as agents, conditionally offer the Debentures for sale, on a best efforts basis, subject to prior sale, if, as and when issued by Genworth Canada and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution", and subject to approval of certain legal matters on behalf of Genworth Canada by Blake, Cassels & Graydon LLP, and on behalf of the Agents by Stikeman Elliott LLP. See "Plan of Distribution". **Scotia Capital Inc. is an indirect, wholly owned subsidiary of The Bank of Nova Scotia, which is a customer of Genworth Canada; RBC Dominion Securities Inc. is an indirect, wholly owned subsidiary of Royal Bank of Canada, which is a customer of Genworth Canada; TD Securities Inc. is an indirect, wholly owned subsidiary of The Toronto Dominion Bank, which is also a customer of Genworth Canada; BMO Nesbitt Burns Inc. is an indirect, wholly owned subsidiary of Bank of Montreal, which is a customer of Genworth Canada; National Bank Financial Inc. is an indirect wholly owned subsidiary of National Bank of Canada, which is a customer of Genworth Canada; CIBC World Markets Inc. is an indirect, wholly owned subsidiary of Canadian Imperial Bank of Commerce, which is a customer of Genworth Canada; Desjardins Securities Inc. is a direct wholly owned subsidiary of Fédération des caisses Desjardins du Québec, which is a customer of Genworth Canada; and Macquarie Capital Markets Canada Ltd. is an affiliate of Macquarie Bank Limited, subsidiaries of which are also customers of Genworth Canada. Accordingly, Genworth Canada may be considered to be a "connected issuer" of Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial, CIBC World Markets Inc., Desjardins Securities Inc. and Macquarie Capital Markets Canada Ltd. within the meaning of applicable securities legislation. See "Relationship between Genworth Canada and Certain Agents".**

In connection with this Offering, the Agents may over allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Debentures at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time. See "Plan of Distribution".

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Book-entry only certificates representing the Debentures will be issued in registered form only to CDS Clearing and Depository Services Inc. ("CDS"), or its nominee, and will be deposited with CDS on closing of this Offering, which is expected to take place on June 29, 2010, but not later than July 15, 2010. A purchaser of the Debentures will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Debentures are purchased. See "Details of the Offering — Depository Services".

Genworth Canada's registered and head office is located at 2060 Winston Park Drive, Suite 300, Oakville, Ontario L6H 5R7.

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In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of Genworth Canada dated May 7, 2010 (the “**Prospectus**”) are used herein with the meanings defined therein. Unless otherwise specified, all references to currency amounts in this Prospectus Supplement are to Canadian dollars.

### ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to Genworth Canada, and Stikeman Elliott LLP, counsel to the Agents, provided the shares of Genworth Canada are listed on a designated stock exchange in Canada (which currently includes the Toronto Stock Exchange (the “**TSX**”)) for purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”), at a particular time, the Debentures offered by this Prospectus Supplement will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans (other than a deferred profit sharing plan to which contributions are made by Genworth Canada or by an employer with which Genworth Canada does not deal at arm’s length within the meaning of the Tax Act), registered education savings plans, registered disability savings plans or tax-free savings accounts at that time. Provided that the holder of a tax-free savings account does not hold a significant interest (as defined in the Tax Act) in Genworth Canada or any person or partnership that does not deal at arm’s length with Genworth Canada within the meaning of the Tax Act, and provided that such holder deals at arm’s length with Genworth Canada within the meaning of the Tax Act, the Debentures offered by this Prospectus Supplement will not be a prohibited investment for a trust governed by a tax-free savings account.

### CAUTION REGARDING FORWARD LOOKING INFORMATION AND STATEMENTS

Certain statements made in this Prospectus Supplement contain forward-looking information within the meaning of applicable securities laws (“**forward-looking statements**”). When used in this Prospectus Supplement, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Specific forward-looking statements in this document include, but are not limited to, statements with respect to the Company’s future operating and financial results, expectations regarding premiums written, capital expenditure plans, dividend policy, the ability to execute on its future operating, investing and financial strategies and the intended use of the proceeds of this Offering.

The forward-looking statements contained herein are based on certain factors and assumptions, certain of which appear proximate to the applicable forward-looking statements contained herein. Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Actual results or developments may differ materially from those contemplated by the forward-looking statements.

The Company's actual results and performance could differ materially from those anticipated in these forward-looking statements as a result of both known and unknown risks, including risks related to: changes in government regulation; competition from other providers of mortgage insurance in Canada; a downturn in the global or Canadian economies; a decline in the Company's regulatory capital or an increase in its regulatory capital requirements; changes to laws mandating mortgage insurance; a decrease in the volume of high loan-to-value mortgage originations; ineffective or unsuccessfully implemented risk management standards by the Company; a downgrade or potential downgrade in the Company's financial strength ratings; interest rate fluctuations; the loss of members of the Company's senior management team; potential legal, tax and regulatory investigations and actions; the failure of the Company's computer systems; and potential conflicts of interest between the Company and its majority shareholder, Genworth Financial, Inc.

This is not an exhaustive list of the factors that may affect any of the Company's forward-looking statements. Some of these and other factors are discussed in more detail in the Company's annual information form dated March 22, 2010 (the "AIF") and herein under the heading "*Risk Factors*". Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking statements. Further information regarding these and other risk factors is included in the Company's public filings with provincial securities regulatory authorities and can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this Prospectus Supplement represent the Company's views only as of the date hereof. Forward-looking statements contained in this Prospectus Supplement are based on management's current plans, estimates, projections, beliefs and opinions and the assumptions related to these plans, estimates, projections, beliefs and opinions may change, and are presented for the purpose of assisting the Company's securityholders in understanding management's current views regarding those future outcomes and may not be appropriate for other purposes. While the Company anticipates that subsequent events and developments may cause the Company's views to change, the Company does not undertake to update any forward-looking statements, except to the extent required by applicable securities laws.

#### **GAAP AND NON-GAAP MEASURES**

The Company's consolidated financial statements incorporated by reference in this Prospectus Supplement have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company's key performance indicators and certain other information included or incorporated by reference in this Prospectus Supplement include certain non-GAAP measures. Non-GAAP measures used by the Company to analyze performance include underwriting ratios such as loss ratio, expense ratio and combined ratio as well as other performance measures such as net operating income and return on net operating income. The Company believes that these non-GAAP financial measures provide meaningful supplemental information regarding its performance and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. Non-GAAP measures do not have standardized meaning and are unlikely to be comparable to any similar measure presented by other companies.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of this Offering.

The following documents, filed with the securities commission or similar authority in each of the provinces and territories of Canada are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement:

- (a) the AIF;
- (b) the comparative audited consolidated financial statements of the Company as at and for the year ended December 31, 2009 and the report of the auditors thereon;
- (c) management's discussion and analysis of the Company for the fourth quarter and year ended December 31, 2009 (the "**2009 MD&A**");
- (d) the comparative unaudited consolidated financial statements of the Company as at and for the three months ended March 31, 2010;
- (e) management's discussion and analysis of the Company for the three months ended March 31, 2010 (together with the 2009 MD&A, the "**MD&A**");
- (f) the management information circular dated March 16, 2010 with respect to the annual meeting of shareholders of the Company held on May 5, 2010; and
- (g) the business acquisition report of the Company dated September 22, 2009.

All documents of the Company of the type described in Section 11.1 of Form 44-101F1 — *Short Form Prospectus* to National Instrument 44-101 — *Short Form Prospectus Distributions*, if filed by the Company with the provincial and territorial securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and before completion of this Offering, shall be deemed to be incorporated by reference into this Prospectus Supplement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

## **RECENT DEVELOPMENTS**

Further to the Canadian government's publicly announced adjustments to the rules for government guaranteed mortgages in February 2010, Genworth Financial Mortgage Insurance Company Canada entered into amendment no. 3, dated May 26, 2010, to the mortgage insurance guarantee agreement (the "**Guarantee Agreement**") with Her Majesty in Right of Canada through the Minister of Finance. Among other things, the amendment provides that, effective April 19, 2010, the Company would, in conducting its business, (i) require that all borrowers seeking mortgages of a term less than five years or seeking a variable rate mortgage must qualify for the five-year fixed rate mortgage posted by the Bank of Canada, (ii) provide that the maximum amount borrowers can withdraw in refinancing their mortgages is 90 per cent of the value of their applicable residential properties, and (iii) require that a minimum down payment of 20 per cent is required on non-owner-occupied properties purchased for speculation.

A copy of the Guarantee Agreement and the amendments thereto are available electronically at [www.sedar.com](http://www.sedar.com).

## CONSOLIDATED CAPITALIZATION

Since March 31, 2010, other than the issuance of Debentures pursuant to this Prospectus Supplement, there have been no other material changes to the share and loan capital of Genworth Canada on a consolidated basis.

