



Genworth
Financial
Canada

Economic Summit

Real Estate & Mortgage Market Overview

January 31, 2008

Company Confidential

Agenda

- **Ontario Housing Outlook**
- **Toronto Housing Outlook**
- **Mortgage Market**
- **Mortgage Insurance Overview**

Ontario Outlook Highlights

- **Factors Affecting the Housing Market in 2008 ...**
 - Manufacturing and High Canadian Dollar
 - Impact on Windsor ... Oshawa ... St. Catharines
 - Employment Rates
 - Total Volume of Resale Housing Activity
 - Increased from \$55 billion in 2000 to \$155 billion in 2007
 - Interest Rates
 - Affordability
 - Consumer Confidence

Housing Market Returning to Historical Norms

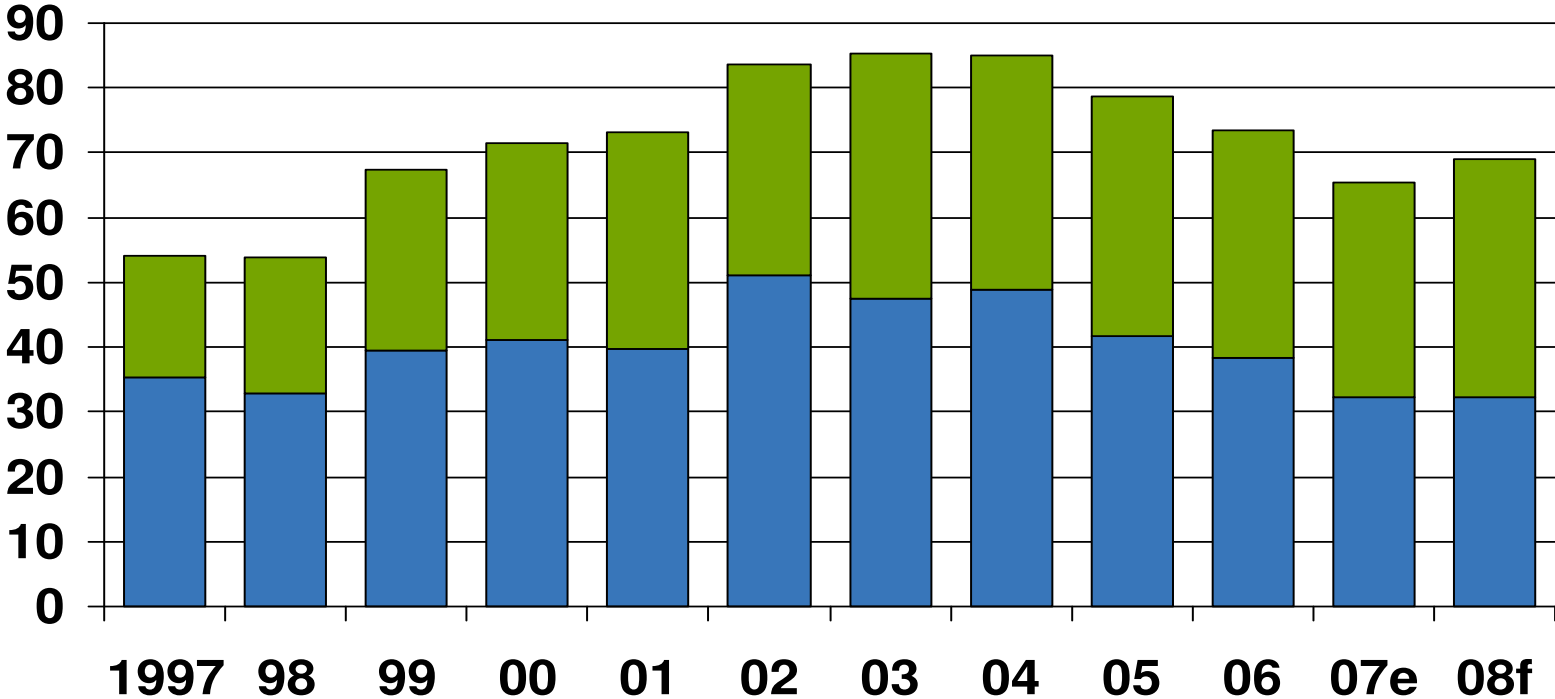
Housing Starts

Ontario (1997-2008)

('000 Units)

■ Singles

■ Multiples

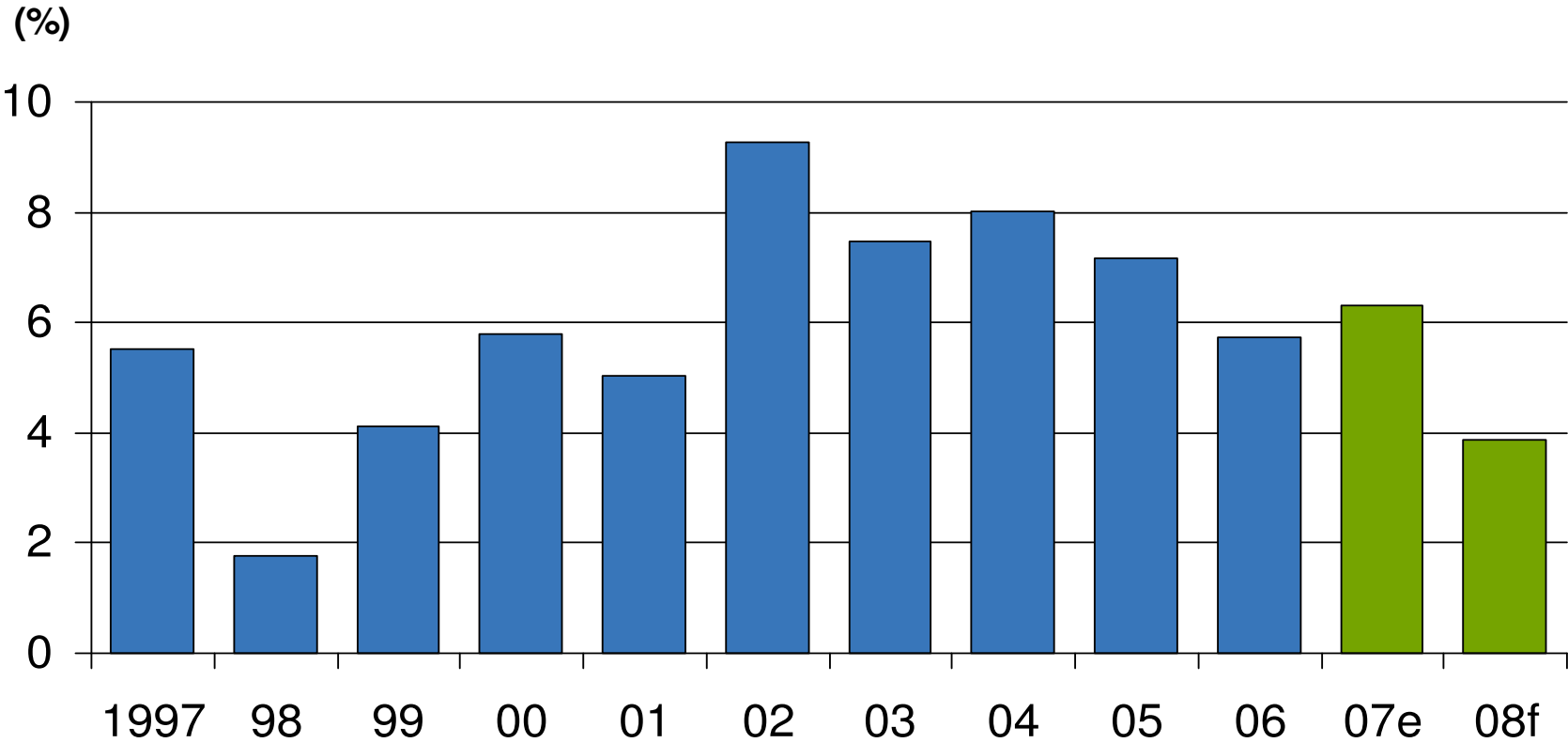


Stronger Starts in 2008 ... Driven by Multiples Sector

Sources: The Conference Board of Canada; CMHC

Existing House Price Growth

Ontario (1997-2008)



