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NEWS RELEASE

## **Genworth Financial and Scarborough Building Society Join Forces with Mortgage Insurance Deal**

London, (February 8, 2007) – Making homeownership possible for more people, from investors to first time buyers, is the focus of a new mortgage insurance deal between Genworth Financial Mortgage Insurance Limited and Scarborough Building Society.

The long-term partnership supports Scarborough's ambitious strategic plans for growth and diversification, with innovative mortgage solutions.

Commenting on the new deal, Tony Burdin, Head of Group Marketing at Scarborough Building Society, said: "We have an exciting range of mortgage products and needed a mortgage insurer capable of supporting our growth plans. Genworth had the products and financial strength to meet our needs.

'At Scarborough, we are fully focused on providing just what our customers and intermediaries require: innovative products, sensible underwriting criteria, quality service and competitive rates.

"Genworth understands our business and has shown a very flexible approach. We have a shared vision within the lending arena and are united in our aim of facilitating access to homeownership across the full spectrum of the market."

Tammy Richardson, Managing Director for the UK and Ireland at Genworth Financial Mortgage Insurance Limited, added: "We are seeing increased demand from UK lenders for risk protection from highly rated, specialist providers.

“Scarborough is focused on growing lending volumes, widening its distribution to new segments and helping first time buyers. We are delighted to support all of those objectives”.

Dermot Reilly, Director – Specific Risks Division of RFIB Group, the international Lloyds insurance and reinsurance broker which was central in structuring the deal, added: “The rising cost of housing in the UK means for many people buying a home has become something they cannot hope to achieve for years.

‘We are delighted to have been able to combine our knowledge and innovation with that of two very forward-thinking organizations in a project to help tackle this problem.

“The housing market is continuously changing and it is important that all of those involved are able to adapt. This deal is an excellent example of that happening.”

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### **About Genworth Financial**

Genworth is a leading insurance holding company, serving the lifestyle protection, retirement income, investment and mortgage insurance needs of more than 15 million customers, throughout 24 countries. For more information, visit [www.genworth.com](http://www.genworth.com).

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This announcement has been issued by Genworth Financial Mortgage Insurance Limited (GFMI – registered in England no: 2624121). GFMI is authorised and regulated by the Financial Services Authority in the United Kingdom.

Genworth Financial Mortgage Insurance Limited is part of the Genworth Financial Inc group of companies, which is a leading insurance holding company with operations in 24 countries. The group’s Mortgage Insurance business extends across 14 countries with its European business headquartered in London.

### **What is Mortgage Insurance?**

Mortgage Insurance (MI) is a type of insurance which protects lenders and investors in the event that a borrower defaults on a high loan-to-value (LTV) mortgage and the proceeds of the sale of the property are insufficient to pay the outstanding debt and associated repossession expenses. (High LTV describes a situation where a borrower typically has a deposit of less than 20% of the property value).

### **How does MI help lenders?**

MI helps lenders to grow by providing them with additional opportunities to participate in the high LTV end of the market. By transferring risk to a highly rated company such as Genworth, it helps lenders to reduce loss volatility. MI encourages funding flexibility by enhancing the quality of mortgage-backed securities and mortgage bonds and can promote capital efficiency by reducing capital held against high LTV mortgages.

### **How does MI help borrowers?**

Mortgage Insurance enables borrowers to buy their own homes through accessibility and affordability.

### **About Scarborough Building Society and the Scarborough Group**

- We are a successful regional Society with a national reach
- We are Britain's 18<sup>th</sup> largest society, with Group assets under management of over £3 billion
- The SBS Group is made up of Scarborough Building Society; Scarborough Mortgage Services (SMS), which administers mortgages for major clients; our asset trading arm, North Yorkshire Mortgages Ltd., and Scarborough Specialist Mortgages (SSM), our new brand offering non-conforming home loans
- Established in 1846, our years of experience make us a safe and secure choice for every family's lifelong financial needs
- As an independent mutual, we put our members first through a simple range of products ensuring them a long term fair deal and a commitment to personal service
- With nine branches, covering a 'heartland' area from Nottingham in the south to Middlesbrough in the north, enhancing and expanding our customer-facing network is a key aspiration
- Our contact centre operation, Scarborough Direct, also offers a telephone and web-based service to more than 120,000 mortgage, savings, insurance and credit card customers nationwide
- Supporting mortgage intermediaries is a major commitment, through fresh IT solutions, new product development, forging new partnerships and offering a personal service
- We are committed to transforming our local communities by delivering a Corporate Social Responsibility policy encompassing cash sponsorship, staff volunteering, environmentally friendly practices and investment in our people
- We believe in leading by example and being different through our professionalism, innovative products, systems and infrastructure, and the way we do business
- An Investor in People with an achievement culture, we strive to be an employer of choice by offering fair pay, opportunities for training and career development, recognition for outstanding performance and attractive benefits.

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