The following table sets forth the consolidated share and loan capital of Genworth Canada as of March 31, 2010 before and after giving effect to this Offering.

	Outstanding as at March 31, 2010 (unaudited) (\$'000)	Outstanding as at March 31, 2010 after giving effect to this Offering <sup>(1)</sup> (unaudited) (\$'000)
Indebtedness		
Debentures	-	275,000
Preferred Shares	-	-
Shareholders' Equity		
Common Shares	2,700,860	2,700,860
Special Share	0	0
Total Capitalization	2,700,860	2,975,860

Note:

(1) The net proceeds of this Offering are estimated to be approximately \$272,362,500, after deducting the expenses of this Offering, estimated to be \$1,400,000, including expenses of up to \$500,000 associated with Debentures sold to purchasers other than certain institutions, and the Agents' Fee of \$1,100,000.

### USE OF PROCEEDS

The net proceeds from the sale of Debentures under this Prospectus Supplement are estimated to be approximately \$272,362,500, after deduction of the Agents' Fee and the estimated expenses of this Offering. The Agents' Fee and the estimated expenses of this Offering will be paid out of the proceeds of this Offering.

The net proceeds to Genworth Canada from the sale of the Debentures under this Prospectus Supplement are expected to be used by Genworth Canada, shortly after consummation of the Offering, to fund transactions among Genworth Canada and its Canadian wholly owned subsidiaries. Genworth Canada is expected to use any proceeds it receives from such transactions (a) for general corporate and investment purposes, and/or (b) to fund a distribution to, or a repurchase of common shares from, Genworth Canada's shareholders. Any such distribution or share repurchase will require approval by the board of directors of Genworth Canada.

Brookfield Life Assurance Company Limited ("**Brookfield**"), a subsidiary of Genworth Financial, Inc., holds approximately 57.5% of Genworth Canada's common shares. To the extent that a distribution or an offer to repurchase common shares is made by Genworth Canada, Brookfield will be entitled to participate on the same basis as other common shareholders in respect of its 57.5% common shareholding in Genworth Canada.

### DETAILS OF THE OFFERING

The following is a summary of certain of the material attributes and characteristics of the Debentures offered hereby, which does not purport to be complete. Reference is made to the Trust Indenture and First Series Supplement referred to below for the full text of such attributes and characteristics. A copy of the Trust Indenture and First Series Supplement may be obtained from the Senior Vice President, General Counsel and Secretary of Genworth Canada upon payment of a reasonable copying fee, and is also available electronically at [www.sedar.com](http://www.sedar.com).

#### General

The Debentures offered hereby will be issued under and pursuant to the provisions of a trust indenture, as amended and supplemented from time to time (the "**Trust Indenture**"), to be dated on or about the closing date of

this Offering, between Genworth Canada and BNY Trust Company of Canada as trustee (the “**Trustee**”). The first series supplement to the Trust Indenture (the “**First Series Supplement**”) will provide for the creation of the Debentures offered under this Prospectus Supplement. The Debentures will be limited to \$600,000,000 aggregate principal amount, will be dated June 29, 2010 and will mature on June 15, 2020. The Debentures will be issued in denominations of \$1,000 and authorized multiples thereof. The principal and interest on the Debentures will be paid in lawful money of Canada in the manner and on the terms set out in the Trust Indenture.

## **Depository Services**

Except as otherwise provided below, the Debentures will be issued in “book-entry only” form and must be purchased, transferred or redeemed through participants (“**CDS Participants**”) in the depository service of CDS or its nominee. Each of the Agents is a CDS Participant. On the closing of this Offering, Genworth Canada will cause a global certificate or certificates representing the Debentures to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Debentures will be entitled to a certificate or other instrument from the Company or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Debentures will receive a customer confirmation of purchase from the registered dealer from which the Debentures are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Debentures. Reference in this Prospectus Supplement to a holder of Debentures (“**Debentureholder**”) means, unless the context otherwise requires, the beneficial holder of the Debentures.

## **Transfers**

Transfers of ownership in Debentures will be effected through the records maintained by CDS or its nominee for such Debentures with respect to interests of CDS Participants and on the records of Participants with respect to interests of persons other than CDS Participants. Debentureholders who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in such Debentures, may do so only through CDS Participants. The ability of a Debentureholder to pledge a Debenture or otherwise take action with respect to such Debentureholder’s interest in a Debenture (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

## **Ranking**

The Debentures will be senior direct and unsecured obligations of Genworth Canada, and will rank *pari passu* with all other current and future unsecured and unsubordinated indebtedness of Genworth Canada, except to the extent of any mandatory preferences prescribed by applicable law and subject to, in the case of any other Debt Securities issued under the Indenture, any sinking fund or defeasance provisions applicable to such securities.

## **Covenants**

Genworth Canada will covenant in the Trust Indenture substantially to the effect that, so long as any of the Debentures are outstanding:

1. Genworth Canada will not, and will not permit any of its subsidiaries to, directly or indirectly, create, assume or suffer to exist any Security Interest (other than Permitted Encumbrances) on any of its present or future property to secure any obligation unless at the same time the Debentures, and if Genworth Canada so elects, any other liabilities of Genworth Canada ranking at least *pari passu* with the Debentures, are secured equally and rateably with (or prior to) such obligation so long as such Security Interest is outstanding; and
2. Genworth Canada will not, and will not permit any of its subsidiaries to, amalgamate or consolidate or merge with or into any other person or liquidate, wind-up or dissolve itself (or suffer any liquidation,

winding-up or dissolution or any proceedings therefor), or continue itself under the laws of any other statute or jurisdiction, or sell, transfer, convey or dispose of, in one transaction or a series of related transactions, and whether at the same time or over a period of time, all or substantially all of its property to any other person unless (a) Genworth Canada or one of its wholly owned subsidiaries is the continuing or successor company following such transaction or the continuing or successor company, if other than Genworth Canada or one of its wholly owned subsidiaries, is a corporation existing under the laws of Canada, the United States, the United Kingdom or any other member country that is in the European Community or any political subdivision of the foregoing, and any continuing or successor company to Genworth Canada assumes all of Genworth Canada's obligations under the Trust Indenture by supplemental indenture, and (b) at the time of, and after giving effect to, such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing under the Trust Indenture; provided that this limitation shall not restrict any amalgamation, consolidation or merger of, any liquidation, dissolution or winding-up of, or any sale of assets or similar transaction between, any direct or indirect wholly owned subsidiary of Genworth Canada and Genworth Canada or any other such subsidiary of Genworth Canada. A continuing or successor company to Genworth Canada pursuant to the preceding sentence which exists under the laws of a country other than Canada or any political subdivision of Canada shall deduct or withhold from any amounts of interest or premium payments it is required to pay under the Trust Indenture all amounts it is required to deduct or withhold on account of taxes (other than taxes imposed under the laws of Canada or any political subdivision of Canada) and shall remit such amount to the relevant governmental authority and shall pay such additional amounts to the holders of the Debentures so that the holders receive the amount they would have received if no such deduction or withholding had been made.

3. Genworth Canada will not request the rating agencies specified as rating the Debentures to withdraw their rating of the Debentures. In the event that a rating agency withdraws its rating of the Debentures with the result that the Debentures are no longer rated by a credit rating agency, Genworth Canada will use commercially reasonable efforts to obtain a credit rating from another credit rating agency acceptable to the Trustee, acting reasonably.

### **Events of Default**

The Trust Indenture and First Series Supplement will provide that an "Event of Default" in respect of the Debentures will occur upon:

- (a) Genworth Canada's failure to pay any principal of or premium on the applicable Debentures when due;
- (b) Genworth Canada's failure to pay any interest on the applicable Debentures when due, which default continues for a period of 30 days, provided that no such default shall be considered to occur as a result of amounts that may be required to be deducted or withheld under the Tax Act or any other applicable taxation statute by Genworth Canada, the Trustee or the registrar or paying agent, if any, from any payment to be made to any Debentureholder having been so deducted or withheld and such amounts having been remitted to the appropriate governmental authority on behalf of such Debentureholder;
- (c) a default by Genworth Canada in the due performance of, or a breach of, any other covenant of Genworth Canada with respect to the Debentures under the Trust Indenture or the First Series Supplement and the continuance of such default for a period of 60 days after written notice thereof to Genworth Canada by the Trustee;
- (d) the declaration or otherwise becoming due and payable of any Indebtedness of Genworth Canada in an aggregate amount exceeding \$50,000,000 prior to the date on which it was otherwise due and payable (the "**Acceleration**"), if the Acceleration is not rescinded or annulled within 10 days after receipt by Genworth Canada of written notice from the Trustee or holders of at least 25% of the aggregate outstanding principal amount of the Debentures; provided that this Event of Default will

be remedied, cured or waived without further action upon the part of either the Trustee or any of the Debentureholders if the default under such other Indebtedness is remedied, cured or waived; or

- (e) certain events of insolvency or bankruptcy of Genworth Canada.