House Prices Will Increase ... Lower Rate Than Last Six Years

Sources: The Conference Board of Canada; Statistics Canada; CREA

Toronto Outlook Highlights

- **Existing Home Sales Increase in 2007**
 - Expected to be Slightly Lower in 2008
- **Average Resale Price Growth Higher Than Inflation Rate**
- **Multiples Will Lift Housing Starts in 2008**
- **Population Continues to Age**
- **New Land Transfer Tax in GTA**
 - Effective February 1, 2008

Condominium Construction Driving Starts

Resale Market

Toronto (1997-2008)

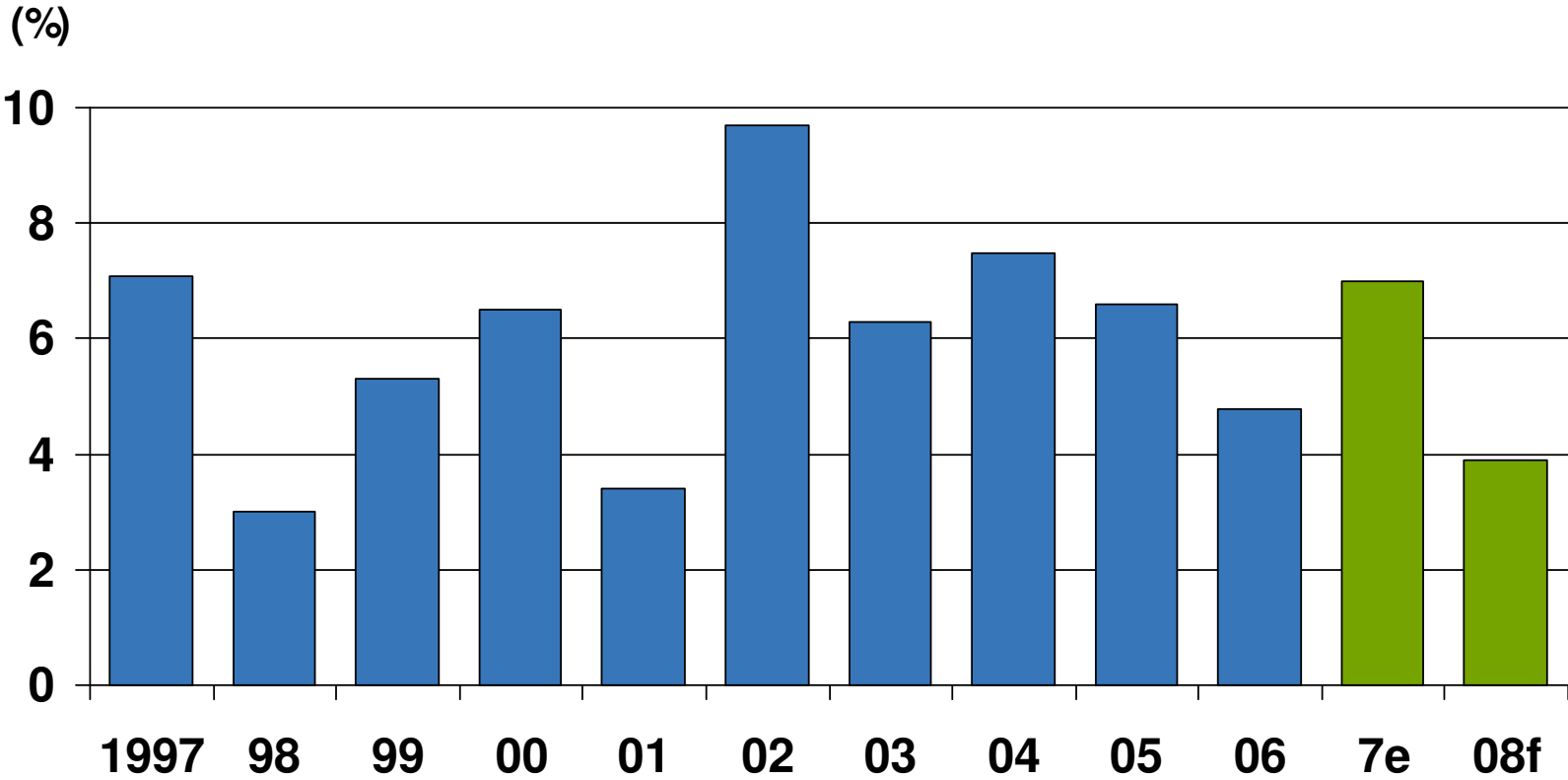


Supply Increasing ... Demand Moderating

Sources: The Conference Board of Canada; CREA

Existing House Price Growth

Toronto (1997-2008)

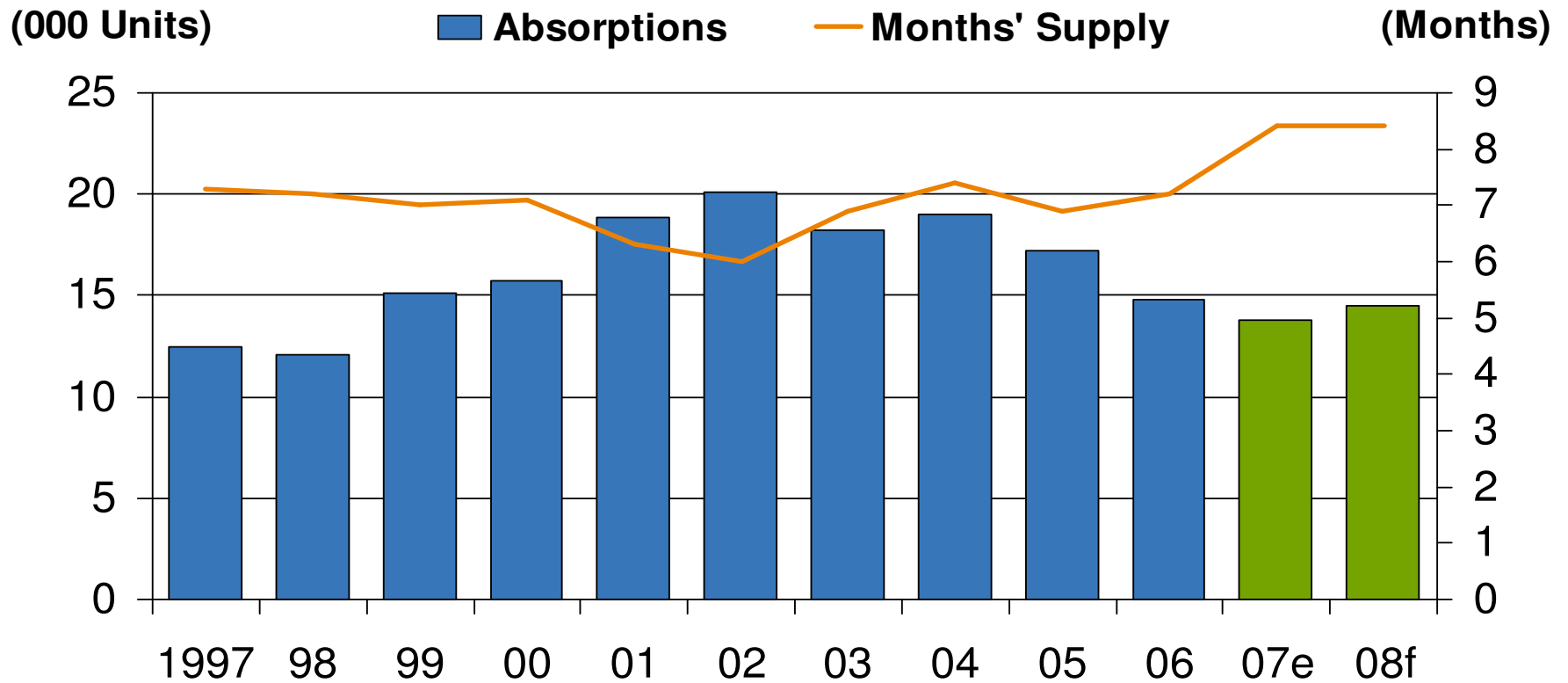


Similar to Ontario ... Price Growth is Moderating

Sources: The Conference Board of Canada; Statistics Canada; CREA

New Market

Toronto Single Detached Units (1997-2008)

