



# Portfolio Characteristics

As of December 31, 2006

The statistical information that follows has been previously disclosed in The PMI Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2006 and prior SEC reports. The Company undertakes no duty to update the information contained herein, except as may be required by law.

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## Primary Risk in Force

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# 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.

**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** – 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.

**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.

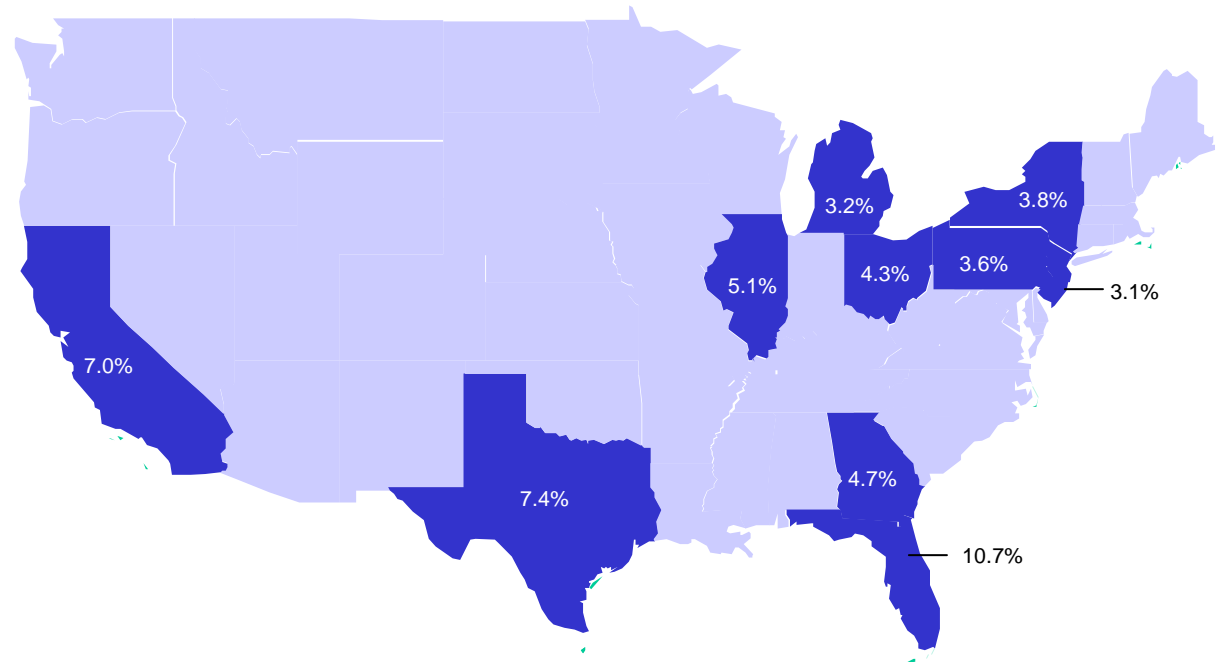
**Primary Insurance in Force** – refers to the current principal balance of all outstanding mortgage loans with primary insurance coverage as of a given date.

**Primary Risk in Force** – refers to the aggregate dollar amount of each primary 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>

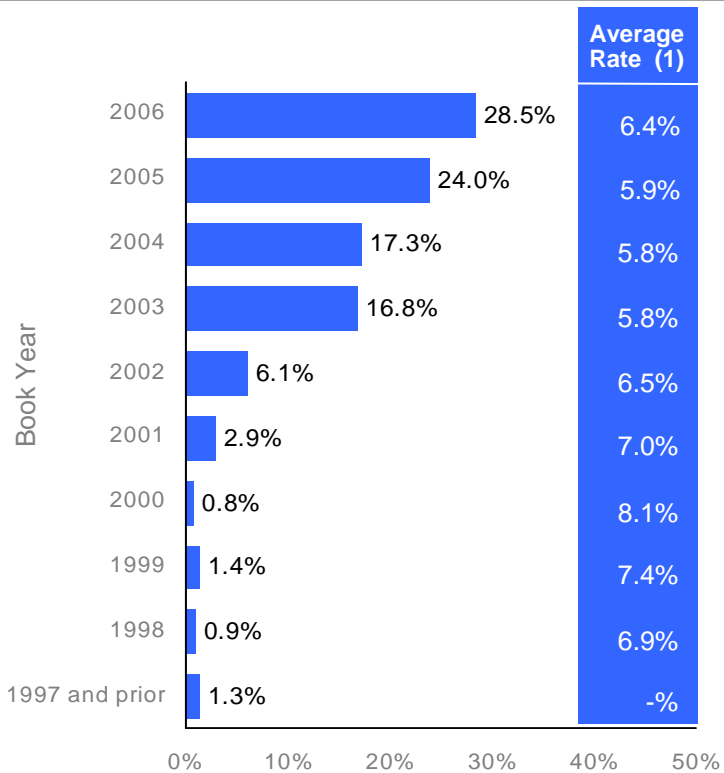
● Florida	10.7%
● Texas	7.4%
● California	7.0%
● Illinois	5.1%
● Georgia	4.7%
● Ohio	4.3%
● New York	3.8%
● Pennsylvania	3.6%
● Michigan	3.2%
● New Jersey	<u>3.1%</u>
Total:	52.9%