If an Event of Default has occurred and is continuing and the Trustee has received notice of such Event of Default, the Trustee may, in its discretion, and shall, upon request of holders of not less than 25% of the unpaid principal amount of the Debentures, by written notice to Genworth Canada, declare the Debentures to be immediately due and payable, and upon such declaration, the aggregate unpaid principal amount of Debentures (together with all accrued and unpaid interest thereon and any other amounts owing with respect thereto) shall become immediately due and payable.

### **Interest**

Interest on the Debentures at a rate of 5.68% per annum will be payable semi-annually in arrears in equal instalments on June 15<sup>th</sup> and December 15<sup>th</sup> of each year, commencing on December 15, 2010 and continuing until June 15, 2020. The initial interest payment, payable on December 15, 2010, will be \$26.29917807 per \$1,000 principal amount of the Debentures, assuming a closing date for this Offering of June 29, 2010. If any of the aforesaid dates upon which interest on the Debentures is payable is not a business day, such interest shall be payable on the next business day thereafter.

### **Redemption**

The Trust Indenture and First Series Supplement will provide that Genworth Canada may, at its option, redeem the Debentures, in whole at any time or in part from time to time, on not less than 30 and not more than 60 days' prior notice to the registered holder at a redemption price equal to the greater of the Canada Yield Price and par, together in each case with accrued and unpaid interest to the date fixed for redemption. In cases of partial redemption, the Debentures to be redeemed will be selected by the Trustee *pro rata* or in such other manner as it shall deem appropriate. Any Debentures offered hereby that are redeemed by Genworth Canada will be cancelled.

### **Open Market Purchases**

Genworth Canada will have the right at any time to purchase Debentures in the market or by tender or by private contract at any price. All Debentures that are purchased by Genworth Canada will be cancelled and will not be reissued.

### **Modification**

The Trust Indenture and the rights of the holders of Debentures may, in certain circumstances, be modified. For that purpose, the Trust Indenture will contain provisions making "Holder Directions" binding upon the holders of debt securities issued under the Trust Indenture, either on a series by series basis or in respect of all of the holders of more than one series of debt securities issued under the Trust Indenture. A "Holder Direction" will be defined as a resolution approving an action passed by the affirmative vote of the holders of not less than a majority (or such other percentage as is specifically prescribed with respect to any Holder Direction in the Trust Indenture) of the outstanding aggregate principal amount of the applicable series of debt securities issued under the Trust Indenture voted at a meeting or an approval in writing of the holders of not less than a majority (or such other percentage as is specifically prescribed with respect to any Holder Direction in the Trust Indenture) of the outstanding aggregate principal amount of such applicable series.

### **Defeasance**

The Trust Indenture will contain provisions requiring the Trustee to release Genworth Canada from its obligations under the Trust Indenture and the Debentures provided that (i) at least 91 days prior to the time the defeasance is to become effective, Genworth Canada shall have irrevocably deposited funds with the Trustee to pay and discharge all principal and interest and other amounts due or to become due on the Debentures, (ii) Genworth

Canada delivers to the Trustee an opinion of counsel acceptable to the Trustee to the effect that the Debentureholders (resident in Canada for purposes of the Tax Act) will not recognize a gain or loss for Canadian income tax purposes as a result of the exercise by Genworth Canada of its defeasance option and that they will thereafter be subject to Canadian income taxes on the same amounts, in the same manner and at the same time or times as would have been the case if such option had not been exercised, (iii) no Event of Default, and no occurrence that with notice, the lapse of time or both would become an Event of Default, with respect to the Debentures shall have occurred and be continuing at the time of the deposit of funds by Genworth Canada and certain events of insolvency shall not have occurred at any time after the date of deposit and prior to the defeasance, and (iv) other conditions specified in the Trust Indenture are satisfied.

## Definitions

**“Canada Yield Price”** with respect to any redemption day, means a price which, if the Debentures were to be issued at such price on such date, would provide a yield thereon from such date to the scheduled maturity date of the Debentures equal to the Government of Canada Yield, plus 58 basis points (0.58%), compounded semi-annually and calculated on the day that is three business days prior to the date of redemption.

**“Government of Canada Yield”** on any date means the average of the bid side yields to maturity on such date provided by two independent investment dealers selected by Genworth Canada and approved by the Trustee, assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would produce, if issued at par on such date, in Canadian dollars in Canada, with a term to maturity equal to the remaining term to the scheduled maturity date of the Debentures.

**“Indebtedness”** means, with respect to any person, (i) all indebtedness of such person for borrowed money and all liabilities of such person to pay money, whether originally incurred or subsequently assumed, and whether or not evidenced by notes, debentures or other like written instruments, and (ii) all indebtedness and liabilities of the nature referred to in the preceding clause (i) of any other person which such person has guaranteed.

**“Permitted Encumbrances”** means, with respect to a series of debt securities issued under the Trust Indenture, Security Interests on the property of Genworth Canada or a Subsidiary of Genworth Canada which are:

- (a) Security Interests for taxes, rates, assessments, customs duties or other governmental charges or levies not yet due, or which are being contested diligently and in good faith and by appropriate proceedings and for the payment of which appropriate provision, if any, has been made in accordance with GAAP;
- (b) undetermined or inchoate or statutory Security Interests, rights of distress and charges incidental to current operations which have not at such time been filed or which relate to obligations not due or payable;
- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Government of Canada or the government of any of its provinces or territories or other grants of real or immovable property, or interests therein, which do not materially affect the use of the affected land for the purpose for which it is used including zoning laws and ordinances, municipal by-laws and regulations, ground leases, leases and subleases;
- (d) licences, easements, rights-of-way and rights in the nature of easements which do not materially impair the use of the affected land for the purpose for which it is used;
- (e) title defects, or irregularities or other matters relating to title which are of a minor nature and which in the aggregate do not materially impair the use of the affected property for the purpose for which it is used;
- (f) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit acquired or by any statutory provision to

terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;

- (g) Security Interests in connection with contracts, tenders or expropriation proceedings, or to secure worker's compensation, employment insurance, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business, provided that, in the case of Security Interests in respect of which payment is alleged to be due, the validity thereof is being contested diligently and in good faith and appropriate provision, if any, is being made for the payment thereof in accordance with GAAP;
- (h) Security Interests provided in connection with the insurance or reinsurance activities of Genworth Canada or any of its Subsidiaries, including any interest of the Government of Canada in the government guarantee fund;
- (i) additional non-material Security Interests disclosed to and accepted by the Trustee on or before the date of the Trust Indenture;
- (j) Security Interests existing on any property of a Person at the time that such Person is acquired by Genworth Canada or any of its Subsidiaries;
- (k) any Security Interest existing on property or assets acquired by Genworth Canada or any of its Subsidiaries at the time such property or assets are acquired by Genworth Canada or any of its Subsidiaries;
- (l) Security Interests granted by a Subsidiary of Genworth Canada in favour of Genworth Canada or another of its Subsidiaries;
- (m) Security Interests for any judgment rendered, or claim filed, against Genworth Canada or any of its Subsidiaries, which is being contested diligently and in good faith and by appropriate proceedings, that does not constitute an Event of Default, if during such contestation a stay of enforcement of such judgment or claim is in effect;
- (n) Security Interests encumbering customary initial deposits and margin deposits and other Security Interests granted in the ordinary course of business, in each case securing repurchase and reverse repurchase transactions, non-speculative hedging obligations and forward contracts, options, futures contracts, futures options, equity hedges or similar agreements or arrangements designed to protect Genworth Canada or any of its subsidiaries from fluctuations in interest rates, currencies, equities or the price of commodities;
- (o) Security Interests granted under sale and lease-back transactions, and any renewals or extensions thereof, so long as the Indebtedness secured thereby does not exceed \$50,000,000 in the aggregate;
- (p) Security Interests arising in connection with asset securitization transactions;
- (q) the extending, renewing or refinancing by Genworth Canada or any of its Subsidiaries of any of the obligations referred to above, provided that the principal amount of the Indebtedness secured thereby is not in excess of the principal amount thereof on the date of such extension, renewal or refinancing, the security does not extend to any additional property or assets, and immediately after such extension, renewal or refinancing, no Event of Default under the Trust Indenture (or event which would, with notification or with the lapse of time or otherwise, constitute an Event of Default under the Trust Indenture) would exist; or
- (r) Security Interests not otherwise permitted to be incurred pursuant to the provisions in (a) through (q) above and securing an amount not exceeding 5%, in the aggregate, of shareholders' equity as of

the date of the Company's financial statements most recently filed with the Canadian Securities Administrators.

"**Person**" includes an individual, a corporation, a limited liability company, a partnership, a trust, an unincorporated organization, a joint venture, the government of a country or any political subdivision of a country, or an agency or department of any such government, any other governmental authority and the executors, administrators or other legal representatives of an individual in such capacity.