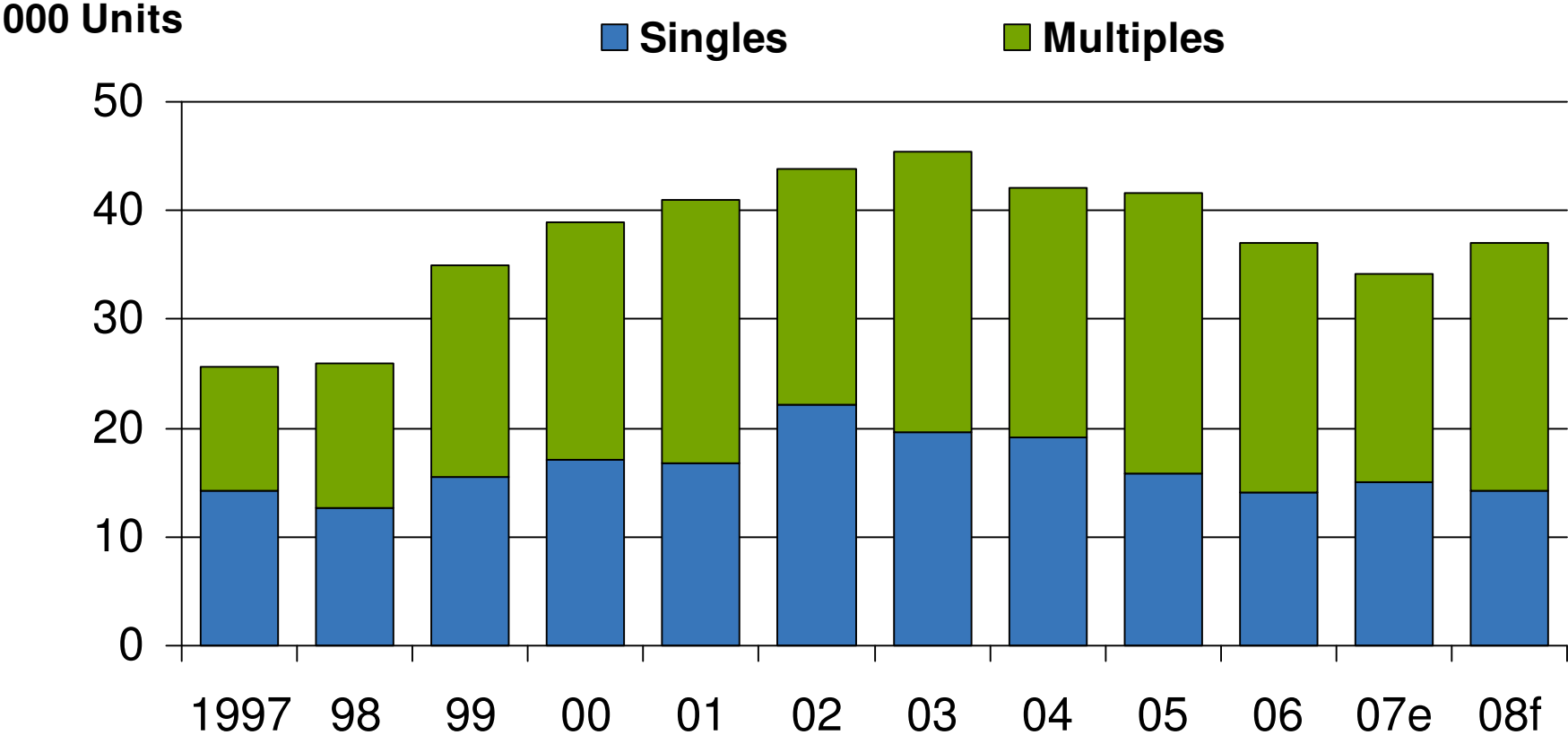


Housing Demand is Being Met ... Supply is Increasing

Sources: The Conference Board of Canada; CMHC

Housing Starts

Toronto (1997-2008)

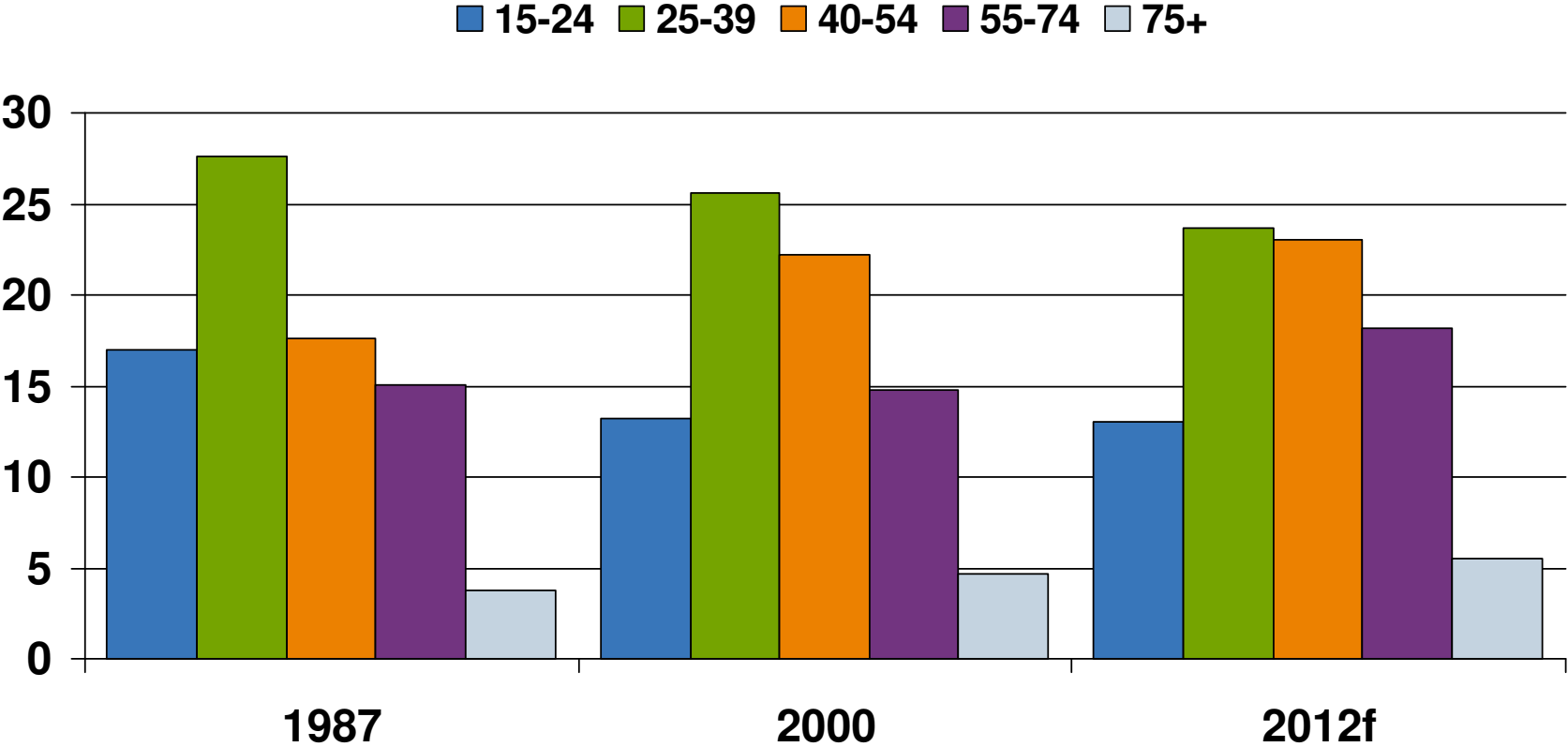


Significant Shift to Multiples

Sources: The Conference Board of Canada; CMHC

Population by Age Cohort

Toronto (as a percent of total population)



As Population Ages ... Demand for Condominiums Increases

Sources: The Conference Board of Canada; Statistics Canada

GTA Versus Ontario Borrower Profile 2007

	GTA	Ontario
Income	\$91,692	\$88,032
Employment	5.3 years	6.2 years
GDS	37%	30%
Average Mortgage Amount	\$281,224	\$229,498
Credit Score > 660	74%	66%
Detached	50%	68%
Purchase	76%	70%
Age of Property	16 years	23 years
Average Sales Price	\$302,423	\$249,390
Borrower Age <= 35	44%	47%