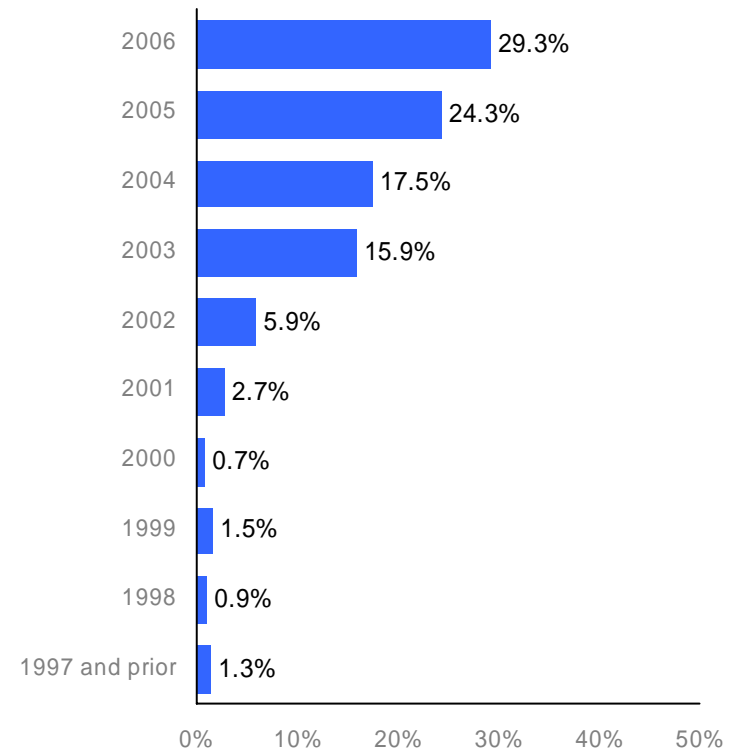
<sup>1</sup> Top ten states as determined by primary risk in force on December 31, 2006.

