



# Portfolio Characteristics

As of June 30, 2007



Statistical information contained herein is historical and not necessarily indicative of the future make-up or performance of the Company's various insurance portfolios. The Company undertakes no duty to update the information contained herein, except as may be required by law.

# Index of Charts

	PAGE/CHART
<hr/>	
Distribution	
<b>Geographic Distribution</b> .....	7
<b>Geographic Default Rates</b> .....	8
<b>State of Florida Characteristics</b> .....	9
<b>State of California Characteristics</b> .....	10
<b>State of Texas Characteristics</b> .....	11
<b>Age Distribution</b> .....	12
<hr/>	
Credit Score Distribution	
<b>Primary Risk in Force by FICO Score</b> .....	13
<b>Flow Risk in Force by FICO Score</b> .....	14:1
<b>Structured Risk in Force by FICO Score</b> .....	14:2
<b>Flow and Structured Risk in Force by FICO Score</b> .....	14:3
<hr/>	
Primary and Pool Risk in Force	
<b>Flow and Structured Risk in Force</b> .....	15:1
<b>Pool Risk in Force</b> .....	15:2
<b>LTVs as a Percentage of Risk in Force</b> .....	15:3
<hr/>	
Primary Risk in Force Characteristics (as a Percentage of Risk in Force)	
<b>Less-than-A Quality Loans</b> .....	16:1
<b>Alt-A Loans</b> .....	16:2
<b>Interest Only Loans and Payment Option ARMS</b> .....	16:3
<b>Fixed Rate Loans and ARMs</b> .....	17:1
<b>Property Type</b> .....	17:2
<b>Occupancy Status</b> .....	17:3

# Index of Charts

PAGE/CHART

---

## Primary New Insurance Written

<b>Flow and Structured New Insurance Written .....</b>	<b>18:1</b>
<b>LTVs as a Percentage of New Insurance Written.....</b>	<b>18:2</b>
<b>LTVs and Coverage as a Percentage of New Insurance Written.....</b>	<b>18:3</b>
<b>Refinances and Purchases as a Percentage of New Insurance Written .....</b>	<b>19:1</b>
<b>Less-than-A Quality Loans New Insurance Written .....</b>	<b>19:2</b>
<b>Alt-A Loans New Insurance Written .....</b>	<b>19:3</b>
<b>ARMs New Insurance Written .....</b>	<b>20:1</b>
<b>Interest Only Loans New Insurance Written .....</b>	<b>20:2</b>
<b>Payment Option ARMs New Insurance Written .....</b>	<b>20:3</b>

---

## Primary Portfolio Characteristics

<b>New Insurance Written and Insurance in Force.....</b>	<b>21:1</b>
<b>Flow and Structured Insurance in Force .....</b>	<b>21:2</b>
<b>Average Primary Loan Size.....</b>	<b>21:3</b>
<b>Loan Amount and Percentage of GSE Conforming Loans.....</b>	<b>21:4</b>

# Index of Charts

	PAGE/CHART
Australian Portfolio (as a Percentage of Risk in Force)	
<b>Geographic Distribution</b> .....	22
<b>Age Distribution</b> .....	23
<b>LTVs</b> .....	24:1
<b>Occupancy Status</b> .....	24:2
<b>Property Type</b> .....	24:3
<b>Loan Amount</b> .....	24:4
<b>Low Documentation Loans</b> .....	25:1
<b>Insurance in Force and Risk in Force</b> .....	25:2
<b>Average Primary Loan Size</b> .....	25:3
<b>Flow and RMBS Risk in Force</b> .....	25:4

# Definition of Terms

**ARMs** – refers to loans with adjustable interest rates. We consider a loan an ARM if its interest rate may be adjusted prior to the loan’s fifth anniversary.

**A Quality Loans** – we define A quality to include loans with credit scores of 620 and greater.

**Alt-A Loans** – we consider a loan Alt-A if it has a credit score of 620 or greater *and* has certain characteristics such as reduced documentation verifying the borrower’s income, assets, deposit information and/or employment.

**Interest Only Loans** – refers to loans that do not reduce principal during the initial deferral period (usually between two and ten years) and therefore do not accumulate equity through loan amortization during the initial deferral period. Approximately 83% of our interest only loans have an initial deferral period of 5 years or greater. The average initial deferral period for loans insured in 2006 was 8 years.

**Insurance in Force (IIF)** – refers to the current principal balance of all outstanding mortgage loans with insurance coverage as of a given date.

**Less-than-A Quality Loans** – we define less-than-A credit quality loans to include loans with credit scores of 619 or below. The majority of our less-than-A-quality loans have credit scores above 575.

**Modified Pool Insurance** – modified pool insurance may be used in tandem with primary mortgage insurance or may be placed on loans that do not require primary insurance. The extent of coverage of modified pool product varies. Some products provide first loss protection by covering a percentage of the losses on individual loans held within the pool of insured loans up to a stated aggregate loss limit (“stop loss limit”) for the entire pool. Some modified pool products offer mezzanine-level coverage by providing for claims payments only after a predetermined cumulative claims level, or deductible, is reached.

**New Insurance Written (NIW)** – refers to the original principal balance of all loans that receive new primary mortgage insurance coverage during a given period.

**Payment Option ARMs** – generally refers to loans that provide the borrower an option every month to make a payment consisting of principal and interest, interest only, or an amount established by the lender that may be less than the interest owed.

**Pool Insurance** – refers to insuring pools of mortgages, usually so they can be sold in the secondary market and can receive an investment grade rating. Pool insurance may be used in tandem with primary mortgage insurance or may be placed on loans that do not require primary insurance. In most cases, pool insurance includes a liability limit for the mortgage insurer of 5 to 25 percent of the original principal balance of the mortgage pool.

**Primary Insurance** – refers to mortgage insurance placed on a loan-by-loan basis through our “flow” channel and mortgage insurance issued for mortgage-backed securities and portfolio investors through our “structured transactions” channel. Primary information does not include pool or modified pool information.

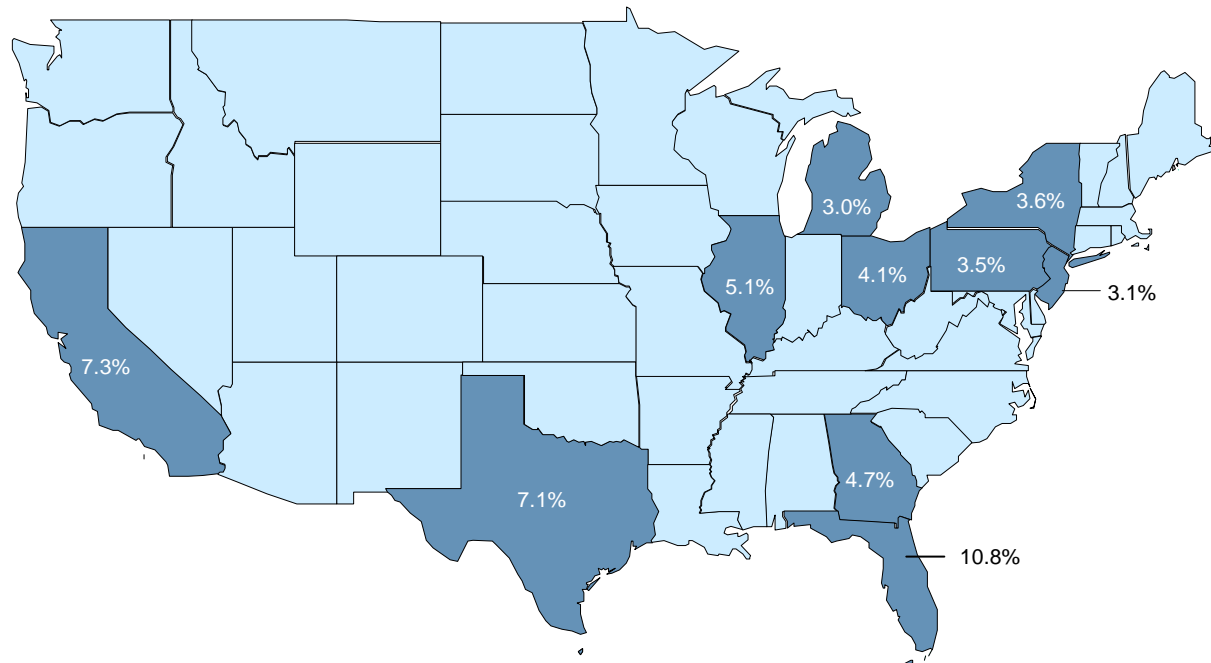
**Primary Risk in Force** – refers to the aggregate dollar amount of each insured mortgage loan’s current principal balance multiplied by the insurance coverage percentage specified in the policy for insurance policies issued through our “flow” and “structured transactions” channels only.

**Risk in Force (RIF)** – refers to the aggregate dollar amount of each insured mortgage loan’s current principal balance multiplied by the insurance coverage percentage specified in the policy.