Affordability an Issue Effecting Purchases in the GTA

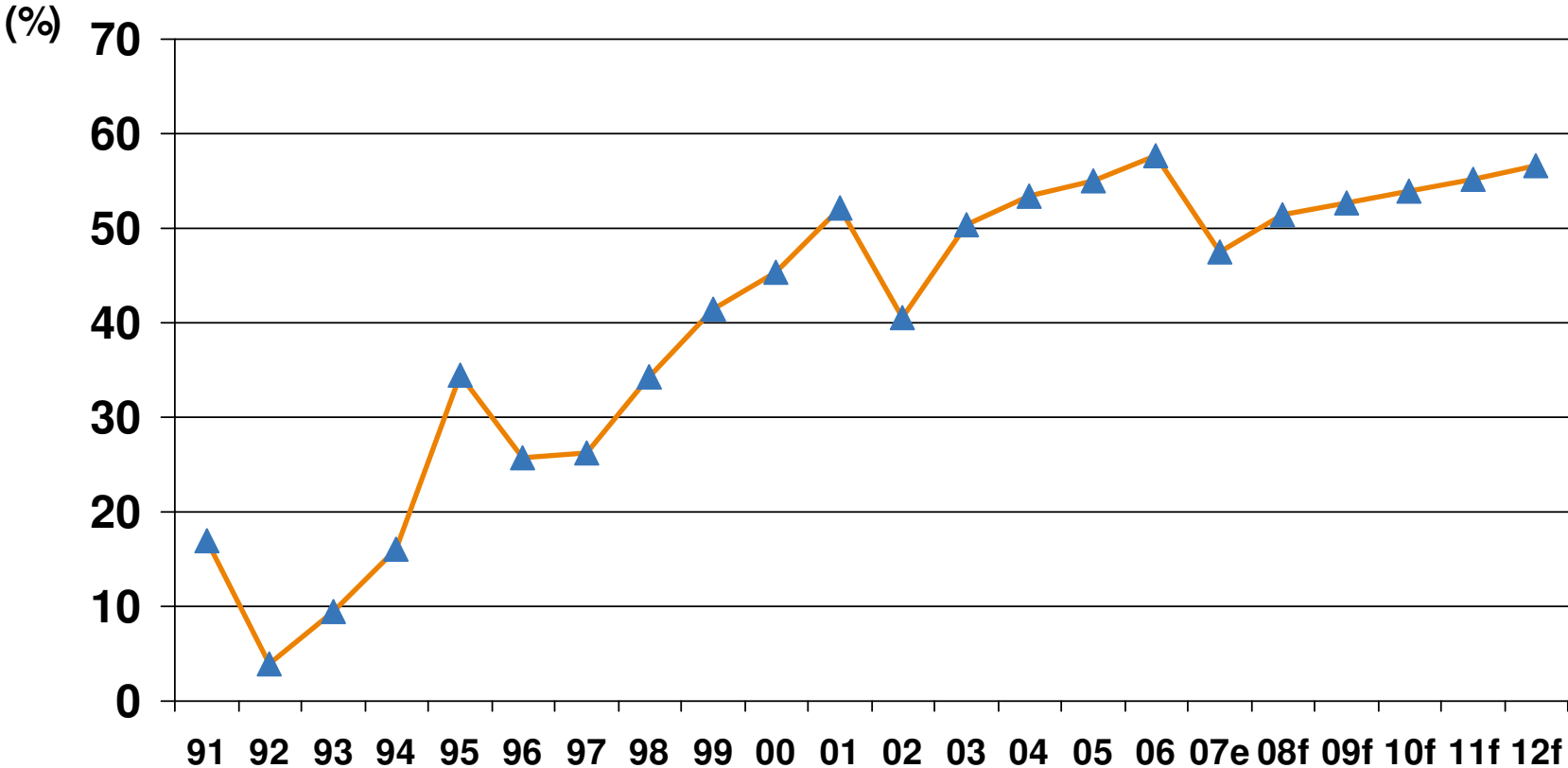
Toronto Condo Outlook Highlights

- **Appeal Due to Affordability and Lifestyle**
- **Steady, Moderate Price Growth**
- **Average Increase of 7.7% from 1997 to 2002 and 5.2% from 2003 to 2007**
- **Active Listings Increased 7.8% in 2006 ... Fell by 11.5% in 2007**
- **New Starts Are Expected to Rise by 12.7% Per Year, on Average**
- **Condo Starts as a Share of Total Multiple Starts are Expected to Continue to Move Higher**

Affordability ... Lifestyle Driving Condominium Market

Condo Starts

Toronto *



* as a percent of total starts

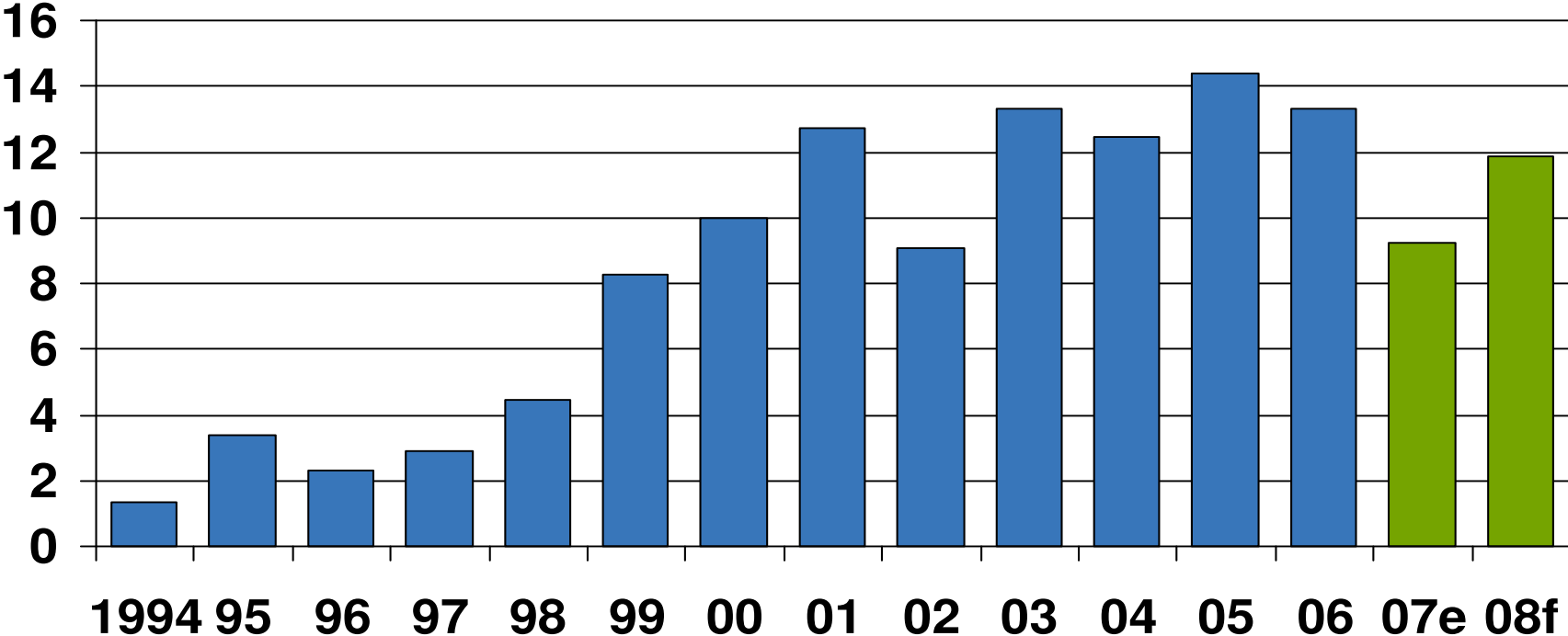
Housing Stock in the GTA is Changing

Sources: The Conference Board of Canada, CMHC, CREA

Condo Starts

Toronto (1994-08)