# U.S. Portfolio Age Distribution

## \$102.6 Billion Primary Insurance in Force



## \$25.7 Billion Primary Risk in Force

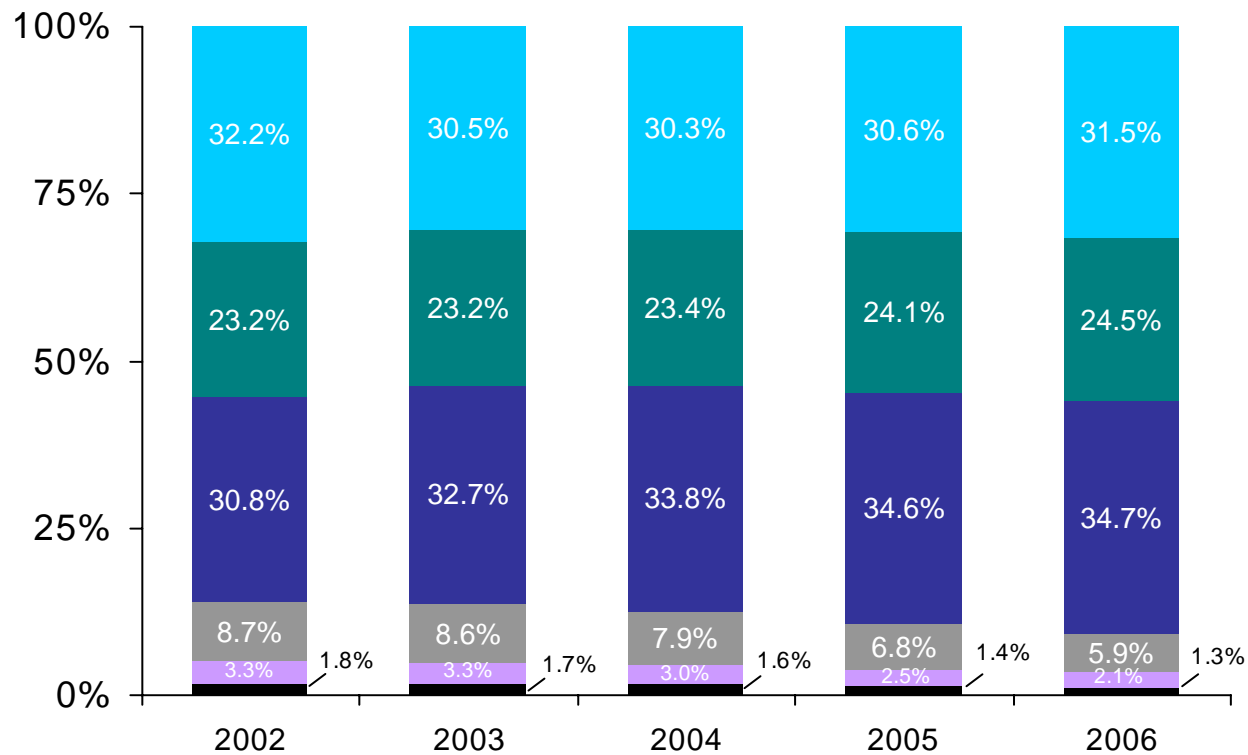


(1) Average annual thirty year fixed mortgage interest rate derived from Freddie Mac and Mortgage Bankers Association data on an annual and year to date basis.

# U.S. Portfolio Credit Score Distribution

## Primary Risk In Force by FICO Score

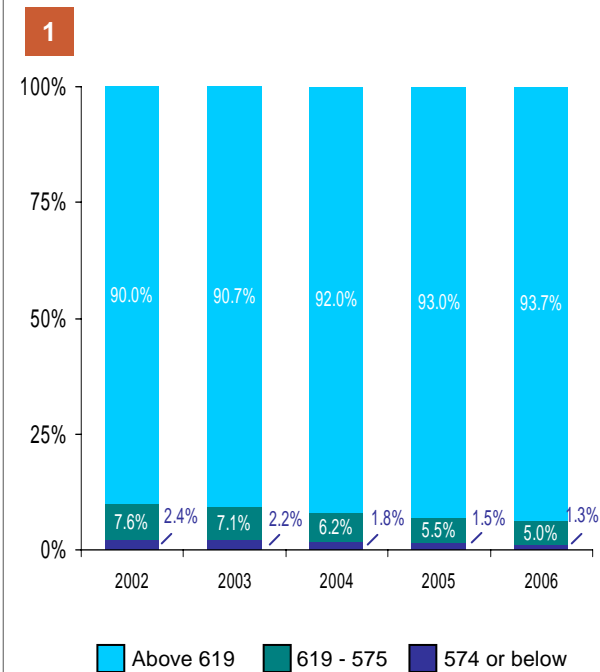
1



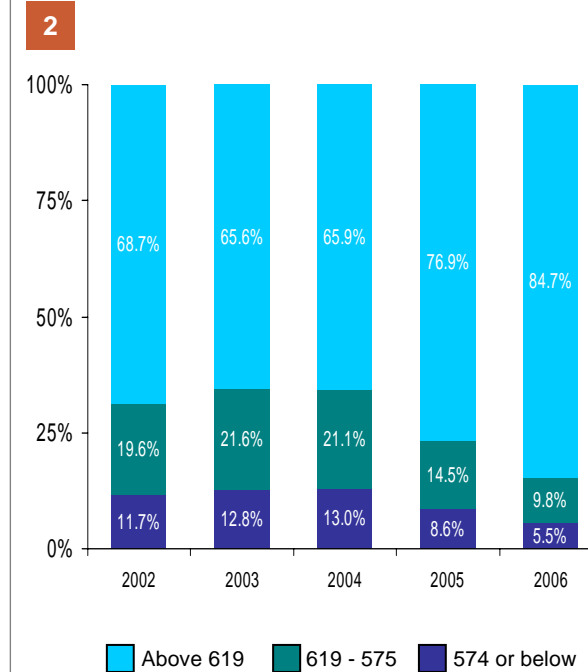
Unreported
  Less than 575
  575 - 619
  620 - 679
  680 - 719
  720 and above