# U.S. Portfolio Geographic Distribution

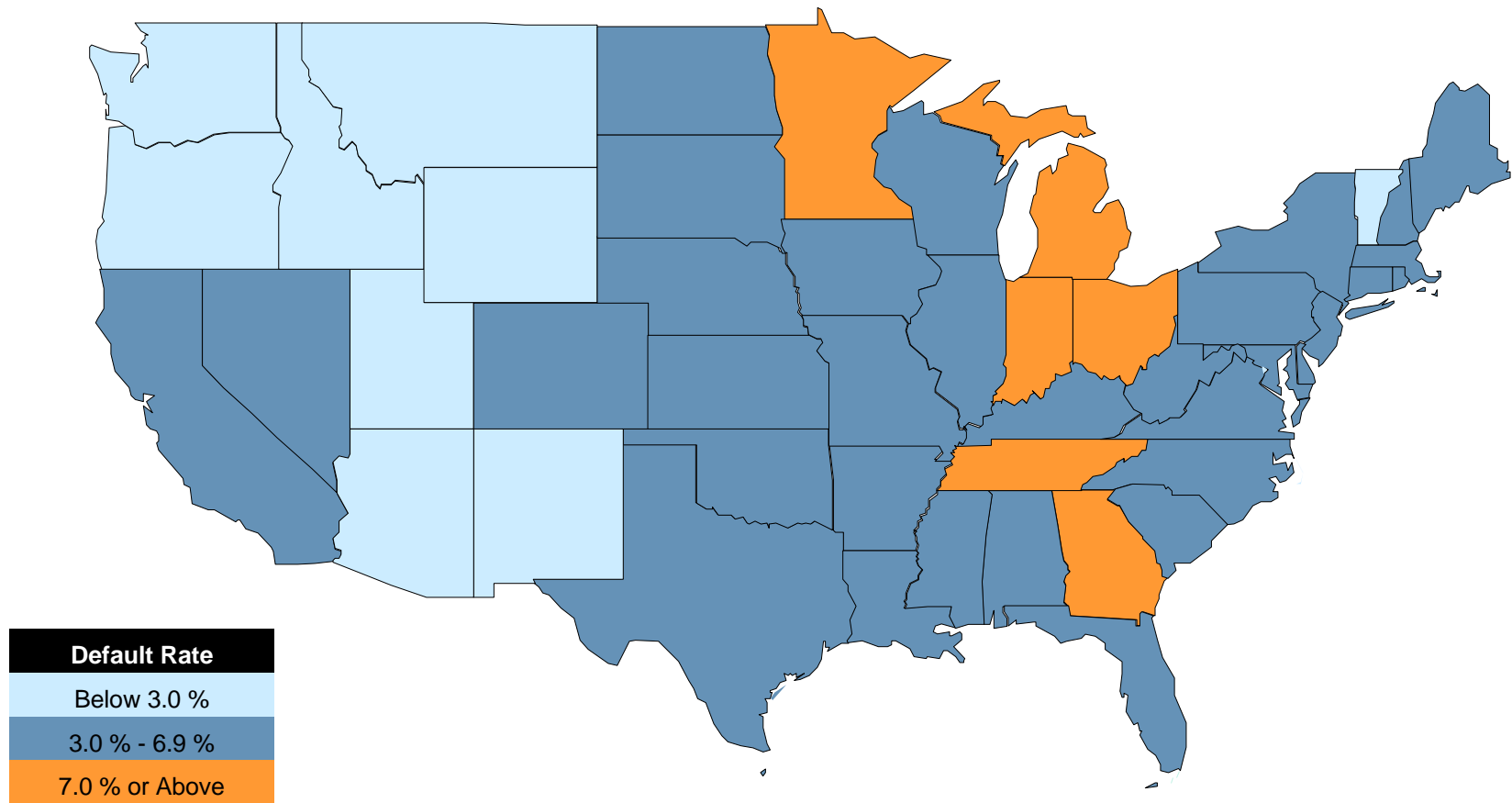
## ■ Top Ten States<sup>1</sup>

● Florida	10.8%
● California	7.3%
● Texas	7.1%
● Illinois	5.1%
● Georgia	4.7%
● Ohio	4.1%
● New York	3.6%
● Pennsylvania	3.5%
● New Jersey	3.1%
● Michigan	3.0%



<sup>1</sup> Top ten states as determined by primary RIF on June 30, 2007

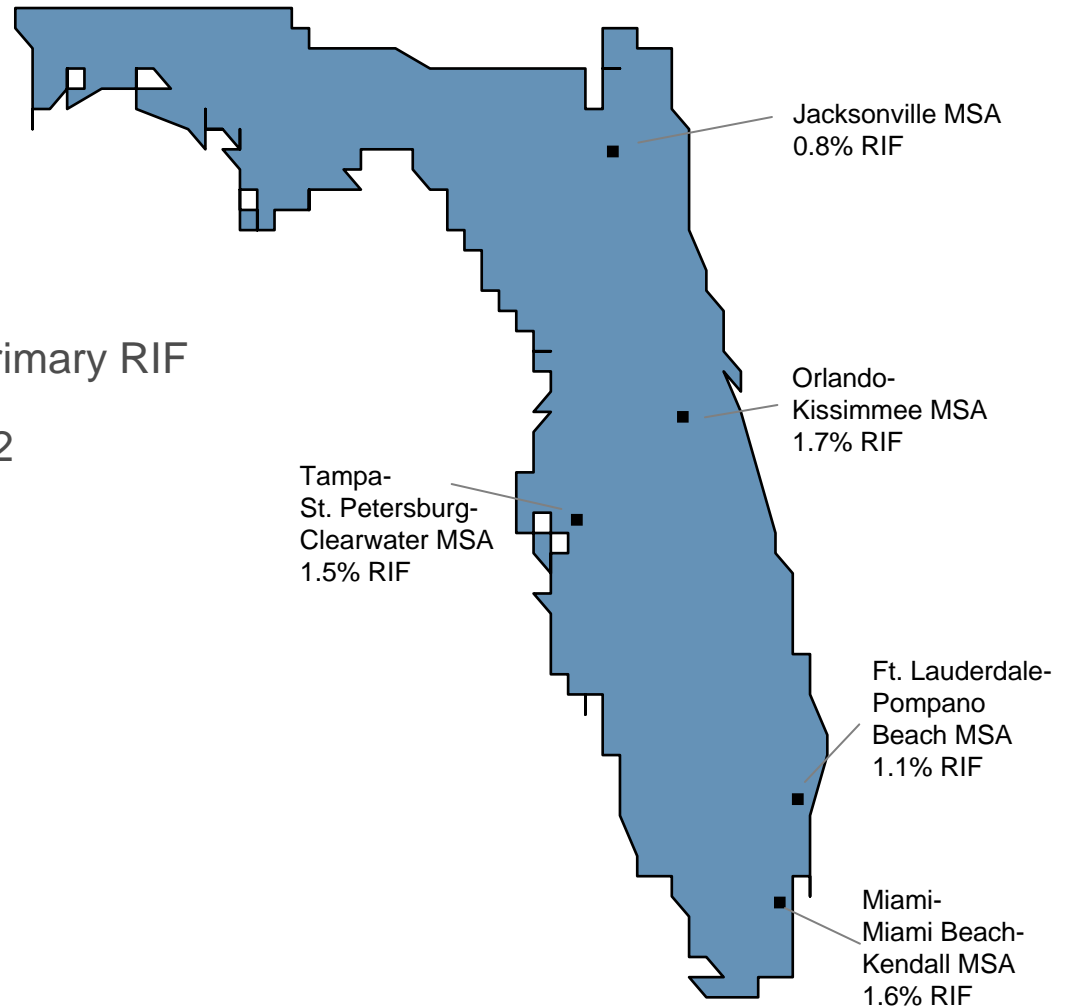
# U.S. Portfolio Geographic Default Rates



# U.S. Portfolio Florida

## Portfolio Characteristics

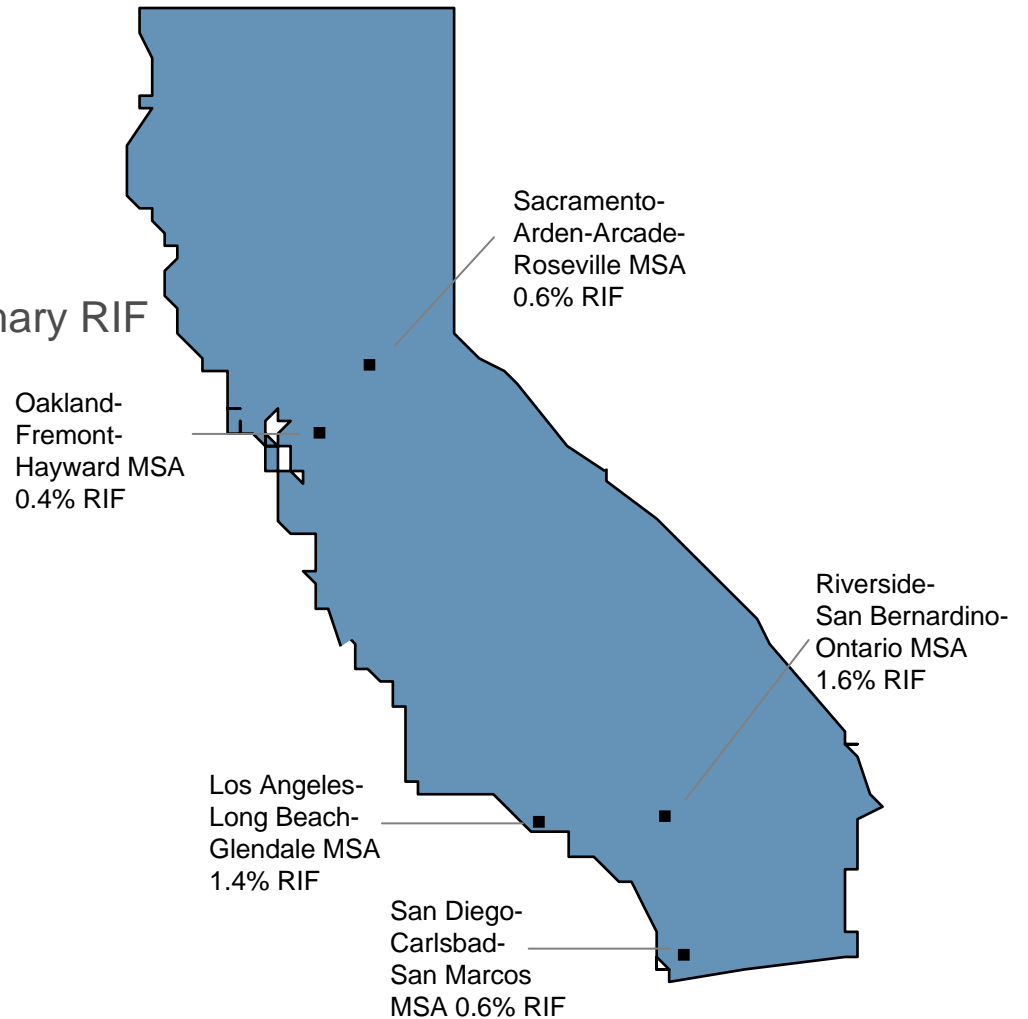
- Percentage of Primary RIF: 10.8%
- RIF distributed among 20 MSAs
- Top 5 MSAs represent 6.7% of the Primary RIF
- Primary Average Loan Size: \$170,462
- Weighted Average FICO: 697