"**Security Interest**" means, for any person, any assignment, security interest, mortgage, charge (whether fixed or floating), hypothec, pledge, lien or other encumbrance on or interest in property that secures payment of any Indebtedness of such person, or secures any other item which in accordance with GAAP would be included as a liability on the liability side of the balance sheet of such person, or secures any contingent liability of such person.

"**Subsidiary**" has the meaning attributed to such term in the *Canada Business Corporations Act*.

### CREDIT RATINGS

The Debentures have a provisional rating of AA (low) by DBRS Limited ("**DBRS**"). The "AA" rating assigned to the Debentures represents the second highest of the ten rating categories available from DBRS for long-term debt. According to DBRS, debt securities rated AA are of superior credit quality, and protection of interest and principal is considered high. Entities rated AA are also considered to be strong credits, typically exemplifying above-average strength in key areas of consideration and unlikely to be significantly affected by reasonably foreseeable events. A reference to "high" or "low" reflects the relative strength within the rating category, while the absence of either a "high" or "low" designation indicates the rating is placed in the middle category.

The Debentures have a preliminary rating of A- by Standard & Poor's Ratings Services ("**S&P**"). The "A-" rating assigned to the Debentures is the third highest of the 10 major rating categories for long-term debt and indicates S&P's view that Genworth Canada's capacity to meet its financial commitment on the obligations is still strong, but the obligations are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency.

### EARNINGS COVERAGE RATIOS

The following consolidated earnings coverage ratios are calculated for the 12-month periods ended March 31, 2010 and December 31, 2009. The ratios give effect to the issuance of the Debentures offered pursuant to this Prospectus Supplement.

	<u>Twelve Month Period Ended</u>	
	<u>March 31, 2010</u>	<u>December 31, 2009</u>
Consolidated earnings coverage ratio on long-term debt	31 times	35 times

**The earnings coverage ratios set out above do not purport to be indicative of an earnings coverage ratio for any future periods.**

## TRADING PRICE AND VOLUME

The common shares of Genworth Canada are listed and posted for trading on the TSX under the symbol “MIC”. The closing price ranges and average daily trading volume of the common shares on the TSX for the periods shown below since the first day of public trading on July 7, 2009 were as follows (share price is stated in Canadian dollars per share):

	High	Low	Volume
<b>2009</b>			
July 7 to 31	\$19.55	\$17.89	464,311
August	\$24.50	\$19.50	193,685
September	\$25.00	\$23.59	119,995
October	\$24.30	\$23.25	64,776
November	\$26.80	\$23.80	238,105
December	\$27.69	\$25.60	80,100
<b>2010</b>			
January	\$27.05	\$25.56	131,866
February	\$28.19	\$26.38	66,867
March	\$27.75	\$26.65	51,725
April	\$28.74	\$27.21	222,329
May	\$28.40	\$24.01	262,780
June 1 to 18	\$24.97	\$22.98	127,479

## RISK FACTORS

Before deciding whether to invest in the Debentures, investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus Supplement, including the disclosure under the heading “Risk Factors” in the AIF and under the headings “Risk Management” and “Critical Accounting Estimates” in the MD&A. These documents discuss, among other things, known material trends and events, and risks or uncertainties that may reasonably be expected to have a material effect on Genworth Canada’s business, financial condition or results of operations or on the Debentures.

There are certain risks inherent in the activities of Genworth Canada and in an investment in the Debentures, including the following, which investors should consider carefully before investing in the Debentures. This description of the risks does not include all possible risks, and there may be other risks of which Genworth Canada is not currently aware.

### Changes in Creditworthiness

There is no assurance that the creditworthiness of Genworth Canada or that any credit rating assigned to the Debentures will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency. See “*Credit Ratings*”. An actual or perceived reduction of Genworth Canada’s creditworthiness, or a lowering or withdrawal of such rating, may have an adverse effect on the market price or value or the liquidity of the Debentures.

### Market Value Risk

Prevailing interest rates will affect the market value of the Debentures. The price or market value of the Debentures will decline as prevailing interest rates for comparable securities rise. Genworth Canada may choose to redeem Debentures from time to time, in accordance with its rights described under “*Details of the Offering — Redemption*”, including when prevailing interest rates are lower than the yield borne by the Debentures. If prevailing rates are lower at the time of redemption, a holder may not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Debentures being redeemed.

## **Liquidity Risk**

The Debentures constitute a new issue of securities with no established trading market. In addition, Genworth Canada does not intend to list the Debentures on any exchange. As a result, the trading market for the Debentures may not be active or liquid. There can be no assurance that an active market for the Debentures will develop or be sustained or that Debentureholders will be able to sell their Debentures at any particular price or at all.

## **Ranking of the Debentures**

The Debentures are senior direct and unsecured obligations of Genworth Canada and will not be secured by any of its assets. Therefore, holders of secured Indebtedness of Genworth Canada will have a claim on the assets securing such Indebtedness that ranks in priority to the claims of holders of the Debentures and will have a claim that ranks equally with the claims of holders of Debentures to the extent that such security is insufficient to satisfy the secured Indebtedness. Furthermore, although covenants given by Genworth Canada in certain agreements may restrict incurring secured Indebtedness, such Indebtedness may, subject to certain conditions, be incurred.

## **No Limitation on Indebtedness**

The Trust Indenture and the First Series Supplement will not limit Genworth Canada or any of its subsidiaries from incurring additional Indebtedness. The degree to which Genworth Canada is leveraged on a consolidated basis could have important consequences, including:

- (a) Genworth Canada's ability to obtain additional financing for working capital, investment or other purposes may be limited;
- (b) Genworth Canada may be unable to refinance Indebtedness coming due on terms acceptable to Genworth Canada or at all; and
- (c) defaults under other Indebtedness may cause an Event of Default under the Debentures.

## **No Event Risk Protection**

The Trust Indenture will not contain any provision that would afford Debentureholders protection should Genworth Canada be involved in a highly leveraged or similar transaction.

## **Holding Company Status**

Genworth Canada acts as an indirect holding company for Genworth Financial Mortgage Insurance Company Canada and does not have any significant operations of its own. Dividends or other distributions from Genworth Financial Mortgage Insurance Company Canada and, in turn, Genworth Canada's other subsidiaries are Genworth Canada's principal source of cash to pay shareholder dividends, if declared, and to meet its obligations, including operating expenses, taxes and interest and principal payments on its borrowings. In addition, there are or may be statutory, contractual, tax or other limitations on the ability of Genworth Financial Mortgage Insurance Company Canada to make distributions to Genworth Canada's direct subsidiaries and on the ability of these direct subsidiaries to make distributions to Genworth Canada. The likelihood that holders of the Debentures will receive interest payments will therefore be dependent upon the performance, financial position and creditworthiness of the subsidiaries of Genworth Canada.

## **Structural Subordination of Debentures**

Genworth Canada is a holding company with substantially all of its consolidated assets held by various subsidiaries. As a parent entity, Genworth Canada is entitled to the residual equity of its subsidiaries after all the debt obligations of its subsidiaries are discharged. The Debentures will be obligations of Genworth Canada and will not be guaranteed by any of its subsidiaries. As a result, the Debentures will be structurally subordinated to all debt and other liabilities of Genworth Canada's subsidiaries. In the event of a bankruptcy, liquidation or reorganization of

Genworth Canada or its subsidiaries, holders of Indebtedness of Genworth Canada (including holders of Debentures) will be subordinate to holders of Indebtedness of, or the interests of policyholders of, the subsidiaries of Genworth Canada.

In addition, in the event of a bankruptcy, liquidation or reorganization of any of Genworth Canada's subsidiaries, holders of Indebtedness of Genworth Canada (including the holders of Debentures), as well as shareholders of Genworth Canada, will have no right to proceed against the assets of the subsidiaries. Creditors of subsidiaries would be entitled to payment in full from such assets before Genworth Canada, as a shareholder, would be entitled to any distribution therefrom.

### **Prevailing Economic Conditions**

Longer term volatility and continued disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect Genworth Canada's access to the credit needed for its business in the longer term. Such disruptions could require Genworth Canada to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for its business needs can be arranged. Continued market disruptions could cause broader economic downturns, which may lead to lower demand for certain of Genworth Canada's products and services. Events such as these adversely impact Genworth Canada's results of operations, cash flows and financial position.