# U.S. Portfolio Credit Score Distribution

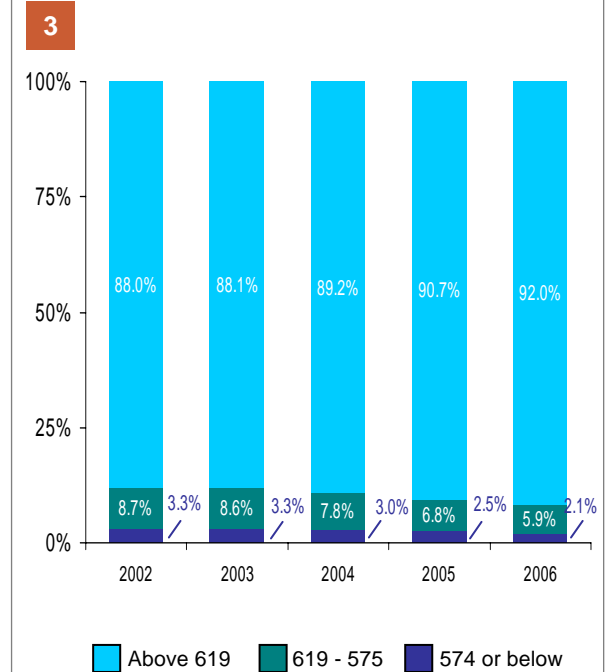
## Flow RIF



## Structured Transactions RIF

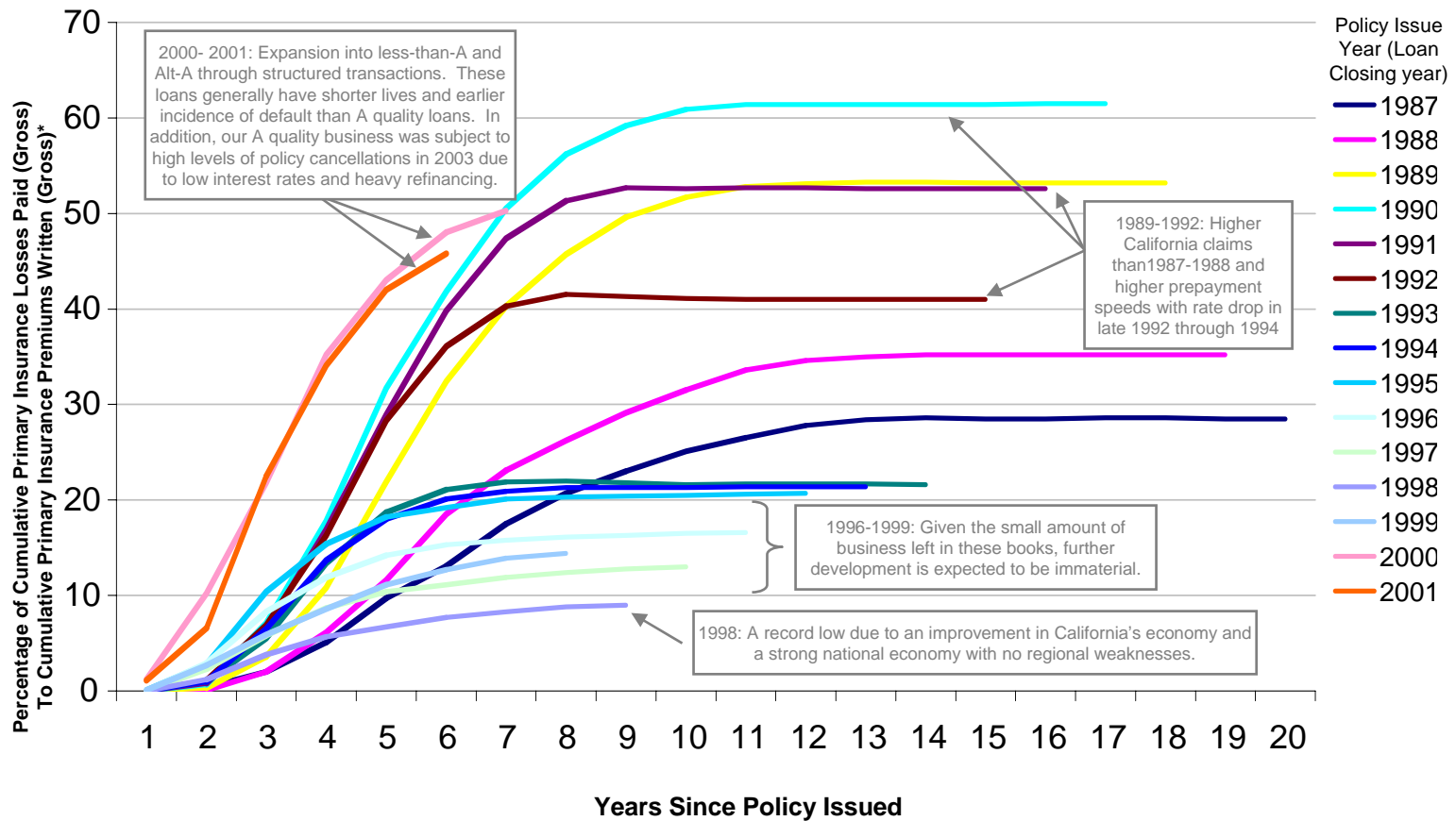


## Flow and Structured Transactions RIF