# U.S. Portfolio California

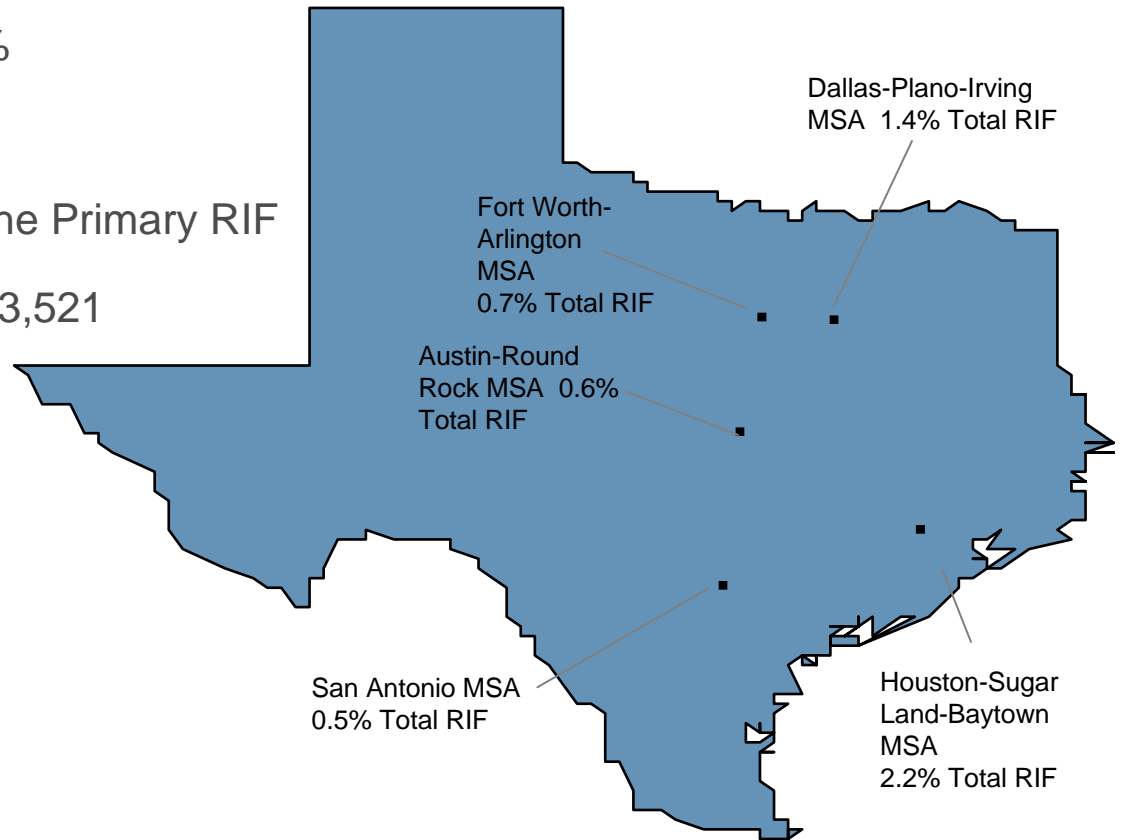
## Portfolio Characteristics

- Percentage of Primary RIF: 7.3%
- RIF distributed among 26 MSAs
- Top 5 MSAs represent 4.6% of the Primary RIF
- Primary Average Loan Size: \$290,353
- Weighted Average FICO: 694

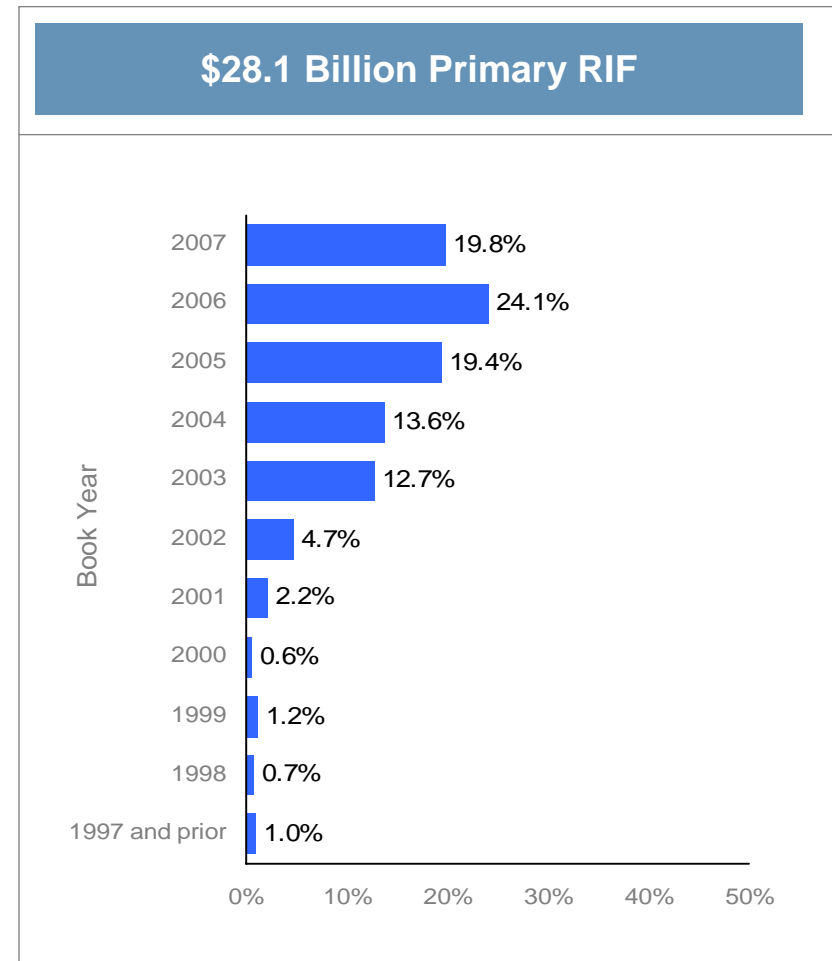
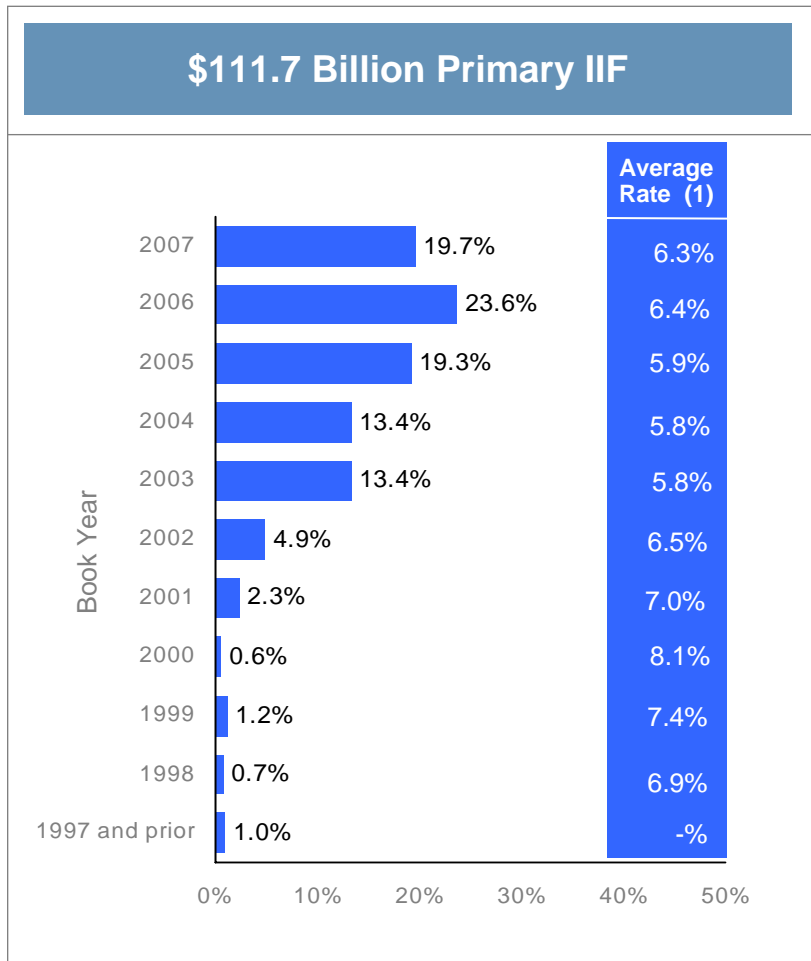


## Portfolio Characteristics

- Percentage of Primary RIF: 7.1%
- RIF distributed among 25 MSAs
- Top 5 MSAs represent 5.4% of the Primary RIF
- Primary Average Loan Size: \$113,521
- Weighted Average FICO: 684