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Blake, Cassels & Graydon LLP, counsel to Genworth Canada, and Stikeman Elliott LLP, counsel to the Agents, the following is, as of the date of this Prospectus Supplement, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a prospective purchaser who acquires, as beneficial owner, Debentures pursuant to this Offering and who, at all relevant times, for purposes of the Tax Act, is resident or deemed to be resident in Canada, deals at arm's length and is not affiliated with Genworth Canada and holds the Debentures as capital property (a "**Holder**"). Generally, Debentures will be considered to be capital property to a purchaser provided that the purchaser does not acquire or hold the Debentures in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain purchasers who might not otherwise be considered to hold their Debentures as capital property may be entitled to make the irrevocable election permitted by Subsection 39(4) of the Tax Act to have the Debentures, and every other "Canadian security" owned by such purchaser in the taxation year of the election and each subsequent taxation year, deemed to be capital property. Such purchasers should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a purchaser (i) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act), or (iii) who has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency. Such purchasers should consult their own tax advisors regarding their particular circumstances.

This summary is based on the facts set out in this Prospectus Supplement, the current provisions of the Tax Act and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may be different from those discussed herein.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the transactions described herein. Moreover, the income and other tax consequences will vary depending**

**on the purchaser's particular circumstances, including the jurisdiction in which the purchaser resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any purchaser. Purchasers should consult their own tax advisors for advice with respect to the tax consequences of these transactions based on their particular circumstances.**

### **Taxation of Interest on the Debentures**

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on a Debenture that accrues or is deemed to accrue to the Holder to the end of that taxation year, or becomes receivable or is received by the Holder before the end of that taxation year, except to the extent that such amount was included in the Holder's income for a preceding taxation year. Any other Holder, including an individual, will be required to include in computing its income for a taxation year any interest on a Debenture that is received or receivable by such Holder in that year (depending upon the method regularly followed by the Holder in computing income), to the extent that such amount was not otherwise included in the Holder's income for a preceding taxation year.

A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may also be liable for a refundable tax on investment income. For this purpose, investment income will generally include interest income.

On a disposition or deemed disposition of a Debenture, including a redemption, payment on maturity or purchase for cancellation, a Holder will generally also be required to include in income the amount of interest accrued or deemed to accrue on the Debenture to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a preceding taxation year.

### **Disposition of Debentures**

In general, a disposition or deemed disposition, including a redemption, payment on maturity or other purchase for cancellation, will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any interest accrued to the date of disposition or deemed disposition and any other amounts included in the Holder's income on such disposition or deemed disposition as interest, exceed (or are less than) the adjusted cost base of the Debenture to the Holder immediately before the disposition or deemed disposition and any reasonable costs of disposition. As discussed above, the amount of interest accrued on the Debenture to the date of disposition or deemed disposition (as well as any amounts deemed to be interest discussed below) will be generally excluded from proceeds of disposition and will generally be included as interest in computing the Holder's income for the taxation year in which the disposition takes place except to the extent such amount has otherwise been included in income for that or a preceding taxation year.

Any premium paid by Genworth Canada to a Holder as a result of Genworth Canada's exercise of its optional redemption right or any other premium, will generally be deemed to be interest received by a Holder at the time of the redemption to the extent that it can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of the interest that would have been paid or payable by Genworth Canada on the Debenture for a taxation year ending after the redemption and will be required to be included in computing the Holder's income as described above.

If interest has accrued on a Debenture, a Holder who disposes of or is deemed to dispose of the Debenture for consideration equal to its fair market value will generally be entitled to deduct in computing income for the year of disposition an amount equal to any such interest included in income for that or any preceding year to the extent that no amount was received or became receivable by the Holder in respect of the interest so accrued.

One half of the amount of any capital gain (a "taxable capital gain") realized by a Holder in a taxation year generally must be included in the Holder's income in that year, and, subject to and in accordance with the provisions of the Tax Act, one half of the amount of any capital loss (an "allowable capital loss") realized by a Holder in a taxation year generally must be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains in any particular year may be carried back and deducted in any of the

three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. A capital gain realized by an individual or a trust (other than specified trusts) may give rise to a liability for alternative minimum tax. As discussed above, a Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for an additional refundable tax on investment income. For this purpose, investment income will generally include taxable capital gains.

Capital gains realized by individuals (other than certain trusts) may give rise to a liability for alternative minimum tax.

## **PLAN OF DISTRIBUTION**

Under an agency agreement (the “**Agency Agreement**”) dated June 18, 2010 between Genworth Canada and the Agents, the Agents have agreed to use their reasonable best efforts to attempt to sell, if as and when issued by Genworth Canada, \$275,000,000 principal amount of Debentures plus accrued interest, if any, from June 29, 2010 to the date of delivery, payable in cash against delivery of such Debentures. The Offering is anticipated to close on June 29, 2010 or such later date as may be agreed upon by Genworth Canada and the Agents, but not later than July 15, 2010.

The Agency Agreement provides that the Agents will be paid the Agents’ Fee of \$4.00 per \$1,000 principal amount of Debentures sold, on account of services rendered in connection with this Offering. The Agency Agreement also provides that, as part of the expenses of this Offering, the Company will reimburse the Agents in an amount equal to \$10.00 in respect of each \$1,000 principal amount of Debentures sold to purchasers other than certain institutions, up to a maximum of \$500,000. The obligations of the Agents under the Agency Agreement may be terminated at their discretion upon the occurrence of certain stated events. While the Agents have agreed to use their reasonable best efforts to attempt to sell the Debentures offered hereby, they are not obligated to purchase any Debentures which are not sold.

The Agents may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase the Debentures. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Debentures. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution.

In connection with this Offering, the Agents may over allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Debentures at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time.

The Debentures have not been and will not be registered under the 1933 Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the 1933 Act) except in reliance on an exemption from the registration requirements of the 1933 Act or in another transaction exempt from, or not subject to, the registration requirements of the 1933 Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The distribution of this Prospectus Supplement and the offering and sale of the Debentures are also subject to certain restrictions under the laws of certain other jurisdictions outside of Canada. Each Agent has agreed that it will not offer for sale or sell or deliver the Debentures in any such jurisdiction except in accordance with the laws thereof.

## **RELATIONSHIP BETWEEN GENWORTH CANADA AND CERTAIN AGENTS**

Scotia Capital Inc. is an indirect, wholly owned subsidiary of The Bank of Nova Scotia, which is a customer of Genworth Canada; RBC Dominion Securities Inc. is an indirect, wholly owned subsidiary of Royal Bank of Canada, which is a customer of Genworth Canada; TD Securities Inc. is an indirect, wholly owned

subsidiary of The Toronto Dominion Bank, which is a customer of Genworth Canada; BMO Nesbitt Burns Inc. is an indirect, wholly owned subsidiary of Bank of Montreal, which is a customer of Genworth Canada; National Bank Financial Inc. is an indirect wholly owned subsidiary of National Bank of Canada, which is a customer of Genworth Canada; CIBC World Markets Inc. is an indirect, wholly owned subsidiary of Canadian Imperial Bank of Commerce, which is a customer of Genworth Canada; Desjardins Securities Inc. is a direct wholly owned subsidiary of the Fédération des caisses Desjardins du Québec, which is a customer of Genworth Canada; and Macquarie Capital Markets Canada Ltd. is an affiliate of Macquarie Bank Limited, subsidiaries of which are also customers of Genworth Canada. Accordingly, Genworth Canada may be considered to be a “connected issuer” of each of the Agents within the meaning of applicable securities legislation.

None of the Agents will receive any benefit from this Offering other than their respective share of the Agents’ Fee.

None of the above-referenced banks, credit unions or other affiliates of the Agents had any involvement in the decision to distribute the Debentures. The determination of the terms of this Offering, including the issue price of the Debentures, was made through negotiations between Genworth Canada and the Agents.

To the knowledge of Genworth Canada, none of the above-referenced Agents nor their parent entities will receive any proceeds of this Offering other than the applicable Agent’s portion of the Agent’s Fee.

#### **PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal adviser.

#### **LEGAL MATTERS**

In connection with the issue and sale of the Debentures, certain legal matters will be passed upon on behalf of Genworth Canada by Blake, Cassels & Graydon LLP and on behalf of the Agents by Stikeman Elliott LLP. As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP and Stikeman Elliott LLP as a group beneficially own, directly or indirectly, less than 1% of the outstanding securities of Genworth Canada or any associated party or affiliate of Genworth Canada.

#### **TRUSTEE**

The Trustee is BNY Trust Company of Canada, at its office in Toronto, Ontario.

## AUDITORS' CONSENT

We have read the prospectus supplement of Genworth MI Canada Inc. (the "**Company**") dated June 18, 2010 qualifying the sale and issuance of Debentures to the short form base shelf prospectus of the Company dated May 7, 2010 qualifying the distribution of up to \$1,500,000,000 of Debt Securities, Preferred Shares, Common Shares, Subscription Receipts, Warrants and Units (the "**Prospectus**"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2009 and 2008 and the consolidated statements of income, changes in shareholders' equity, comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2009. Our report is dated February 10, 2010.