# U.S. Portfolio Annotated Loan Performance – 1987 to 2001

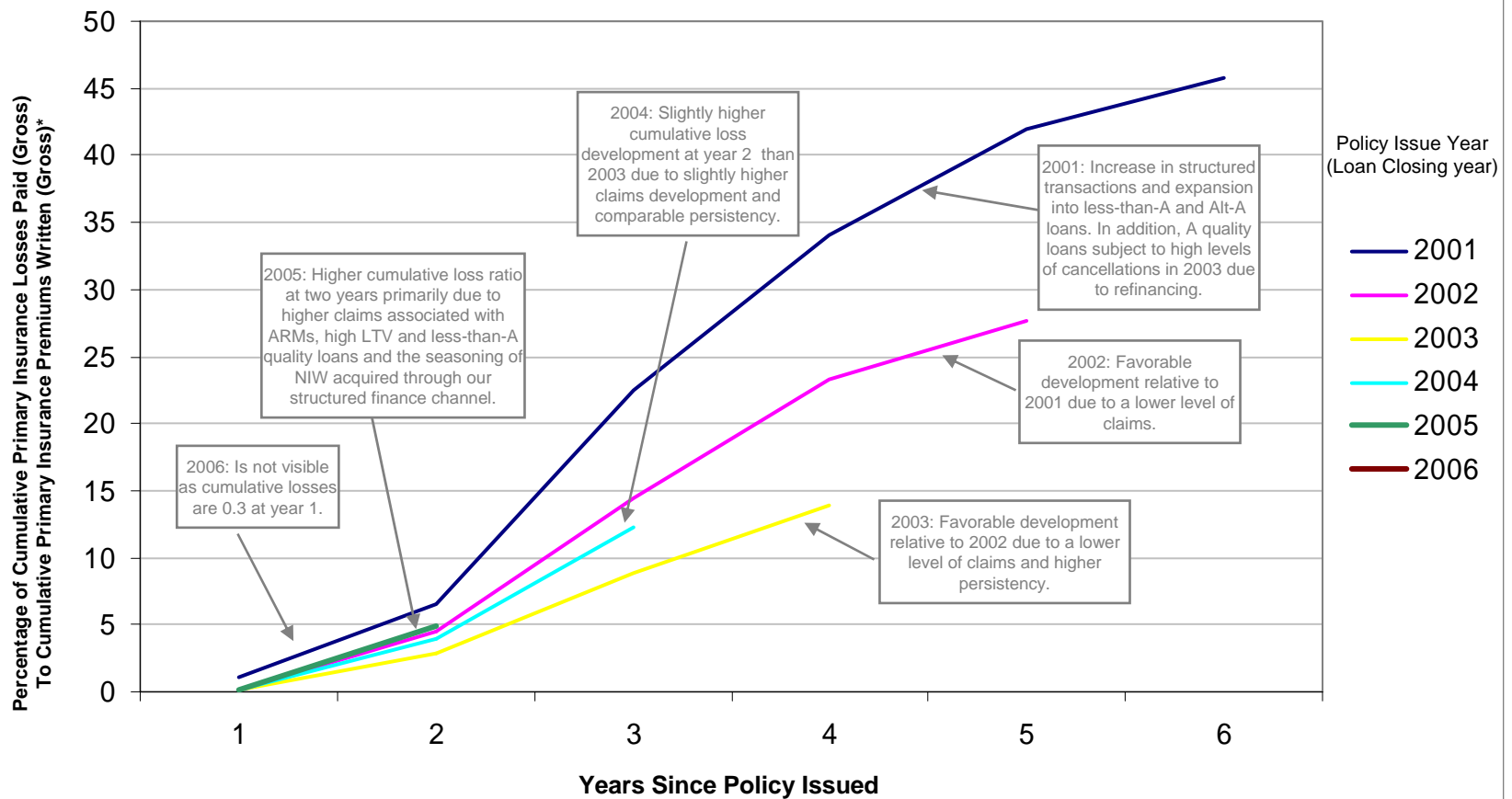
## Percentage of Cumulative Primary Insurance Losses Paid (Gross) To Cumulative Primary Insurance Premiums Written (Gross)\*