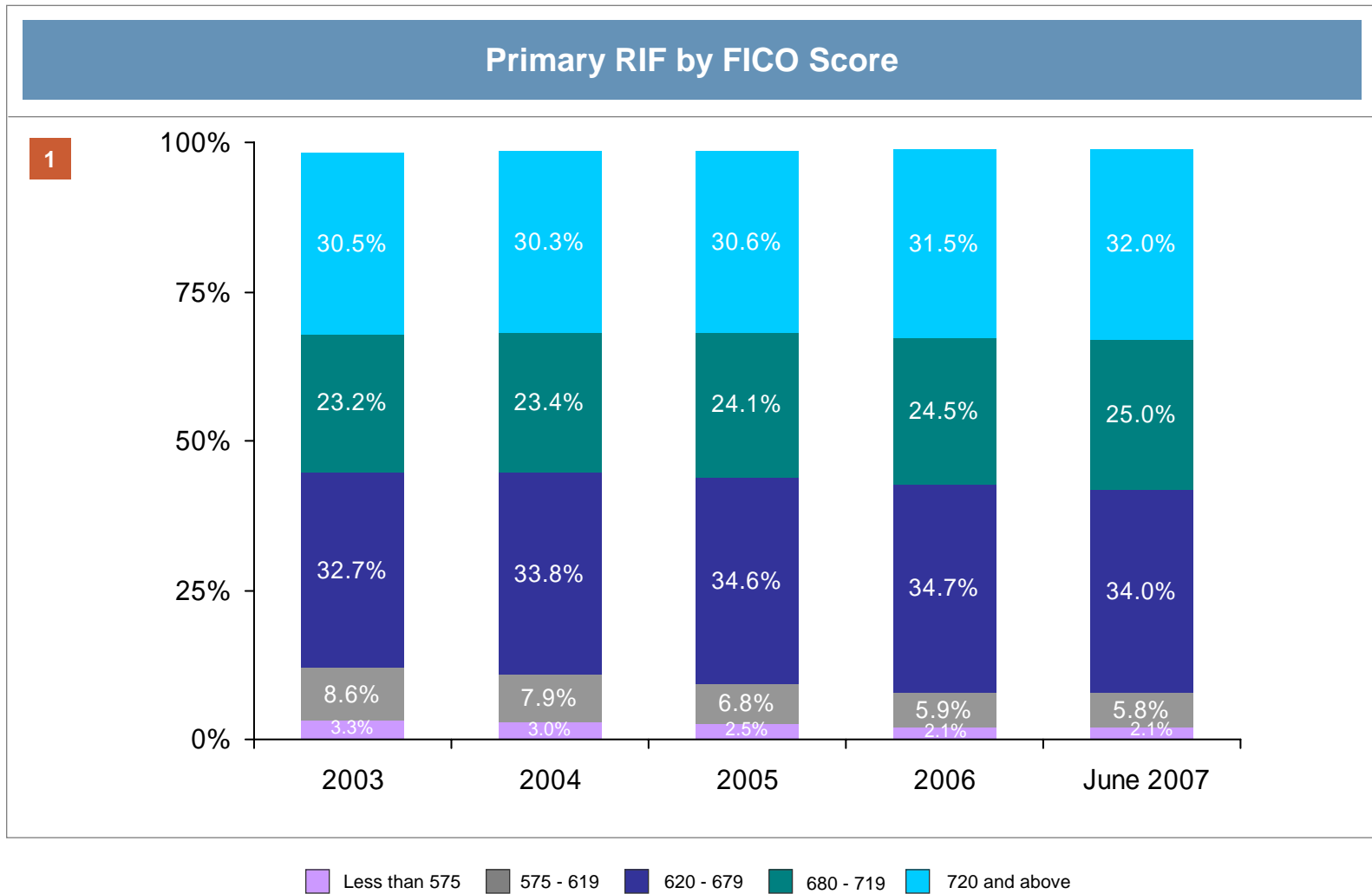


# U.S. Portfolio Age Distribution



(1) Average annual thirty year fixed mortgage interest rate derived from Freddie Mac and Mortgage Bankers Association data on an annual and year to date basis.

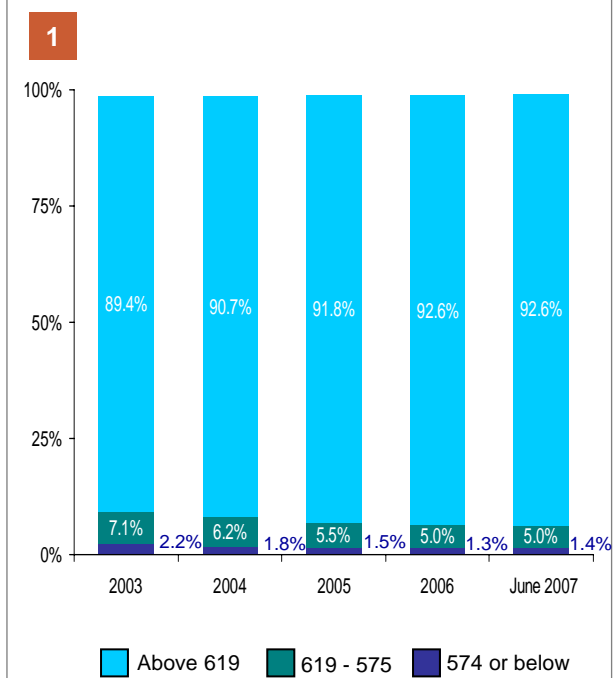
# U.S. Portfolio Credit Score Distribution



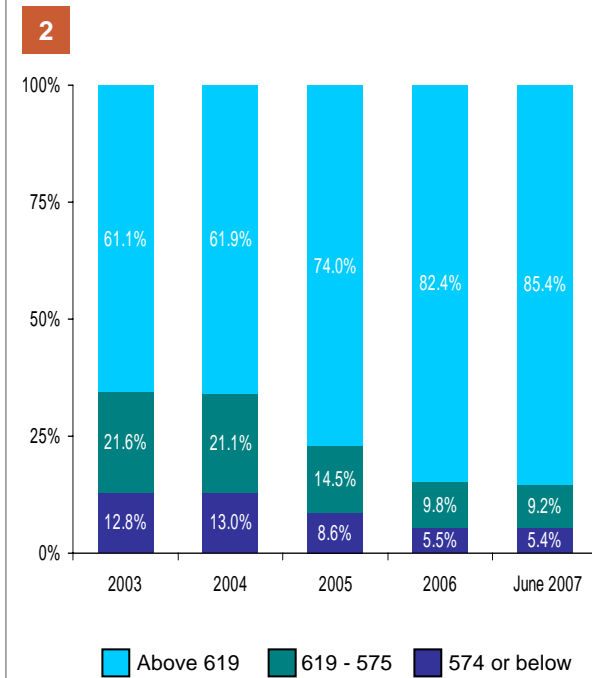
Note: Due to rounding, the sum of percentages may not total 100%

# U.S. Portfolio Credit Score Distribution

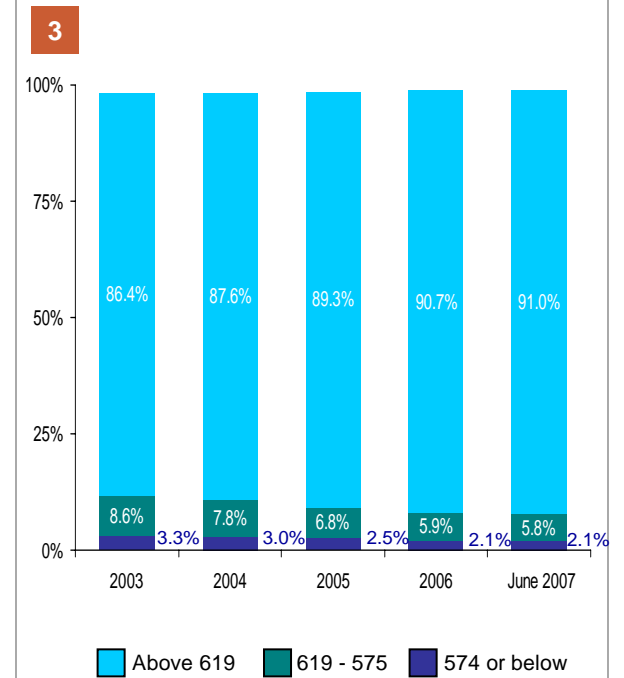
## Flow RIF



## Structured Transactions RIF



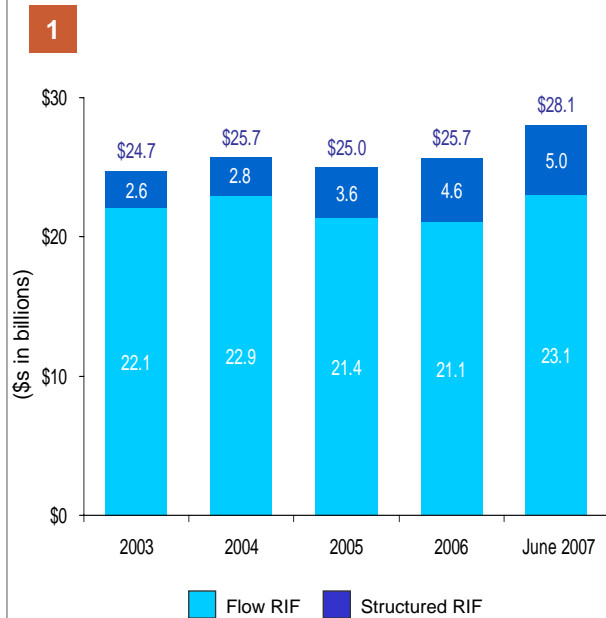
## Flow and Structured Transactions RIF



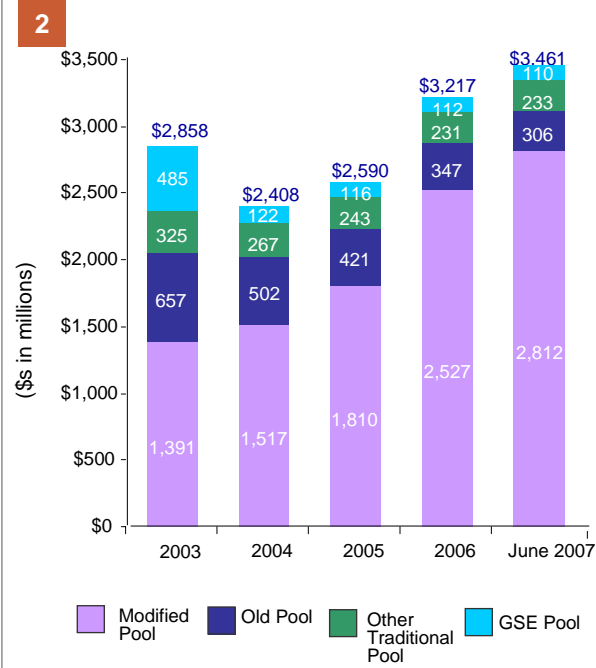
Note: Due to rounding, the sum of percentages may not total 100%

# U.S. Portfolio Primary and Pool Risk in Force (RIF)

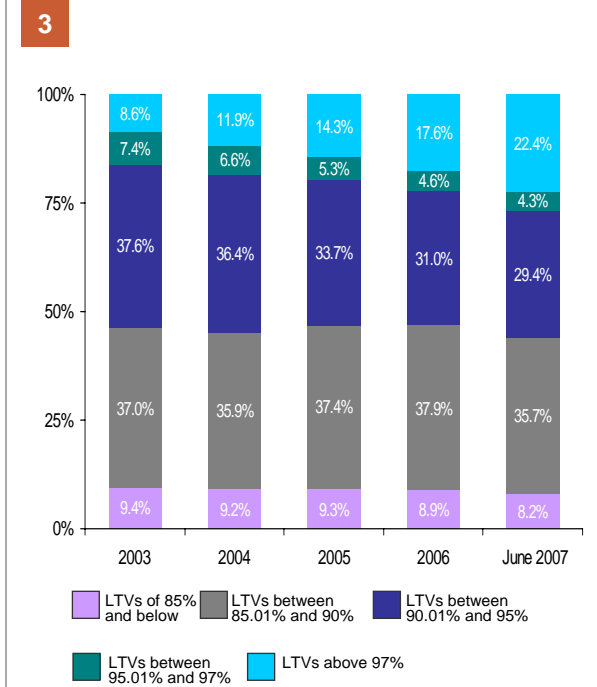
## Flow and Structured RIF



## Pool RIF



## LTVs as a % of Primary RIF

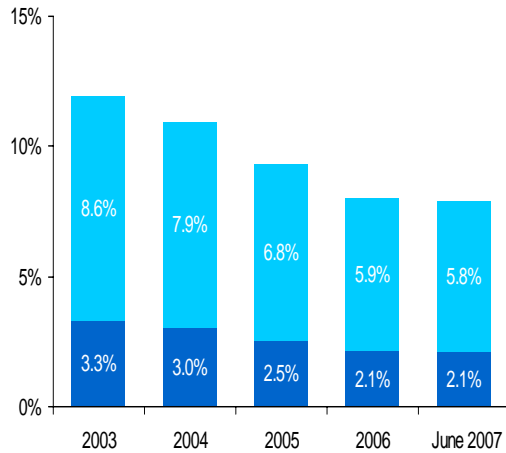


The increased percentage of above 97% LTV loans in the first half of 2007 is due to the reduced availability of alternative mortgage products including piggyback loans and increased activity by the GSEs.