000 Units



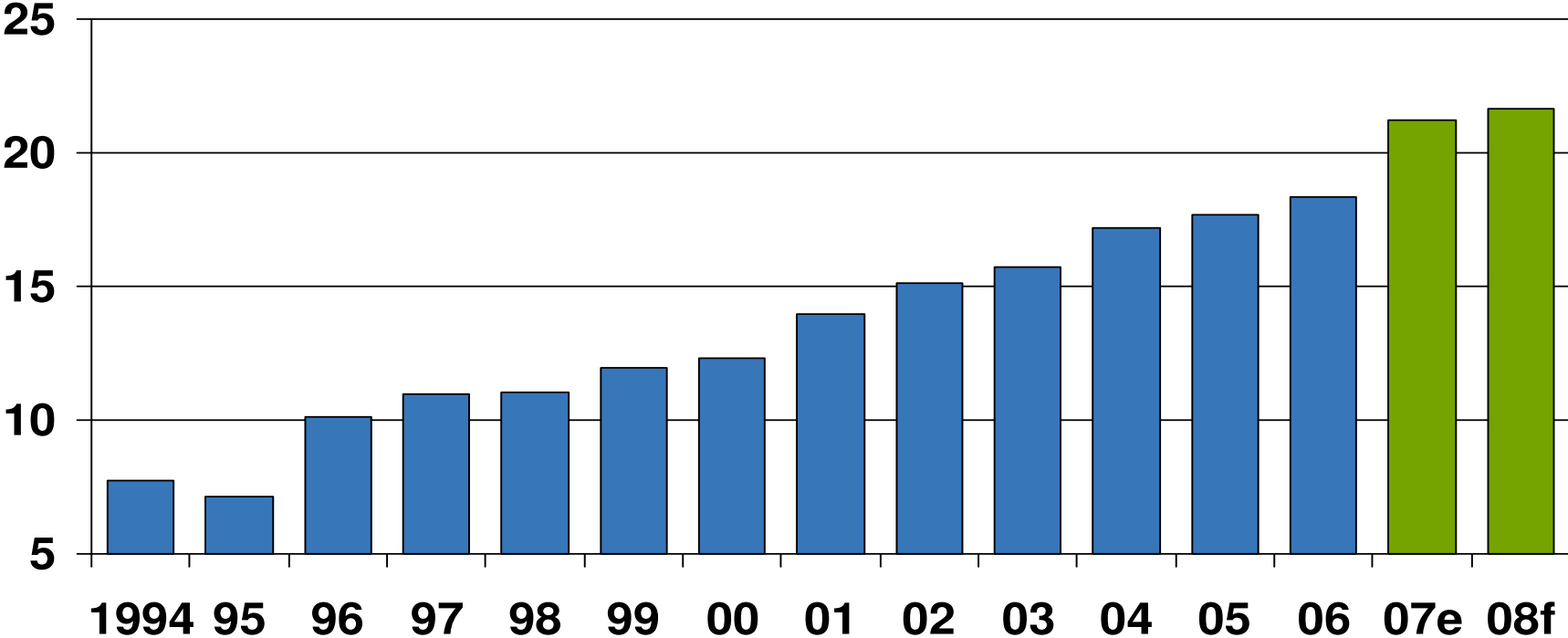
Condominium Starts Have Tripled Over the Last 10 Years

Sources: The Conference Board of Canada; CMHC; CREA

Existing Condo Sales

Toronto (1994-08)

000 Units

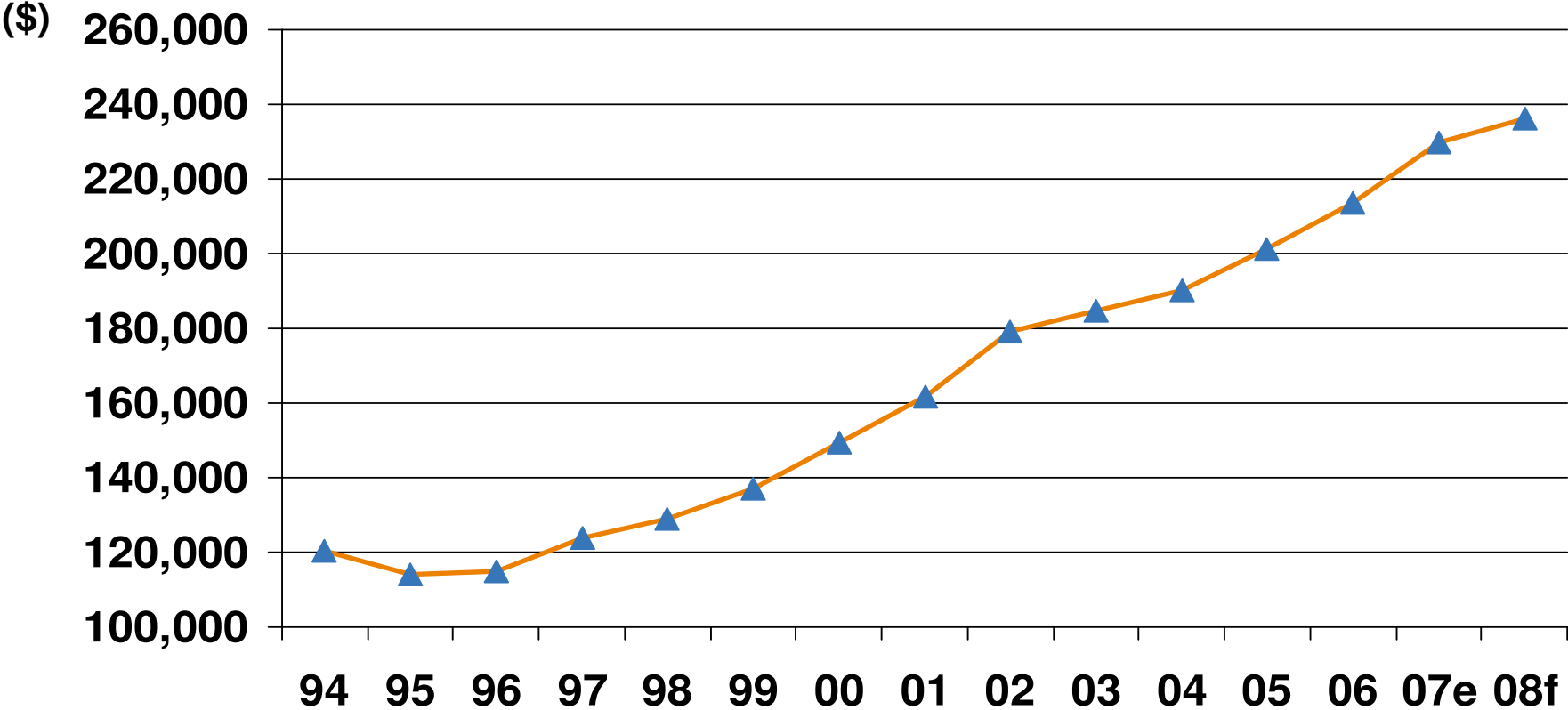


Sales Have Kept Pace with Starts ... Unit Being Absorbed

Sources: The Conference Board of Canada; CMHC; CREA

Median Resale Condo Price

Toronto (1994-08)



