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Sent via email to [director@fasb.org](mailto:director@fasb.org)

April 28, 2011

International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

RE: Balance Sheet Offsetting Exposure Draft (FASB File Reference 2011-100)

Genworth Financial, Inc. (“Genworth”) appreciates the opportunity to comment on the joint Financial Accounting Standards Board (“FASB”) and International Accounting Standards Board (“IASB” or collectively the “Boards”) Exposure Draft on Balance Sheet Offsetting (the “ED”).

Genworth is a leading financial security company dedicated to providing insurance, wealth management, investment and financial solutions to more than 15 million customers, with a presence in more than 25 countries. We have significant assets and liabilities, including derivatives, that would be impacted by the ED.

We agree with the Boards’ objective to establish a principle for offsetting eligible assets and liabilities. However, we have specific concerns regarding certain aspects of the proposal described below.

***Unconditional Right Enforceable In All Circumstances***

Given the definitive nature of the phrase ‘all circumstances’ for determining the legal right of offset, we believe this criterion would be onerous for an entity to assess and would likely involve excessive costs. Accordingly, we would propose that the requirement to have the unconditional right in all circumstances be replaced with the right of offset that is currently enforceable and that is also expected to exist upon settlement.

By modifying the guidance to focus more on current legal rights to offset, an entity can more easily make a determination of whether they have met the legal right criterion to offset compared to the proposal criterion in the ED. In addition, the information reflected when an entity has the current legal right and intent to offset would align with one of the objectives of the proposal (to reflect an entity’s expected future cash flows) and would provide more relevant information for users of the financial statements.

### ***Disclosures***

The disclosure requirements described in paragraph 12 of the ED would require a detailed, costly analysis and provide few, if any, benefits.

Specifically, paragraph 12(c) requires disclosure about where an entity has the legal right but not the intent to settle net/simultaneously. Such information would not provide users information related to an entity's expected cash flows and does not provide a benefit that would outweigh the cost of having to perform an analysis of each eligible asset and liability to determine if we lack the intent but have the right to offset. If management never has the intent to offset, the accounting requirements should not force an entity to incur significant additional costs and time for disclosure purposes, when such information is not relevant to an entity's future cash flows.

Similarly, the costs of preparing the disclosures in paragraph 12(d) – to quantify the amount for each type of conditional right of setoff – also do not outweigh the benefits, if any, they provide. Similar information could be conveyed by including a qualitative disclosure on what conditional events would create a right of offset without incurring the costs of quantifying the amount by type.

In addition, the requirement to include the portfolio-level fair value adjustments should not be included in the reconciliation for offsetting. This information is more relevant in the disclosure of fair value measurements and does not appear to be relevant in these disclosures.

### ***Regulatory Changes***

We urge the Boards to consider the implications of Dodd-Frank legislation and related regulations that will apply to entities conducting derivative trading in the U.S. to ensure that the finalized guidance can be easily implemented and clearly applied to both 'cleared' and 'non-cleared' derivatives subject to these new rules. Given the uncertainty in how these new regulations will be defined and how settlements of initial and variation margin will be performed, we believe the Boards should delay issuance of final guidance until these regulations are more defined, such that it is clear how these types of derivatives would be impacted by the final guidance.

We appreciate the opportunity to comment on the ED. If there are any questions regarding the content of this letter or you wish to discuss our comments and recommendations, please contact me at (804) 662-2685 or Matt Farney, our global accounting policy leader, at (804) 662-2447.

Sincerely,



Amy R. Corbin  
Vice President and Controller