# U.S. Portfolio Primary RIF Characteristics

## Less-than-A Quality Loan as a % of Primary RIF

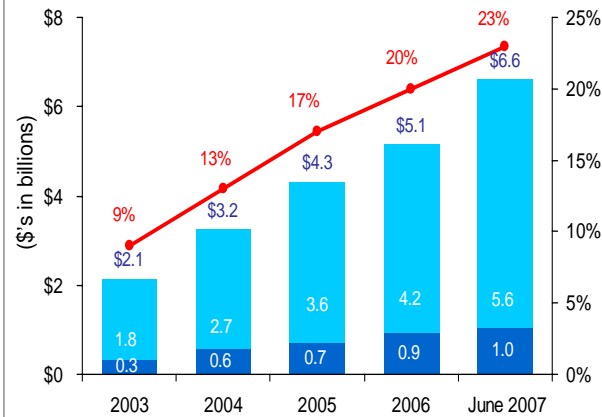
1



■ Less-than-A Quality Loans (FICO scores below 575) ■ Less-than-A Quality Loans (FICO scores below 620 and above 575)

## Alt-A Loans as a % of Primary RIF

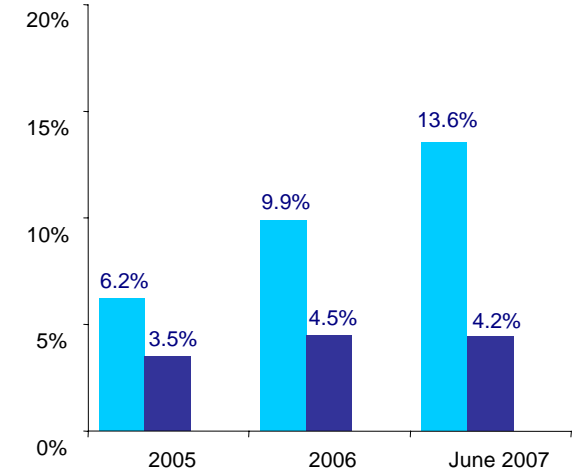
2



■ Alt-A with FICO Scores of 660 and above ■ Alt-A with FICO Scores Below 660 and Above 619  
— Alt-A as a Percentage of Total Primary RIF

## Interest Only Loans and Payment Option ARMs as a % of Primary RIF

3



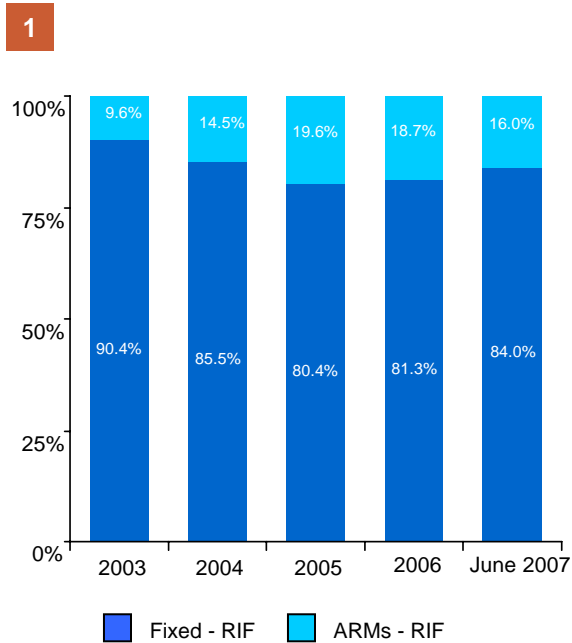
■ Interest Only ■ Payment Option ARMs

Approximately 98% of interest only loans NIW written in the first six months of 2007 have an initial deferral period of 5 years or greater. Approximately 89% of interest only loans NIW written in 2006 have an initial deferral period of 5 year or greater.

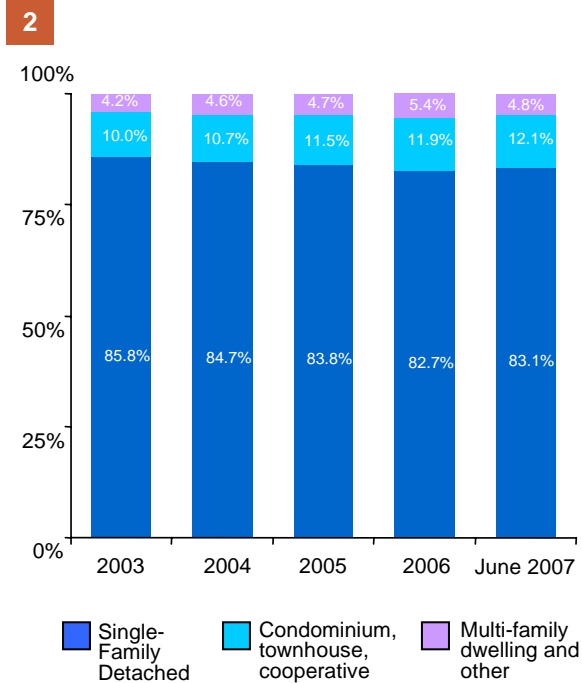
Note: Due to rounding, the sum of percentages may not total 100%

# U.S. Portfolio Primary RIF Characteristics

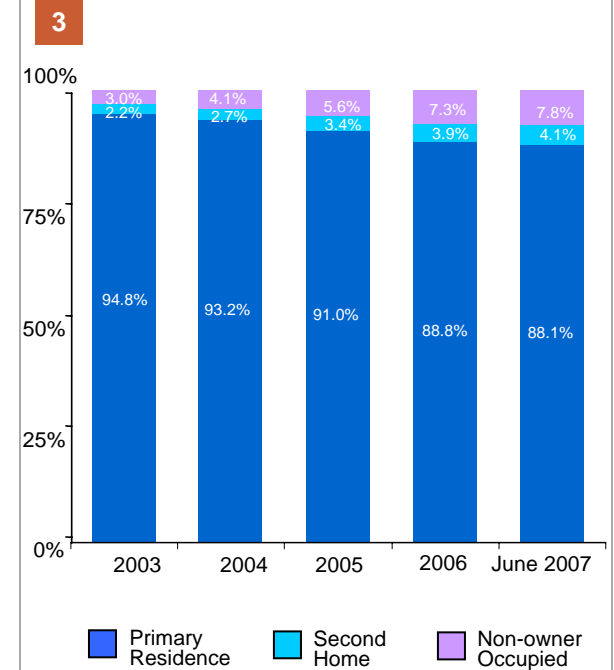
## Fixed Rate Loans & ARMs as a % of Primary RIF



## Property Type as a % of Primary RIF



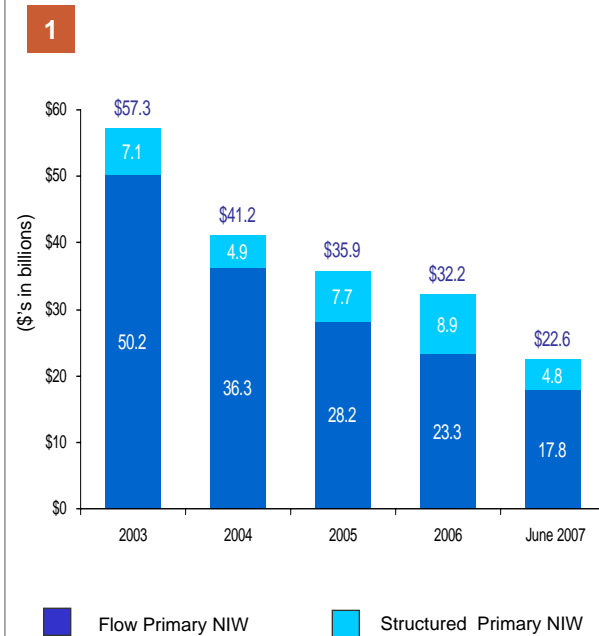
## Occupancy Status as a % of Primary RIF



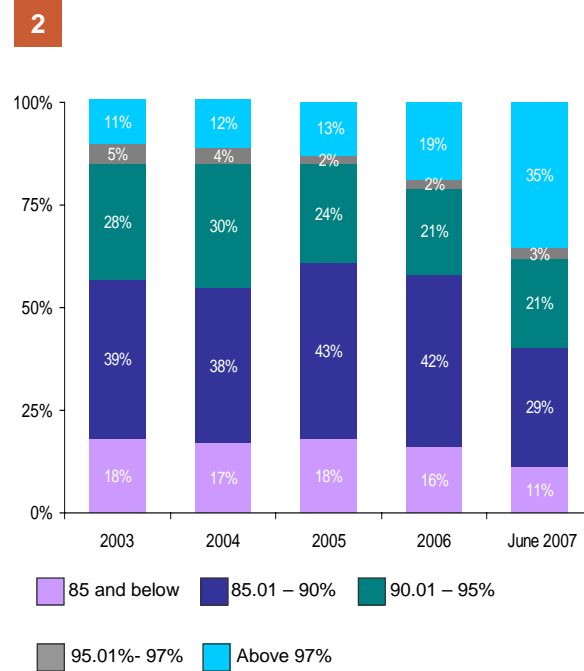
Note: Due to rounding, the sum of percentages may not total 100%