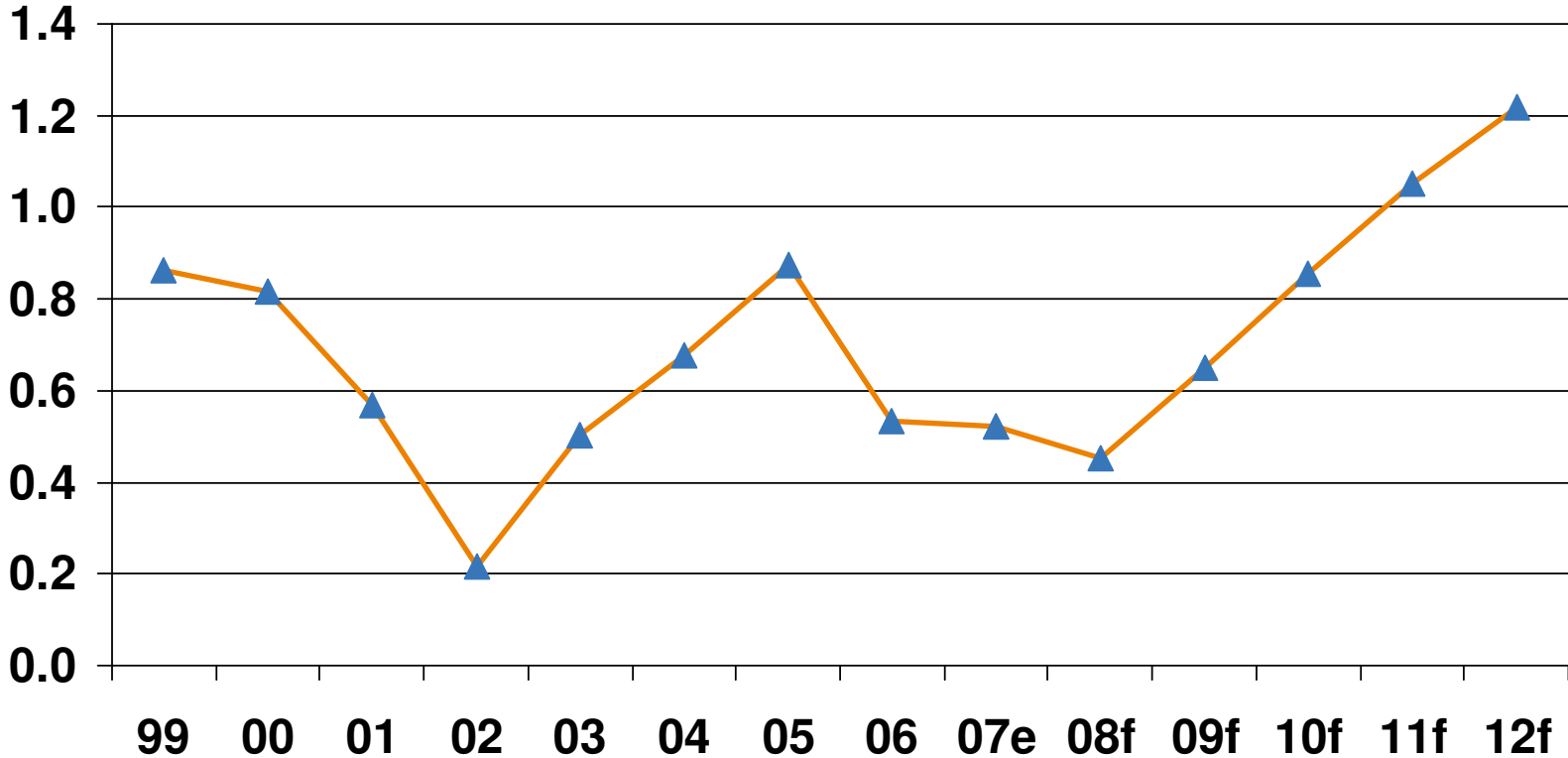
Strong Demand is Driving Steady Price Growth

Sources: The Conference Board of Canada; CMHC; CREA

New Months' Condo Supply

Toronto (1999-12)

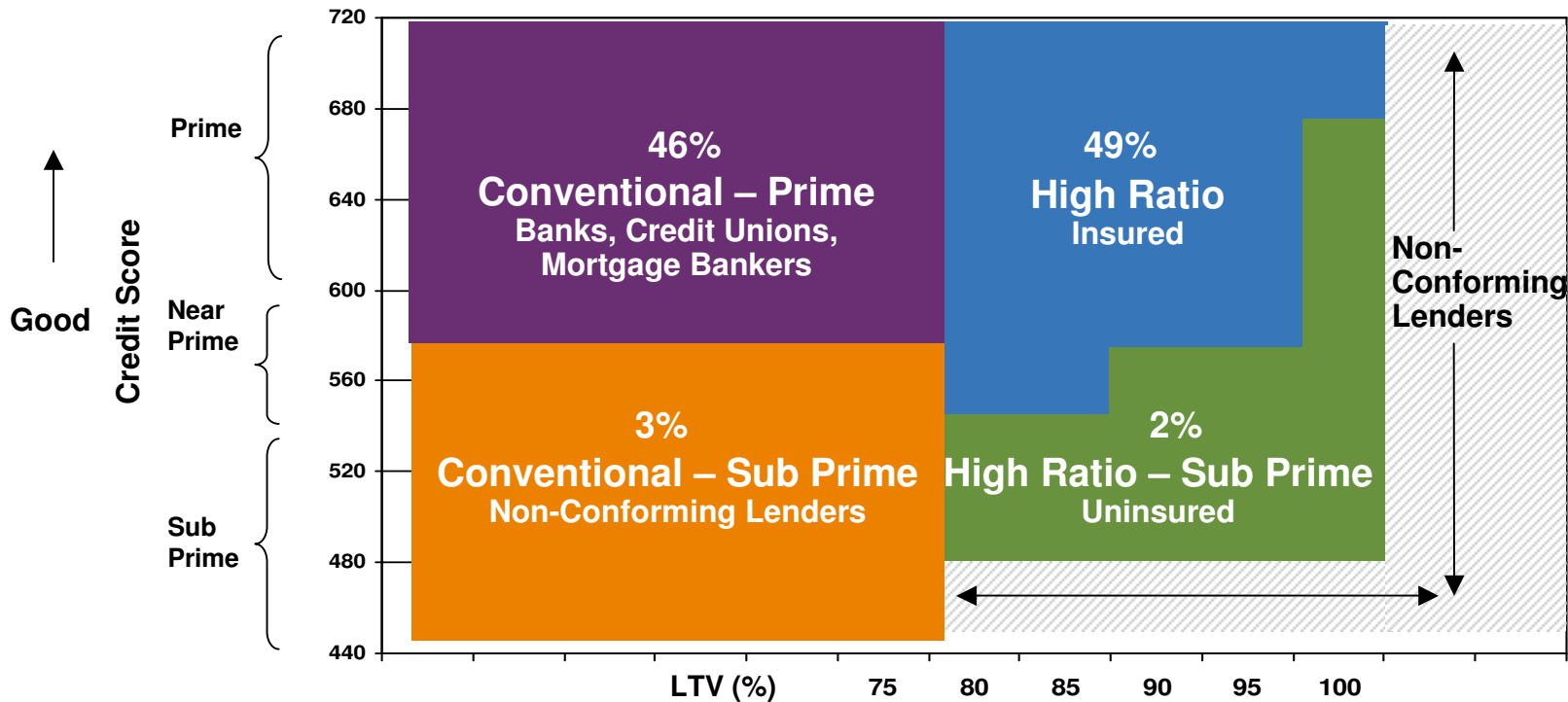
(months)



While Sales are High ... Supply Limited Due to Construction Delays

Sources: The Conference Board of Canada; CMHC; CREA

Mortgage Market Segmentation

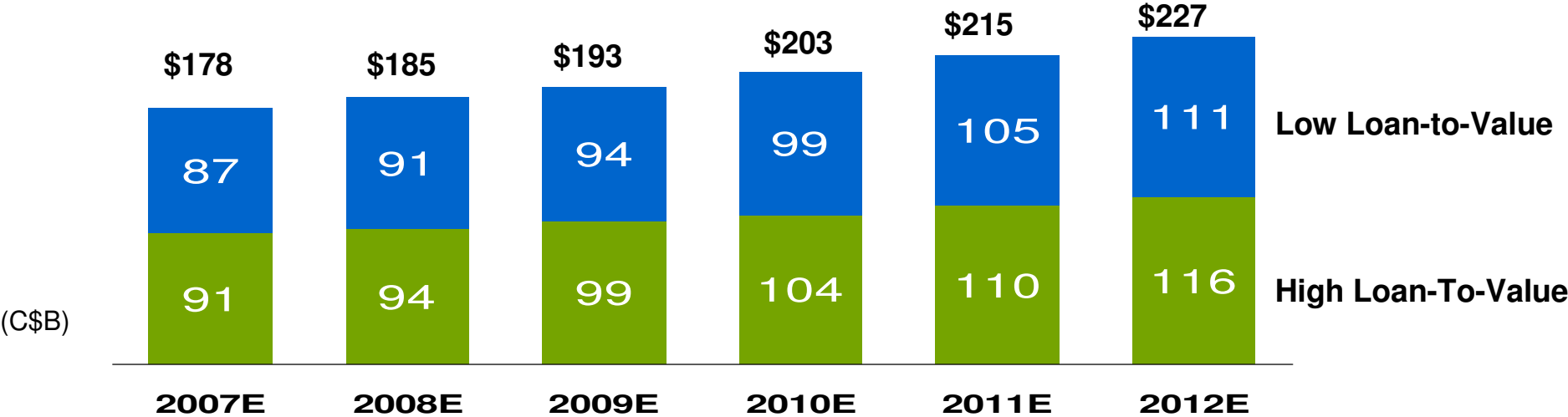


Recent Developments

- Insured Products Expanding ... Extended Amortization ... 100% LTV
- Non-conforming Lenders Under Pressure
 - Funding Sources Drying Up ... Driving up Cost of Funds
 - Interest Rates to Borrowers Likely to Increase