\*Gross premiums written include ceded and refunded premiums.

# U.S. Portfolio Annotated Loan Performance – 2001 to 2006

## Percentage of Cumulative Primary Insurance Losses Paid (Gross) To Cumulative Primary Insurance Premiums Written (Gross)\*

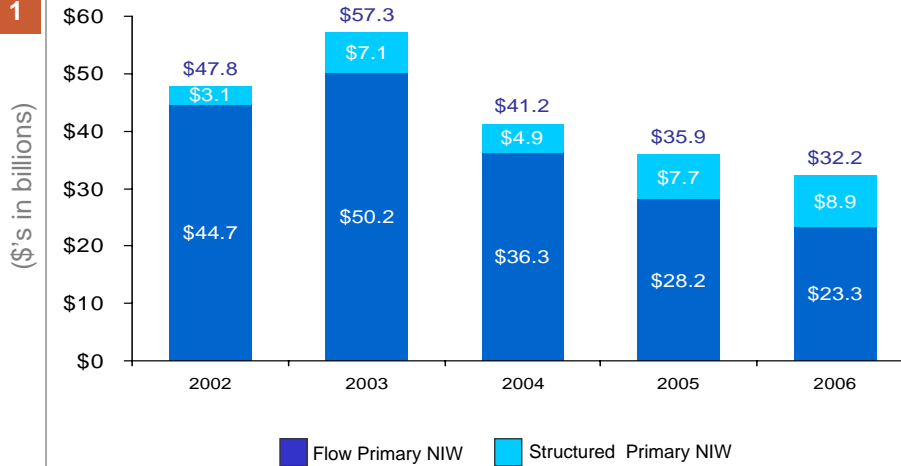


\*Gross premiums written include ceded and refunded premiums.