# U.S. Portfolio Primary NIW Characteristics

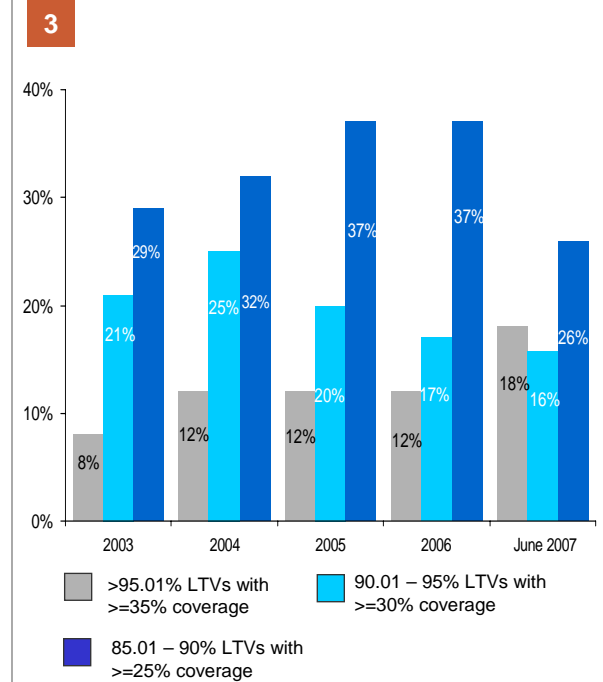
## Flow and Structured Primary NIW



## LTVs as a % of Primary NIW



## LTVs and Coverage as a % of Primary NIW

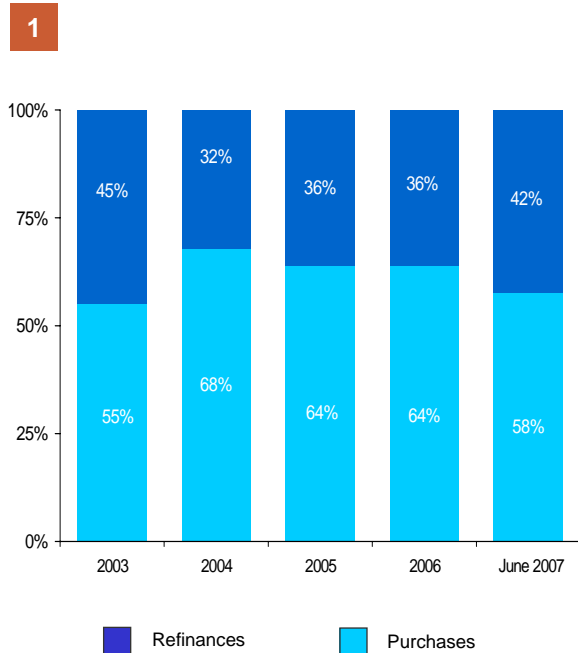


The increased percentage of above 97% LTV loans in the first half of 2007 is due to the reduced availability of alternative mortgage products including piggyback loans and increased activity by the GSEs.

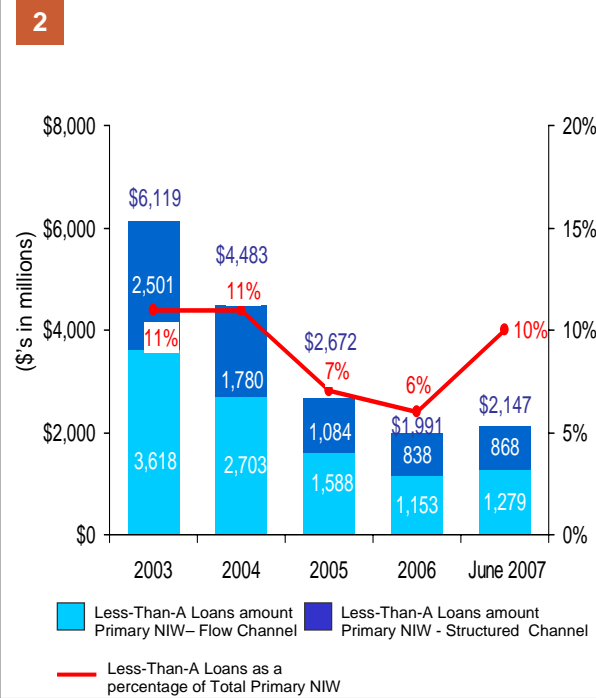
Note: Due to rounding, the sum of percentages may not total 100%

# U.S. Portfolio Primary NIW Characteristics

## Refinances and Purchases as a % of Primary NIW

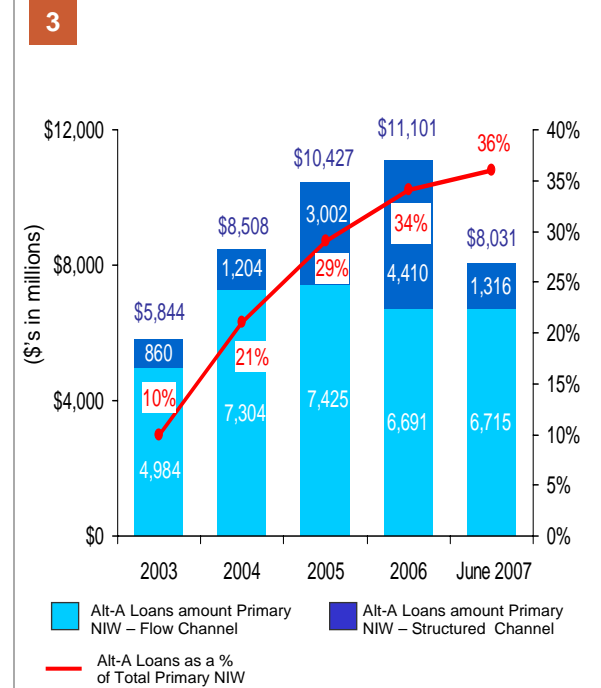


## Less-Than-A Quality Loans - NIW



The increase in less-than-A quality loans as a percentage of total primary NIW is due to increased activity by the GSEs.

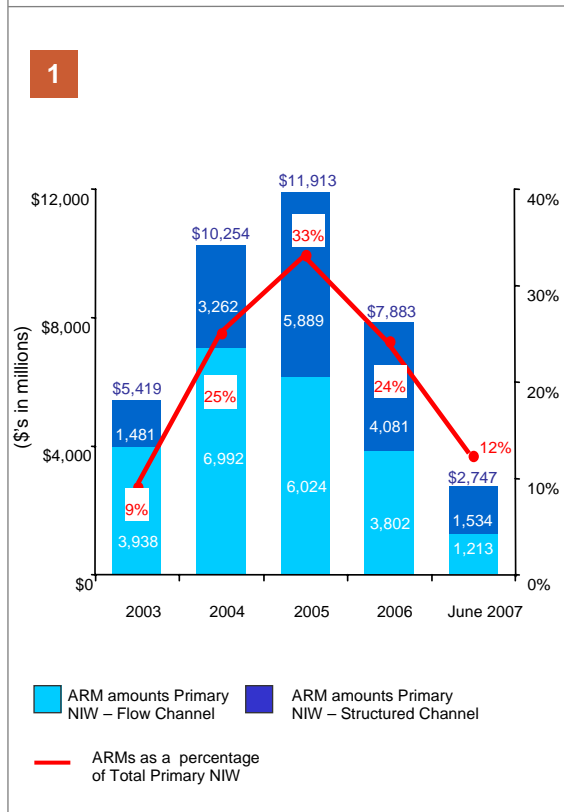
## Alt-A Loans - NIW\*



\* See chart 16:2 for Alt-A Loans as a % of Primary RIF

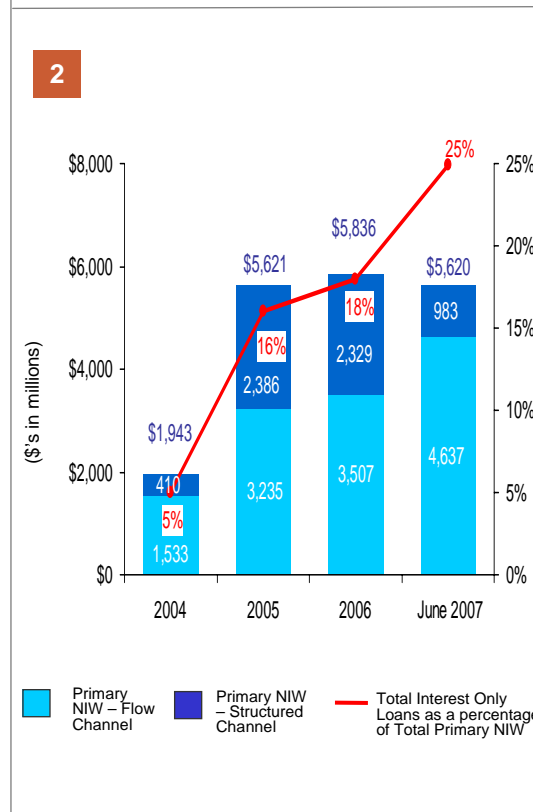
# U.S. Portfolio Primary NIW Characteristics

## ARMs - NIW



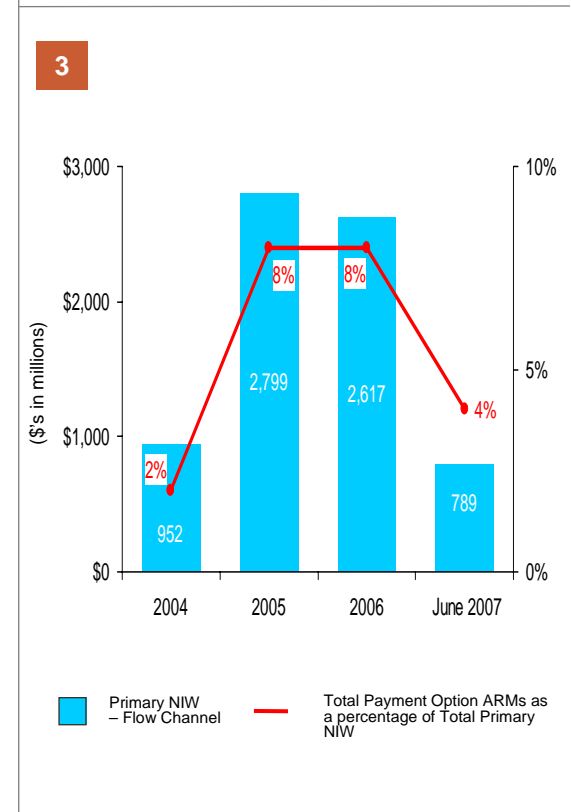
Approximately 2% of ARMs are subject to adjustment in second half 2007. Additionally, approximately 6% are subject to adjustment in 2008.