We also consent to the incorporation by reference in the above-mentioned Prospectus of our report to the board of directors of Genworth Canada Holdings I Limited on the consolidated balance sheets of Genworth Canada Holdings I Limited as at December 31, 2008 and 2007 and the consolidated statements of income, changes in shareholders' equity, comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2008. Our report is dated May 29, 2009, except as to note 20 which is as at June 29, 2009.

Finally, we consent to the incorporation by reference in the above-mentioned Prospectus of our report to the board of directors of Genworth Canada Holdings II Limited on the balance sheet of Genworth Canada Holdings II Limited as at December 31, 2008 and the statements of income, changes in shareholder's equity and cash flows for the period from incorporation on June 13, 2008 to December 31, 2008. Our report is dated September 21, 2009.

(Signed) KPMG LLP  
Chartered Accountants, Licensed Public Accountants  
Toronto, Canada  
June 18, 2010

**CERTIFICATE OF AGENTS**

Dated: June 18, 2010

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of all the provinces and territories of Canada.

SCOTIA CAPITAL INC.

RBC DOMINION SECURITIES  
INC.

TD SECURITIES INC.

(Signed) Greg Lawrence

(Signed) Rajiv Bahl

(Signed) Andrew Becker

BMO NESBITT BURNS INC.

NATIONAL BANK FINANCIAL INC.

(Signed) Bradley J. Hardie

(Signed) Darin Deschamps

CIBC WORLD MARKETS INC.

DESJARDINS SECURITIES INC.

MACQUARIE CAPITAL  
MARKETS CANADA LTD.

(Signed) Donald A. Fox

(Signed) A. Thomas Little

(Signed) Noreen Flaherty

## **Short Form Base Shelf Prospectus**

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This short form prospectus has been filed under legislation in all provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Vice President, General Counsel and Secretary of Genworth MI Canada Inc. at 2060 Winston Park Drive, Suite 300, Oakville, Ontario L6H 5R7 (telephone 905-287-5484) and are also available electronically at [www.sedar.com](http://www.sedar.com).*

### **SHORT FORM BASE SHELF PROSPECTUS**

New Issue

May 7, 2010

## **GENWORTH MI CANADA INC.**

**\$1,500,000,000**  
**Debt Securities**  
**Preferred Shares**  
**Common Shares**  
**Subscription Receipts**  
**Warrants**  
**Units**

Genworth MI Canada Inc. (“**Genworth Canada**” or the “**Company**”) may from time to time offer and issue the following securities: (i) senior or subordinated unsecured debt securities (collectively, the “**Debt Securities**”); (ii) preferred shares (the “**Preferred Shares**”); (iii) common shares (the “**Common Shares**”), (iv) subscription receipts (the “**Subscription Receipts**”); (v) warrants (the “**Warrants**”); and (vi) units (the “**Units**”) comprised of one or more of the other securities described in this short form base shelf prospectus (the “**Prospectus**”). The Debt Securities, Common Shares, Preferred Shares, Subscription Receipts, Warrants and Units (collectively, the “**Securities**”) offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement (a “**Prospectus Supplement**”).

All shelf information not included in this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. The aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof at the time of issuance of any Securities that are denominated in a foreign currency or currency unit) that may be sold pursuant to this Prospectus during the 25-month period that this Prospectus, including any amendments hereto, remains valid is limited to \$1,500,000,000.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption at the option of the Company or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of Preferred Shares, the designation of the particular series, aggregate principal amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of the Company or the holder, any exchange or conversion terms and any other specific terms; (iii) in the case of Common Shares, the number of shares offered and the offering price; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the conditions and procedures for exchange of the Subscription Receipts for other Securities of the Company and any other specific terms; (v) in the case of Warrants, the designation and number of Warrants being offered, the designation, number and terms of the Debt Securities, Preferred Shares or Common Shares purchasable upon exercise of the Warrants,

any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (vi) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units and any other specific terms. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

This Prospectus does not qualify for issuance debt securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance debt securities, including debt securities convertible into other Securities of the Company, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a U.S. Federal funds rate.

The outstanding Common Shares are listed on the Toronto Stock Exchange (the "TSX") under the stock symbol "MIC".

The Securities may be sold through underwriters or dealers, by the Company directly pursuant to applicable statutory exemptions or through agents designated by the Company from time to time. See "Plan of Distribution". Each Prospectus Supplement will identify each underwriter, dealer or agent engaged in connection with the offering and sale of those Securities to which the Prospectus Supplement relates, and will also set forth the terms of the offering of such Securities including the net proceeds to the Company and, to the extent applicable, any fees payable to the underwriters, dealers or agents. The offerings are subject to approval of certain legal matters by Blake, Cassels & Graydon LLP on behalf of the Company. Unless otherwise specified in the applicable Prospectus Supplement, Securities, other than Common Shares, offered hereby will not be listed on any stock exchange.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities offered at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time. See "Plan of Distribution".

Genworth Canada's registered and head office is located at 2060 Winston Park Drive, Suite 300, Oakville, Ontario L6H 5R7.

Except as otherwise indicated, all dollar amounts in this Prospectus are expressed in Canadian dollars and references to "\$" are to Canadian dollars.

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### CAUTION REGARDING FORWARD LOOKING INFORMATION AND STATEMENTS

Certain statements made in this Prospectus contain forward-looking information within the meaning of applicable securities laws (“**forward-looking statements**”). When used in this Prospectus, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Specific forward-looking statements in this document include, but are not limited to, any possible statements with respect to the Company’s future operating and financial results, expectations regarding premiums written, capital expenditure plans, dividend policy and the ability to execute on its future operating, investing and financial strategies.

The forward-looking information and statements contained herein are based on certain factors and assumptions, certain of which appear proximate to the applicable forward-looking information contained herein. Inherent in the forward-looking information and statements are known and unknown risks, uncertainties and other factors beyond the Company’s ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company’s business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Actual results or developments may differ materially from those contemplated by the forward-looking information and statements.

The Company’s actual results and performance could differ materially from those anticipated in these forward-looking statements and information as a result of both known and unknown risks, including risks related to: changes in government regulation; competition from other providers of mortgage insurance in Canada; a downturn in the global and Canadian economies; a decline in the Company’s regulatory capital or an increase in its regulatory capital requirements; changes to laws mandating mortgage insurance; a decrease in the volume of high loan-to-value mortgage originations; ineffective or unsuccessfully implemented risk management standards by the Company; a downgrade or potential downgrade in the Company’s financial strength ratings; interest rate fluctuations; the loss of members of the Company’s senior management team; potential legal, tax and regulatory investigations and actions; the failure of the Company’s computer systems; and potential conflicts of interest between the Company and its majority shareholder, Genworth Financial, Inc.

This is not an exhaustive list of the factors that may affect any of the Company’s forward-looking information and statements. Some of these and other factors are discussed in more detail in the Company’s annual information form dated March 22, 2010 (the “**AIF**”) under the heading “Risk Factors”. Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking information and statements. Further information regarding these and other risk factors is included in the Company’s public filings

with provincial securities regulatory authorities and can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com). The forward-looking information and statements contained in this Prospectus represent the Company's views only as of the date hereof. Forward-looking information and statements contained in this Prospectus are based on management's current plans, estimates, projections, beliefs and opinions and the assumptions related to these plans, estimates, projections, beliefs and opinions may change, and are presented for the purpose of assisting the Company's shareholders in understanding management's current views regarding those future outcomes and may not be appropriate for other purposes. While the Company anticipates that subsequent events and developments may cause the Company's views to change, the Company does not undertake to update any forward-looking information and statements, except to the extent required by applicable securities laws.

### **GAAP AND NON-GAAP MEASURES**

The Company's consolidated financial statements incorporated by reference in this Prospectus have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company's key performance indicators and certain other information included or incorporated by reference in this Prospectus include certain non-GAAP measures. Non-GAAP measures used by the Company to analyze performance include underwriting ratios such as loss ratio, expense ratio and combined ratio as well as other performance measures such as net operating income and return on net operating income. The Company believes that these non-GAAP financial measures provide meaningful supplemental information regarding its performance and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. Non-GAAP measures do not have standardized meaning and are unlikely to be comparable to any similar measure presented by other companies.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the AIF;
- (b) the comparative audited consolidated financial statements of the Company as at and for the year ended December 31, 2009 and the report of the auditors thereon;
- (c) management's discussion and analysis of the Company for the fourth quarter and year ended December 31, 2009 (the "**2009 MD&A**");
- (d) the comparative unaudited consolidated financial statements of the Company as at and for the three months ended March 31, 2010;
- (e) management's discussion and analysis of the Company for the three months ended March 31, 2010 (together with the 2009 MD&A, the "**MD&A**");
- (f) the management information circular dated March 16, 2010 with respect to the annual meeting of shareholders of the Company held on May 5, 2010; and
- (g) the business acquisition report of the Company dated September 22, 2009 relating to the Reorganization (as defined herein).