Source: Genworth Financial Canada

Mortgage Originations



- Forecasting Moderate Origination Growth
- Home Price Appreciation Returning to Sustainable Levels ... 4-5% Appreciation
- Non-Conforming Market Segment Currently 5% of Market

Strong Market Fundamentals Continue

Source: Conference Board of Canada

The Value of Mortgage Insurance

Barriers to Entry

- Downpayment
- Renovations
- Stated Income
- Damaged Credit
- Affordability
- New to Canada

Solutions

- Product Innovation ... More Options
- Prudent and Consumer Friendly
- Expands Homeownership and Affordability
- Cheapest Access to Homeownership

Mortgage Insurance Expands Homeownership

Genworth Financial Canada

- **Global Mortgage Insurance Leader**
- **Product and Service Innovator**
- **Delivering Value Beyond Mortgage Insurance**
 - Education
 - Partnerships
 - Community Service

Global Knowledge and Experience ... Working Across the Market

Mortgage Default Insurance Products

Insured Progress Advance Program

Insured progress advances during property construction

Homebuyer 100

Qualified homebuyers with no down payment

30, 35 and 40 Year Amortizations

Qualified homebuyers seeking payment flexibility up to 40 years

Home Equity Line of Credit

Flexible, convenient and cost-effective way to access equity

CreditAssist Program

Canadians with less than perfect credit due to a life cycle event

Expanded Product Suite to Address Affordability Issues

Mortgage Default Insurance Products

Business-For-Self Program (Alt A)

Self-employed Canadians who cannot provide income confirmation

3 & 4 Unit Owner Occupancy

Multi-unit, owner occupied properties

Green Mortgage

Assist Canadians purchasing or renovating energy-efficient homes

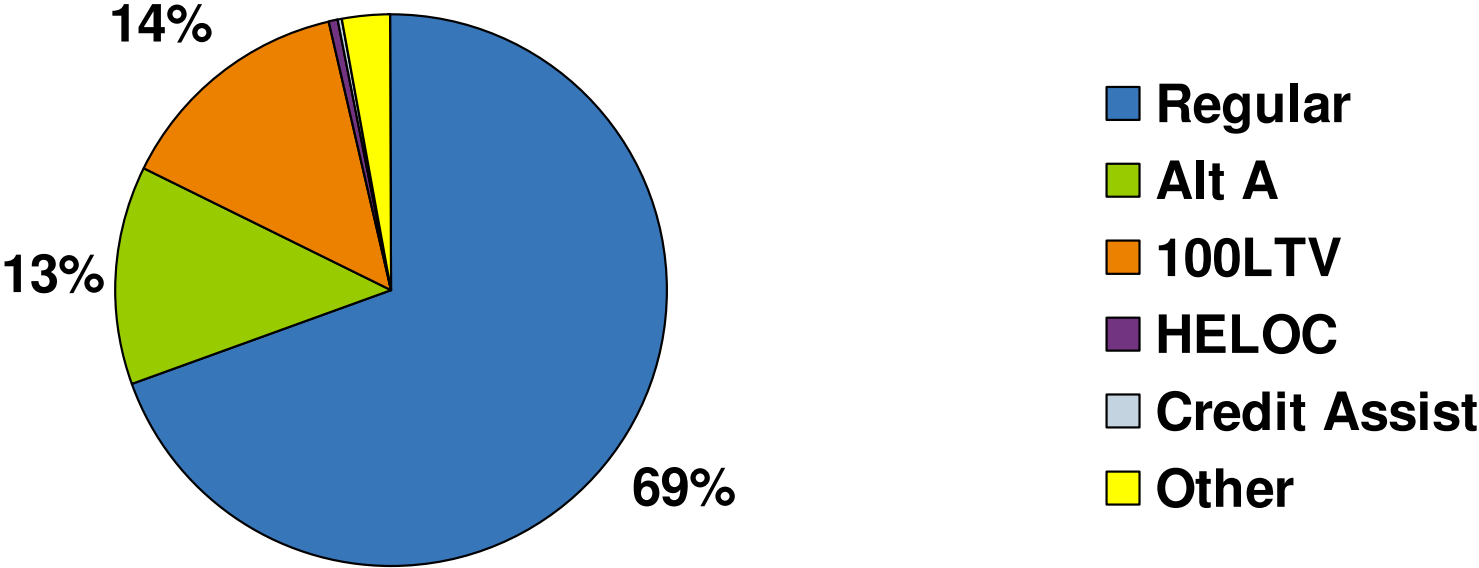
Family Plan

Qualified buyers wishing to purchase a home for elderly parents or children attending post-secondary school