## Interest Only Loans - NIW



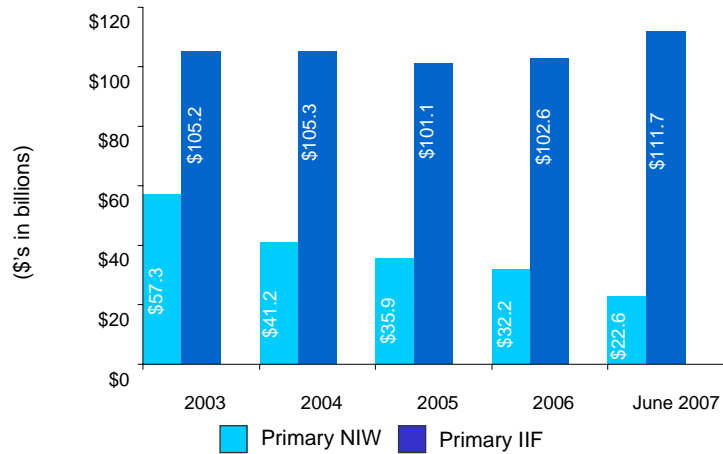
Approximately 98% of interest only loans NIW written in the first six months of 2007 have an initial deferral period of 5 years or greater. Approximately 89% of interest only loans NIW written in 2006 have an initial deferral period of 5 year or greater.

## Payment Option ARMs - NIW

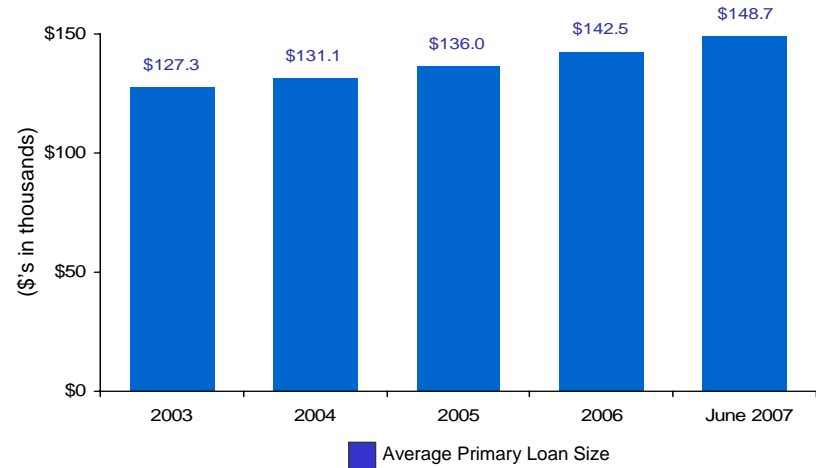


# U.S. Portfolio Primary Portfolio Characteristics

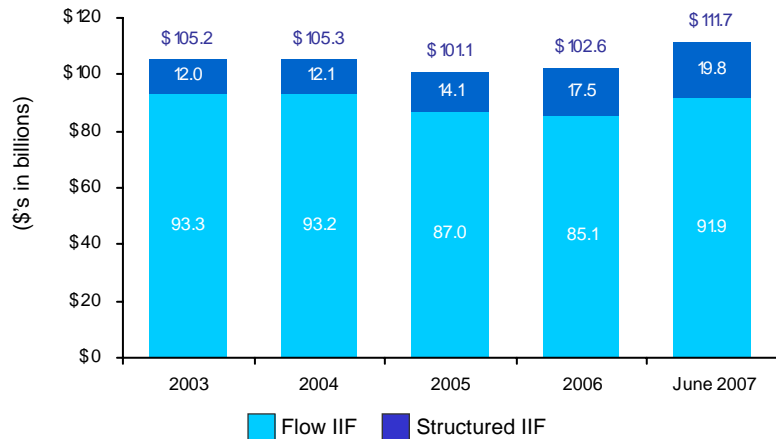
## Primary NIW and IIF



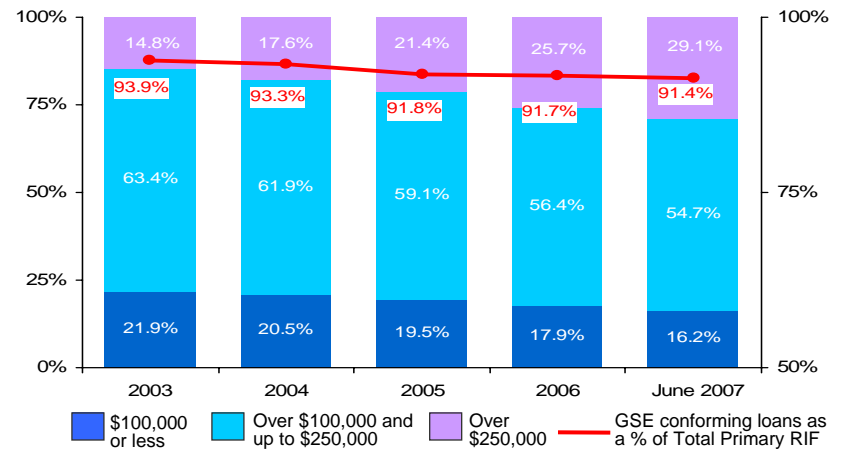
## Average Primary Loan Size



## Flow and Structured IIF



## Loan Amount and % of GSE Conforming Loans



Note: Due to rounding, the sum of percentages may not total 100%

# Australian Portfolio Geographic Distribution

## Risk in Force by State<sup>1</sup>

● New South Wales	35.4 %
● Queensland	21.0%
● Victoria	18.1%
● Western Australia	12.0%
● South Australia	6.7%
● New Zealand	3.7%
● Australian Capital Territory (ACT)	1.8%
● Tasmania	0.8%
● Northern Territory	0.5%

## Australian Population by State<sup>2</sup>

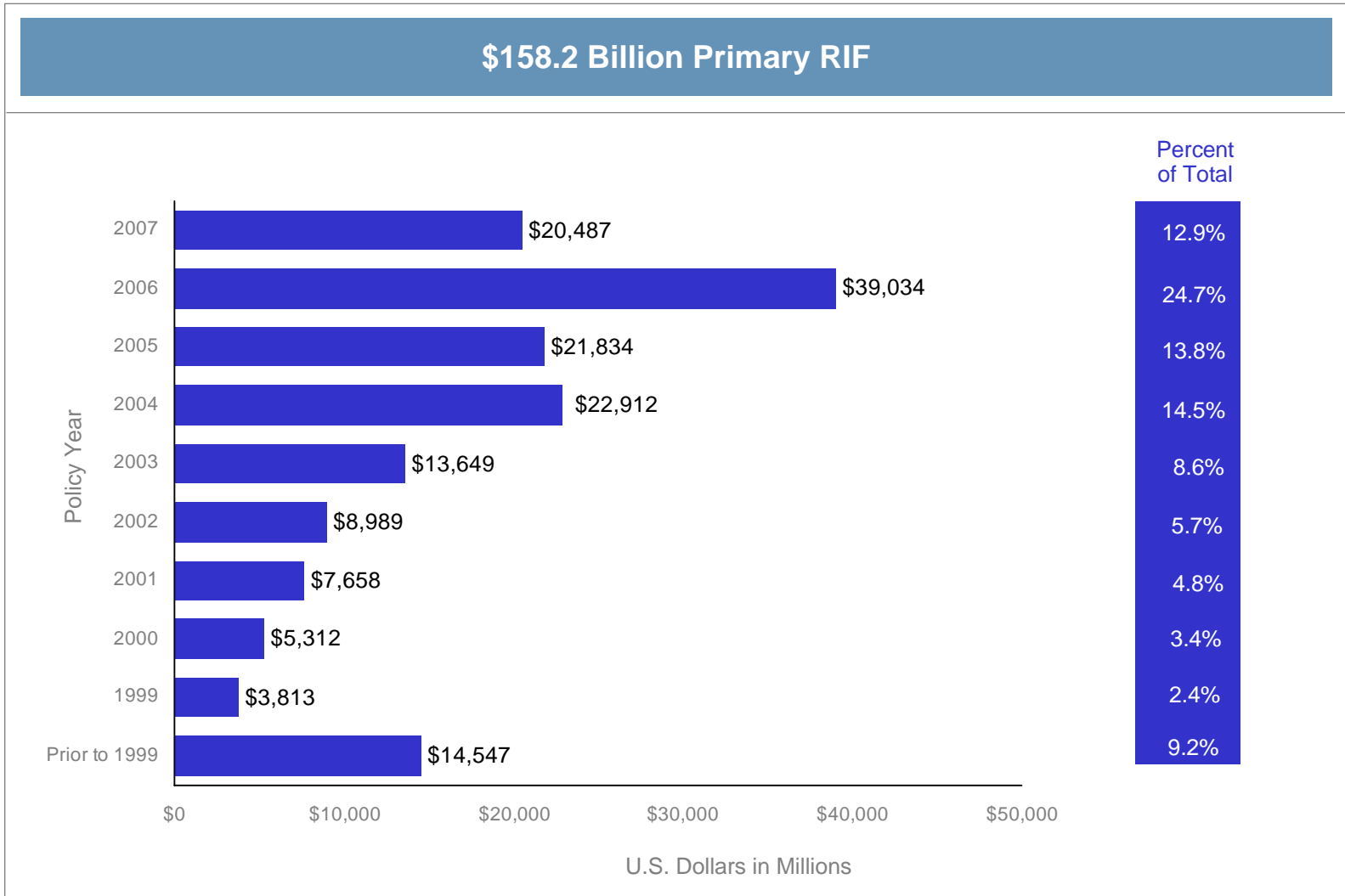
● New South Wales	6,854,800	32.9%
● Victoria	5,165,400	24.8%
● Queensland	4,132,000	19.8%
● Western Australia	2,081,000	10.0%
● South Australia	1,575,700	7.5%
● Australian Capital Territory (ACT)	336,400	1.6%
● Tasmania	491,700	2.4%
● Northern Territory	212,600	1.0%
	<b>20,852,000</b>	<b>100.0%</b>