All documents of the Company of the type described in Section 11.1 of Form 44-101F1 — *Short Form Prospectus* to National Instrument 44-101 — *Short Form Prospectus Distributions*, if filed by the Company with the provincial and territorial securities commissions or similar authorities in Canada after the date of this Prospectus and during the term of this Prospectus, shall be deemed to be incorporated by reference into this Prospectus.

A Prospectus Supplement containing the specific terms in respect of any Securities will be delivered, together with this Prospectus, to purchasers of such Securities and will be deemed to be incorporated into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement, but only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

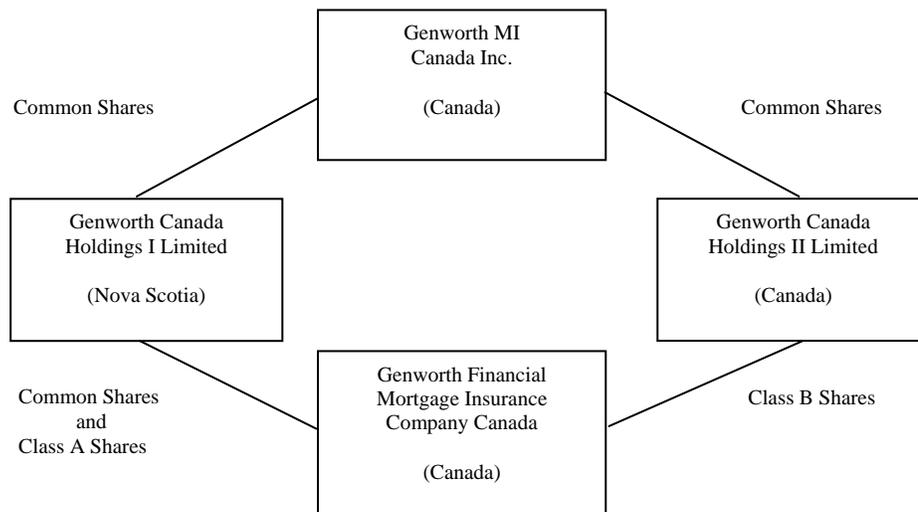
When a new annual information form, annual financial statements and related management's discussion and analysis are filed by the Company, and where required, accepted by the applicable securities regulatory authorities during the term of this Prospectus, the previous annual information form, the previous annual financial statements and related management's discussion and analysis, and all interim financial statements and related management's discussion and analysis, material change reports and information circulars filed by the Company prior to the commencement of the Company's financial year in which the new annual information form is filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

## GENWORTH MI CANADA INC.

Genworth Canada was incorporated as a corporation under the *Canada Business Corporations Act* pursuant to a Certificate of Incorporation dated May 25, 2009. From 1995 to 2004, the Company's business was operated by Genworth Financial Inc. (when it operated as a wholly-owned subsidiary of the General Electric Company). Pursuant to a reorganization on July 6, 2009 (the "**Reorganization**"), the Company acquired Genworth Canada Holdings I Limited and Genworth Canada Holdings II Limited, which control Genworth Financial Mortgage Insurance Company Canada. The principal business office and registered office of the Company is located at 2060 Winston Park Drive, Suite 300, Oakville, Ontario L6H 5R7.

Unless the context otherwise requires, all references in this Prospectus to "**Genworth Canada**" and the "**Company**" refer to Genworth MI Canada Inc. and its subsidiaries and, to the extent references in this Prospectus are made to matters undertaken by a predecessor in interest to Genworth Canada or its subsidiaries, include such predecessor in interest. Unless the context otherwise requires, all references in this Prospectus to subsidiaries of Genworth Canada include Genworth Financial Mortgage Insurance Company Canada.

The following chart illustrates the Company's corporate structure, together with the jurisdiction of incorporation of each of the Company's subsidiaries, each of which is wholly-owned.



## SUMMARY DESCRIPTION OF THE BUSINESS

Genworth Canada is the largest private residential mortgage insurer in Canada and has been providing private mortgage insurance in Canada since 1995. The Company has built a broad underwriting and distribution platform across the country that provides customer-focused products and support services to the vast majority of Canada's residential mortgage lenders and originators. Today, Genworth Canada underwrites mortgage insurance for residential properties in all provinces and territories of Canada and has the leading market share among private mortgage insurers.

Additional information with respect to the Company's business is included in the AIF and MD&A, both of which are incorporated by reference in this Prospectus.

## DESCRIPTION OF SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of Common Shares, an unlimited number of Preferred Shares issuable in series, and one special share (the "**Special Share**"). As of the date of this Prospectus, 117,100,000 Common Shares, no Preferred Shares and one Special Share have been issued and are outstanding.

## DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered pursuant to a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement. Since the terms of a series of Debt Securities may differ from the general information provided in this Prospectus, in all cases an investor should rely on the information in the applicable Prospectus Supplement where it differs from information in this Prospectus. The following description and any description of Debt Securities in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable indenture and, if applicable, collateral arrangements relating to such Debt Securities.

The Debt Securities will be direct unsecured obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the relevant Prospectus Supplement. The senior Debt Securities will rank equal in right of payment to all other unsecured and unsubordinated indebtedness of the Company. The subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of the senior Debt Securities and all other senior indebtedness of the Company.

The Debt Securities will be issued under one or more indentures between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “**Trustee**”), as supplemented and amended from time to time (each a “**Trust Indenture**” and, collectively, the “**Trust Indentures**”). The statements made hereunder relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Any Prospectus Supplement for Debt Securities will set forth the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be defeased; (ix) whether such Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms; and (xi) any other specific terms.

Debt Securities may, at the option of the Company, be issued in fully registered form, in bearer form or in “book-entry only” form. See “Book-Entry Only Securities”.

## DESCRIPTION OF PREFERRED SHARES

The following sets forth certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered pursuant to a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement. The following description and any description of Preferred Shares in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the articles of the Company.

Preferred Shares are issuable from time to time in one or more series. The Company’s board of directors (the “**Board**”) is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the Preferred Shares of each series, which may include voting rights. The Preferred Shares of each series rank on par with the Preferred Shares of every other series and are entitled to preference over the Common Shares with respect to payment of dividends and distribution of any assets in the event of the Company’s liquidation, dissolution or winding-up. If any cumulative dividends (whether or not declared), non-cumulative dividends declared or amounts payable on a return of capital are not paid in full, the Preferred Shares of

all series will participate ratably in accordance with the amounts that would be payable on such shares if all such dividends were declared and paid in full or the sums that would be payable on such shares on the return of capital if all amounts so payable were paid in full, as the case may be.

Any Prospectus Supplement for Preferred Shares will set forth the terms and other information with respect to the Preferred Shares being offered thereby, including: (i) the offering price of the Preferred Shares; (ii) the title and designation of number of shares of the series of Preferred Shares; (iii) the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to accumulate; (iv) any conversion or exchange features or rights; (v) whether the Preferred Shares will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights; (vi) any liquidation rights; (vii) any sinking fund provisions; (viii) any voting rights; (ix) whether the Preferred Shares will be issued in fully registered or “book-entry only” form; (x) any other rights, privileges, restrictions and conditions attaching to the Preferred Shares; and (xi) any other specific terms.

### **DESCRIPTION OF COMMON SHARES**

Holders of Common Shares are entitled, except where otherwise provided by law and subject to the rights of the holder of the Special Share to elect a specified number of directors under the Company’s articles and in accordance with the Shareholder Agreement dated July 7, 2009 among the Company, Brookfield Life Assurance Company Limited and Genworth Financial, Inc., to elect the members of the Board and vote at all meetings of shareholders of Genworth Canada, and are entitled to one vote per Common Share. Holders of Common Shares are entitled, subject to the rights of holders of Preferred Shares and any other shares ranking senior to the Common Shares, to receive dividends as and when declared by the Board and, upon the voluntary or involuntary liquidation, dissolution or winding-up of Genworth Canada, the holders of Common Shares are entitled to receive the remaining property and assets of Genworth Canada available for distribution, after payment of liabilities.

### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

The following sets forth certain general terms and provisions of the Subscription Receipts. The Company may issue Subscription Receipts that may be exchanged by the holders thereof for other Securities of the Company upon the satisfaction of certain conditions. The particular terms and provisions of the Subscription Receipts offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Subscription Receipts, will be described in such Prospectus Supplement. The following description and any description of Subscription Receipts in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable subscription receipt agreement and, if applicable, collateral arrangements and depository arrangements relating to such Subscription Receipts.