Products that Extended Homeownership

High Ratio Mortgage Market

Percent of Business by Product

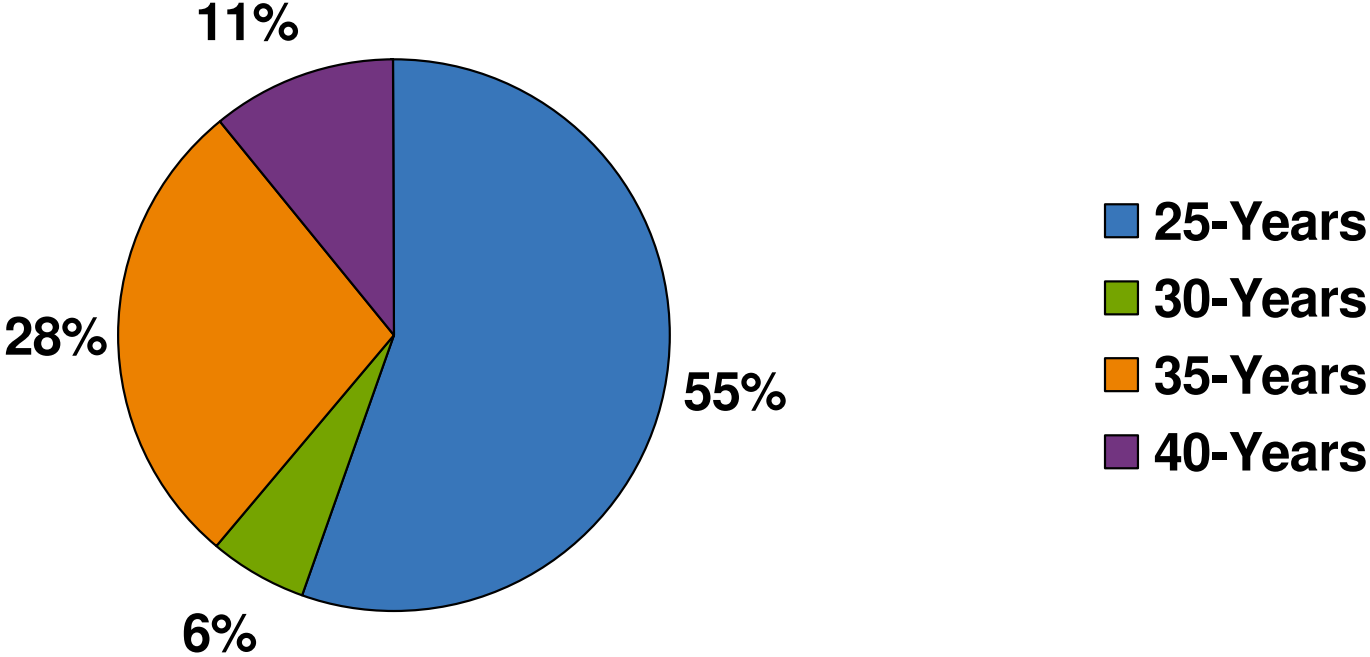


Alt A and 100% LTV Products are Now Mainstream

Sources: Genworth Financial Canada Q307 Fundings

Genworth Financial Canada Portfolio

Percent of Business by Amortization

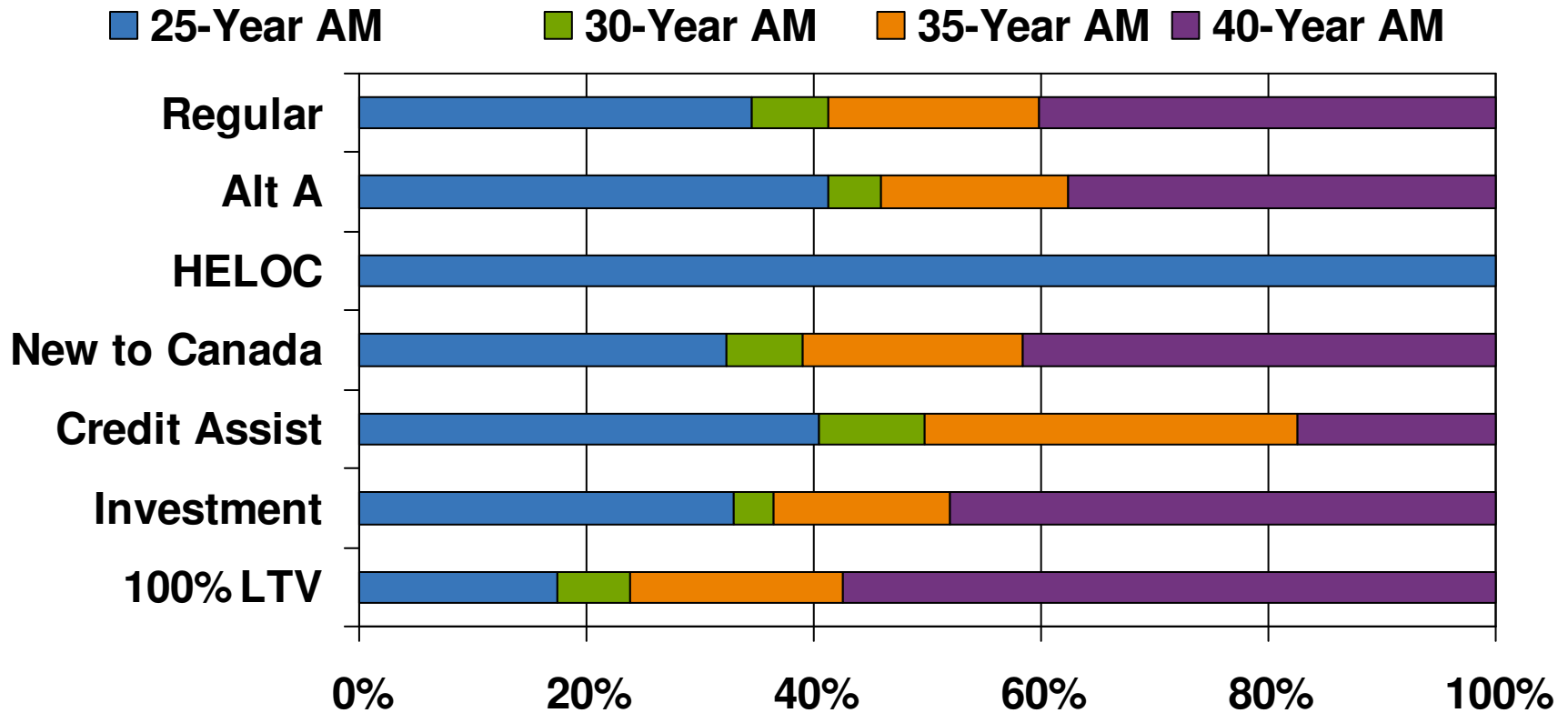


Extended Amortization Growing ... Addressing Affordability

Source: Genworth Financial Canada Q307 Fundings

Extended Amortizations

Amortization Distribution by Product

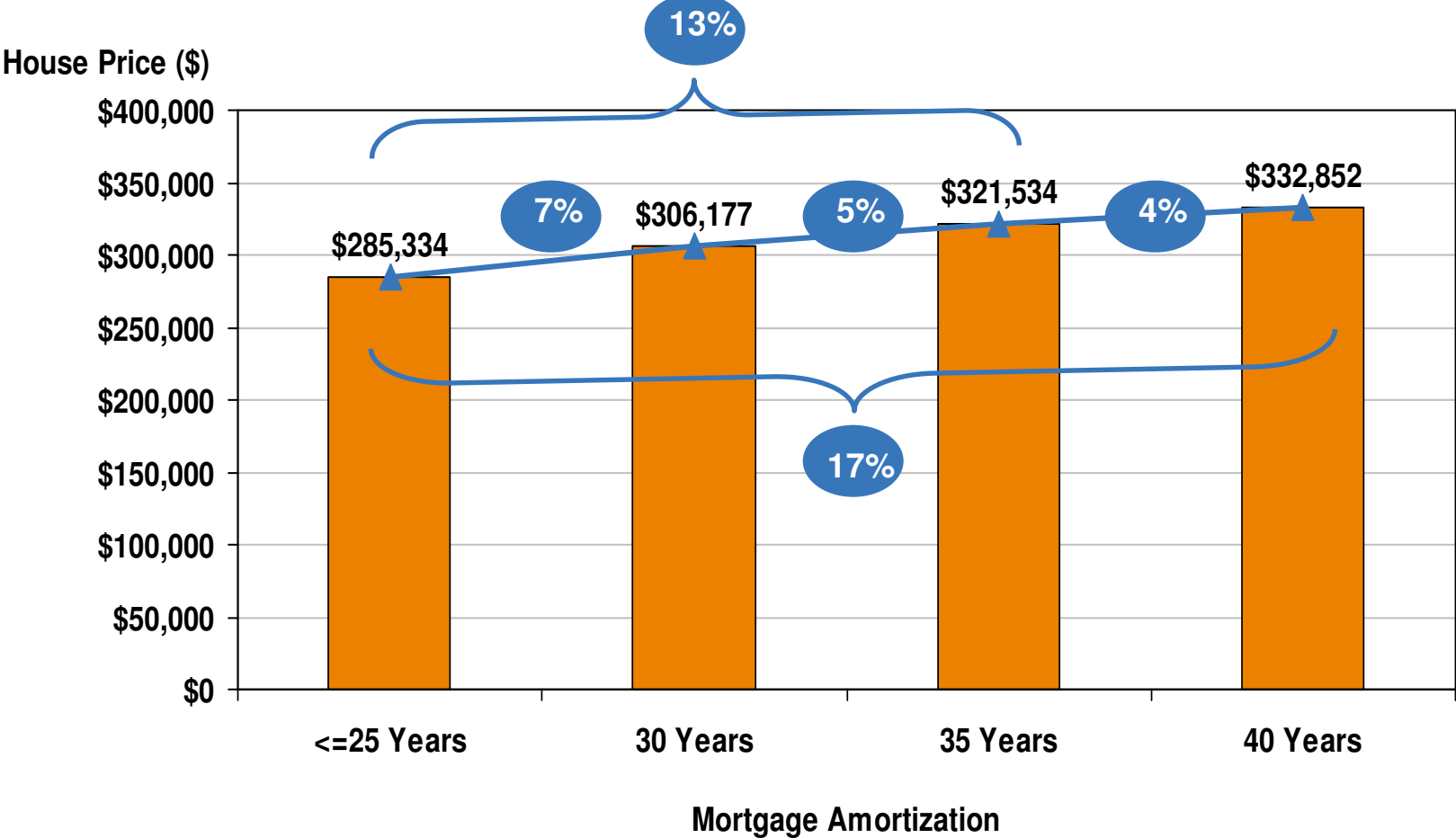


Extended Amortization Popular Across All Products

Source: Genworth Financial Canada Q307 Fundings

House Price versus Amortization

Impact of Extended Amortizations



Expanded Options Increases Purchasing Power for Homebuyers

Scenario based on annual family income of \$60,000, 6.20% interest rate, and monthly PIT payment of \$1,766