<sup>1</sup> Risk in force as of June 30, 2007

<sup>2</sup> Source: Australian Bureau of Statistics, December 2006 (Does not add due to rounding)

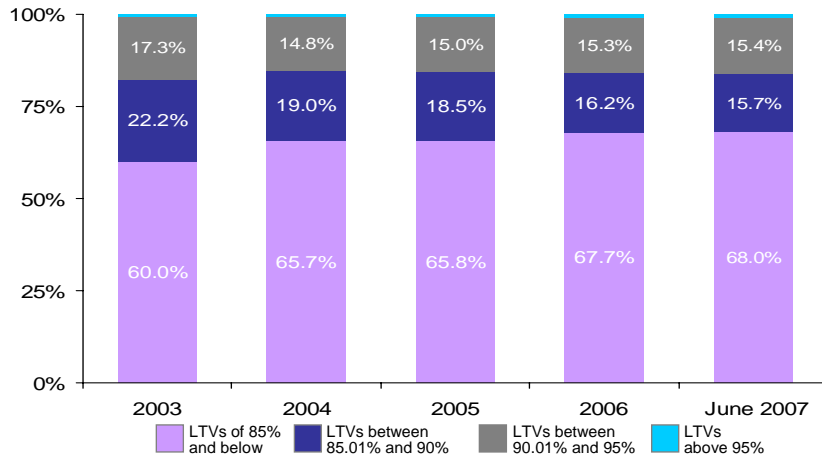
# Australian Portfolio Age Distribution



# Australian Portfolio Characteristics

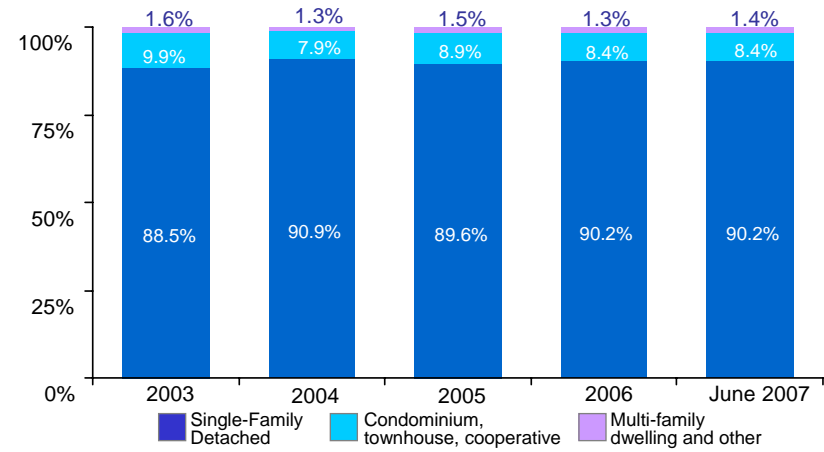
1

LTVs as a % of RIF



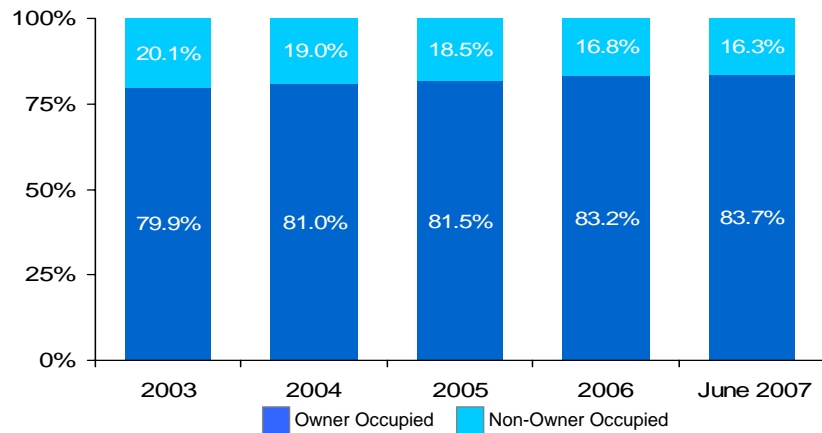
3

Property Type as a % of RIF



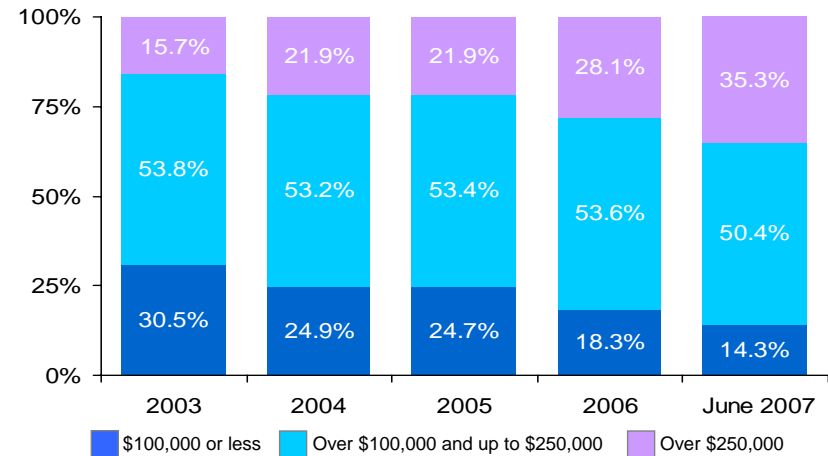
2

Occupancy Status as a % of RIF



4

Loan Amount as a % of RIF

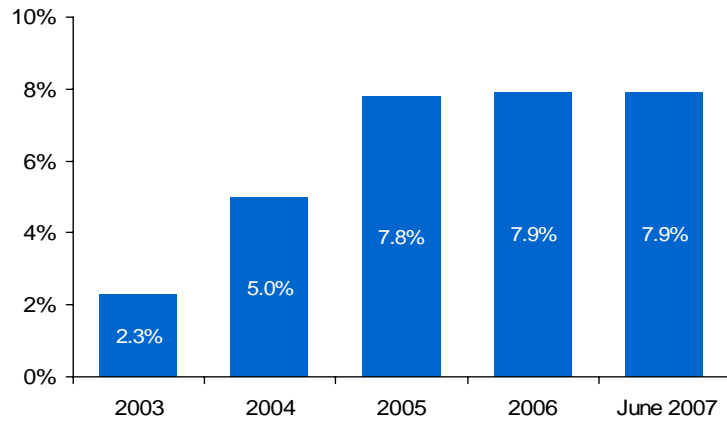


Note: Due to rounding, the sum of percentages may not total 100%

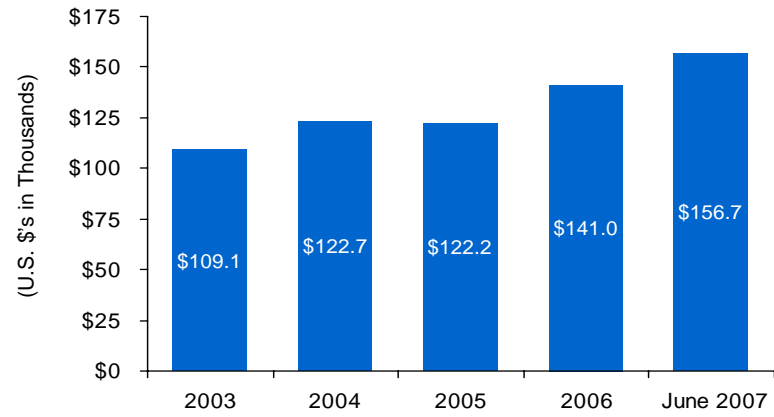
The increase in loan size in Australia reflects the combination of higher property prices for newer policies and lower loan sizes on terminating policies.

# Australian Portfolio Characteristics

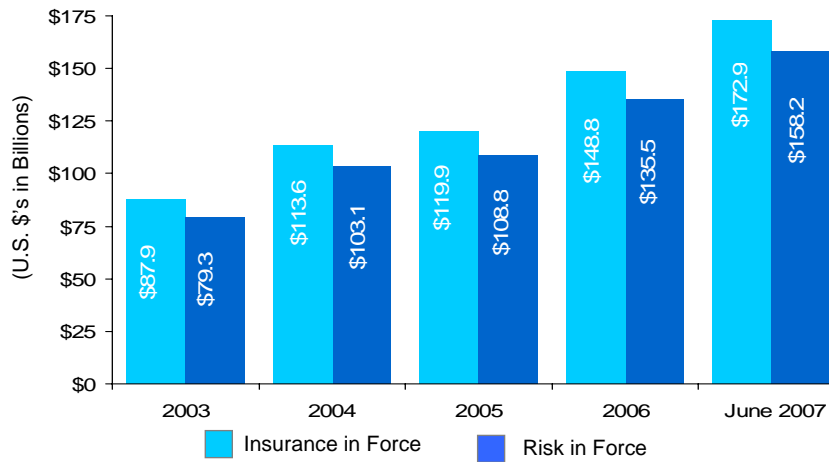
## Low Documentation Loans as a % of RIF



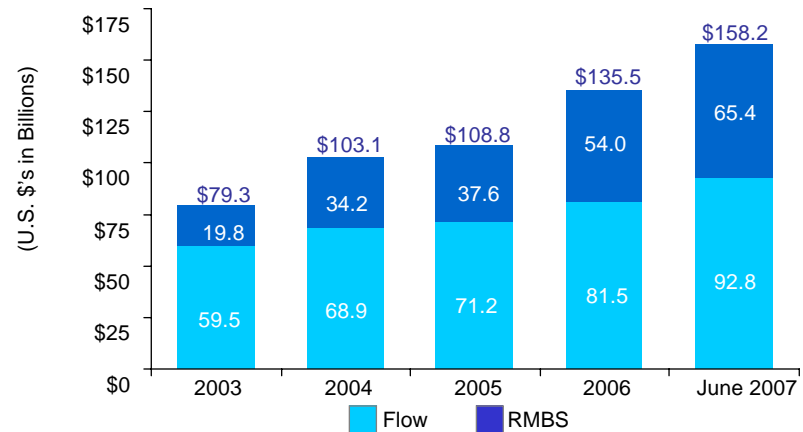
## Average Primary Loan Size



## IIF and RIF



## Flow and RMBS RIF



Note: Due to rounding, the sum of percentages may not total 100%

The increase in loan size in Australia reflects the combination of higher property prices for newer policies and lower loan sizes on terminating policies.