Subscription Receipts may be offered separately or together with other Securities of the Company. The Subscription Receipts will be issued under a subscription receipt agreement. Under the subscription receipt agreement, an original purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of Securities of the Company to such purchaser, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Securities if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

Any Prospectus Supplement for Subscription Receipts will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, including: (i) the number of Subscription Receipts; (ii) the price at which the Subscription Receipts will be offered and whether the price is payable in instalments; (iii) conditions to the exchange of Subscription Receipts for other Securities of the Company and the consequences of such conditions not being satisfied; (iv) the procedures for the exchange of the Subscription Receipts for other Securities of the Company; (v) the number of Securities of the Company that may be exchanged upon exercise of each Subscription Receipt; (vi) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security; (vii) the dates or periods during which the Subscription Receipts may be exchanged for other Securities of the Company; (viii) whether the Subscription Receipts will be listed on any securities exchange; (ix) whether the

Subscription Receipts will be issued in fully registered or “book-entry only” form; (x) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and (xi) any other specific terms.

## **DESCRIPTION OF WARRANTS**

The following sets forth certain general terms and provisions of the Warrants. The particular terms and provisions of the Warrants offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Warrants, will be described in such Prospectus Supplement. The following description and any description of Warrants in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable warrant agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Warrants.

The Company has delivered an undertaking to the securities regulatory authority in each of the provinces and territories of Canada that the Company will not distribute Warrants separately to any member of the public in Canada unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless the Prospectus Supplement containing the specific terms of the Warrants to be distributed separately is first approved for filing by or on behalf of the securities regulatory authority in each of the provinces and territories of Canada where the Warrants will be distributed.

The Company may issue Warrants for the purchase of Debt Securities, Preferred Shares or Common Shares. Warrants may be issued independently or together with Debt Securities, Preferred Shares or Common Shares offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be issued under one or more warrant agreements between the Company and a warrant agent that the Company will name in the Prospectus Supplement.

Any Prospectus Supplement for Warrants will contain the terms and other information with respect to the Warrants being offered thereby, including: (i) the designation of the Warrants; (ii) the aggregate number of Warrants offered and the offering price; (iii) the designation, number and terms of the Debt Securities, Preferred Shares or Common Shares or other securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers; (iv) the exercise price of the Warrants; (v) the dates or periods during which the Warrants are exercisable; (vi) the designation and terms of any Securities with which the Warrants are issued; (vii) if the Warrants are issued as a unit with another security, the date on and after which the Warrants and the other security will be separately transferable; (viii) the currency or currency unit in which the exercise price is denominated; (ix) any minimum or maximum amount of Warrants that may be exercised at any one time; (x) whether such Warrants will be listed on any securities exchange; (xi) any terms, procedures and limitations relating to the transferability or exercise of the Warrants; (xii) whether the Warrants will be issued in fully registered or “book-entry only” form; (xiii) any other rights, privileges, restrictions and conditions attaching to the Warrants; and (xiv) any other specific terms.

## **DESCRIPTION OF UNITS**

The following sets forth certain general terms and provisions of the Units. The particular terms and provisions of the Units offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Units, will be described in such Prospectus Supplement. The following description and any description of Units in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to any agreement, collateral arrangements and depositary arrangements relating to such Units.

The Company has delivered an undertaking to the securities regulatory authority in each of the provinces and territories of Canada that the Company will not distribute Units comprised of one or more Securities that include Warrants separately to any member of the public in Canada unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless the Prospectus Supplement containing the specific terms of the Units to be distributed separately is first approved for filing by or on behalf of the securities regulatory authority in each of the provinces and territories of Canada where the Units will be distributed.

The Company may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each

Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Any Prospectus Supplement for Units will contain the terms and other information with respect to the Units being offered thereby, including: (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those securities may be held or transferred separately; (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of any Securities comprising the Units; (iii) whether the Units will be issued in fully registered or “book-entry only” form; and (iv) any other specific terms.

### **BOOK-ENTRY ONLY SECURITIES**

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“**CDS Participants**”) in the depository service of CDS Clearing and Depository Services Inc. or a successor (collectively, “**CDS**”). Each of the underwriters, dealers or agents, as the case may be, named in a Prospectus Supplement will be a CDS Participant or will have arrangements with a CDS Participant. On the closing of a book-entry only offering, the Company may cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from the Company or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If the Company determines, or CDS notifies the Company in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and the Company is unable to locate a qualified successor, or if the Company at its option elects, or is required by law, to terminate the book-entry system, then the Securities will be issued in fully registered form to holders or their nominees.

### **Transfer, Conversion or Redemption of Securities**

Transfer of ownership, conversion or redemption of Securities will be effected through records maintained by CDS or its nominee for such Securities with respect to interests of CDS Participants, and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through CDS Participants.

The ability of a holder to pledge a Security or otherwise take action with respect to such holder’s interest in a Security (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

### **Payments and Notices**

Payments of principal, redemption price, if any, dividends and interest, as applicable, on each Security will be made by the Company to CDS or its nominee, as the case may be, as the registered holder of the Security and the Company understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS Participants. Payments to holders of Securities of amounts so credited will be the responsibility of the CDS Participants.

As long as CDS or its nominee is the registered holder of the Securities, CDS or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of the Company in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption price, if any, dividends and interest due on the Securities to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a CDS Participant, on the procedures of the CDS Participant through which such holder owns its interest, to exercise any rights with respect to the Securities. The Company understands that under existing policies of CDS and industry practices, if the Company requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Company, any Trustee and CDS. Any holder that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

The Company, the underwriters, dealers or agents and any Trustee identified in a Prospectus Supplement, as applicable, will not have any liability or responsibility for: (i) records maintained by CDS relating to beneficial ownership interest in the Securities held by CDS or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Trust Indenture with respect to the rules and regulations of CDS or at the directions of the CDS Participants.

### **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

### **PLAN OF DISTRIBUTION**

The Securities offered hereby may be sold (i) through underwriters or dealers, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions, or (iii) through agents. The Securities may be sold at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the Securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of Security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities, the proceeds to the Company from such sale, any underwriting discounts and other items constituting underwriters' compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

The Securities may also be sold directly by the Company at such prices and upon such terms as agreed to by the Company and the purchaser or through agents designated by the Company from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

The Company may agree to pay the underwriters a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of the Company. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities,

including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities offered at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, the Securities will not be registered under the United States Securities Act of 1933, as amended.

## **RISK FACTORS**

Before deciding whether to invest in any Securities, investors should consider carefully the risks set out in the documents incorporated by reference in this Prospectus, including the disclosure under the heading “Risk Factors” in the AIF and under the headings “Risk Management” and “Critical Accounting Estimates” in the MD&A, and all subsequently filed documents incorporated by reference herein. Additional risk factors relating to a specific offering of Securities will be described in the applicable Prospectus Supplement.

## **USE OF PROCEEDS**

The use of proceeds of the sale of each series of Securities will be described in the Prospectus Supplement relating to the specific issuance of Securities.

## **LEGAL MATTERS**

Certain legal matters in connection with the Securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Company. As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company or any associated party or affiliate of the Company.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The Company’s external auditors are KPMG LLP, located at Suite 4600, Bay Adelaide Centre, 333 Bay Street, Toronto Ontario M5H 2S5. KPMG LLP is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The transfer agent and registrar for the Common Shares is CIBC Mellon Trust Company at its principal offices in Toronto, Ontario.

## **PURCHASERS’ STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal adviser. In addition, original purchasers of Subscription Receipts will have a contractual right of rescission following the issuance of Securities of the Company issued or delivered to such purchasers upon exchange of Subscription Receipts. See “Description of Subscription Receipts”.

## AUDITORS' CONSENT

We have read the short form base shelf prospectus of Genworth MI Canada Inc. (the "**Company**") dated May 7, 2010 qualifying the distribution of up to \$1,500,000,000 of Debt Securities, Preferred Shares, Common Shares, Subscription Receipts, Warrants and Units (the "**Prospectus**"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2009 and 2008 and the consolidated statements of income, changes in shareholders' equity, comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2009. Our report is dated February 10, 2010.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report to the board of directors of Genworth Canada Holdings I Limited on the consolidated balance sheets of Genworth Canada Holdings I Limited as at December 31, 2008 and 2007 and the consolidated statements of income, changes in shareholders' equity, comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2008. Our report is dated May 29, 2009, except as to note 20 which is as at June 29, 2009.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report to the board of directors of Genworth Canada Holdings II Limited on the balance sheet of Genworth Canada Holdings II Limited as at December 31, 2008 and the statements of income, changes in shareholder's equity and cash flows for the period from incorporation on June 13, 2008 to December 31, 2008. Our report is dated September 21, 2009.

(Signed) KPMG LLP  
Chartered Accountants, Licensed Public Accountants  
Toronto, Canada  
May 7, 2010

**CERTIFICATE OF GENWORTH MI CANADA INC.**

Dated: May 7, 2010

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) Brian Hurley

Chief Executive Officer

(Signed) Philip Mayers

Chief Financial Officer

On behalf of the Board of Directors

(Signed) Peter Vukanovich

Director

(Signed) Sidney Horn

Director