# U.S. Portfolio Primary New Insurance Written (NIW)

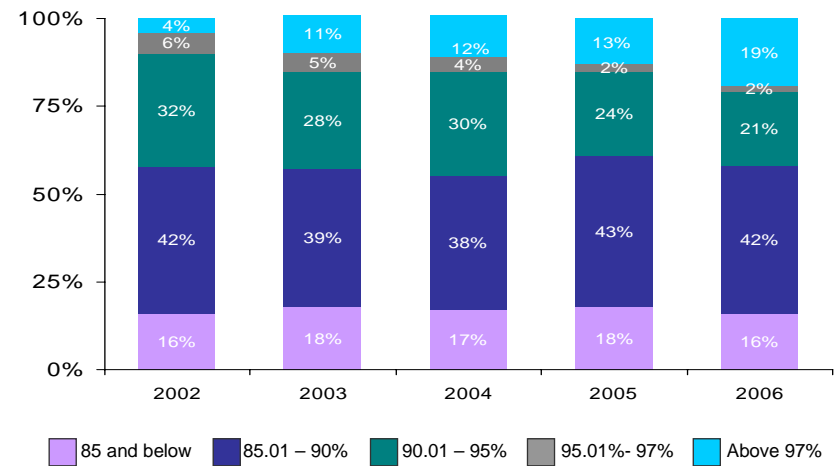
1

### Flow and Structured Primary NIW



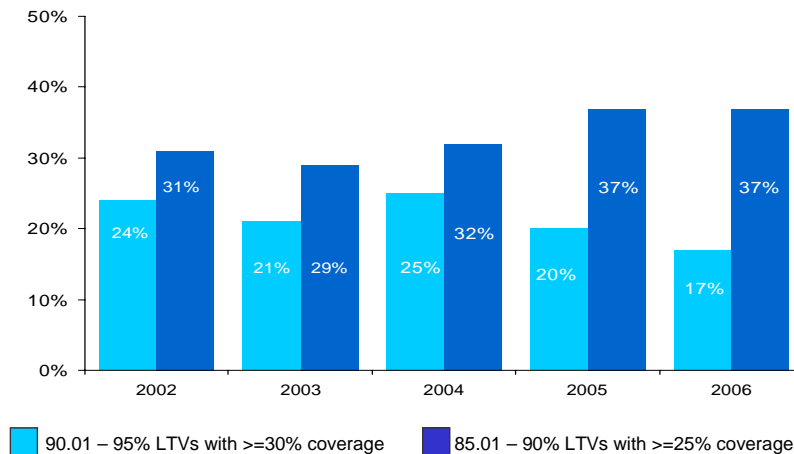
3

### LTVs as a Percentage of Primary NIW



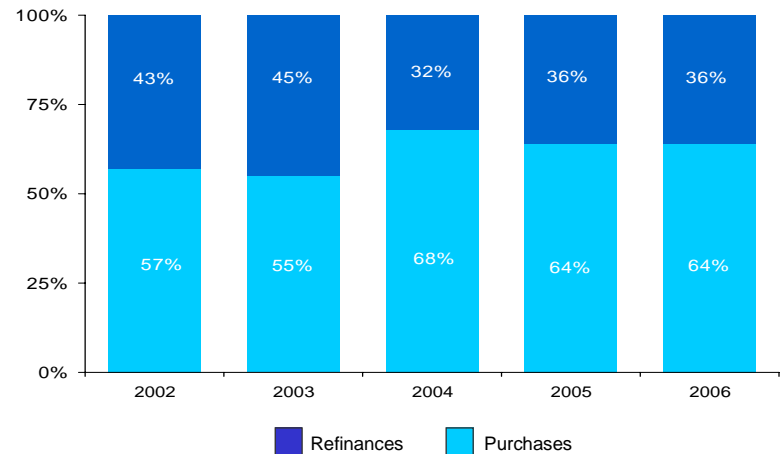
2

### LTVs and Coverage as a Percentage of Primary NIW



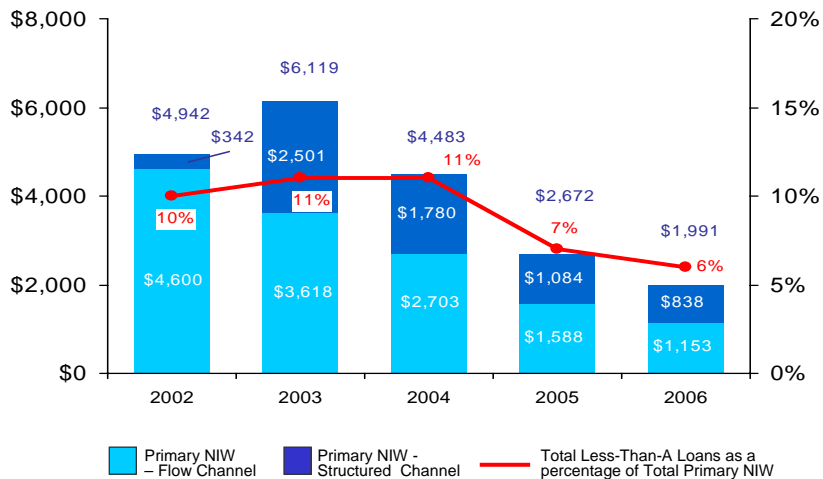
4

### Refinances and Purchases as a Percentage of Primary NIW

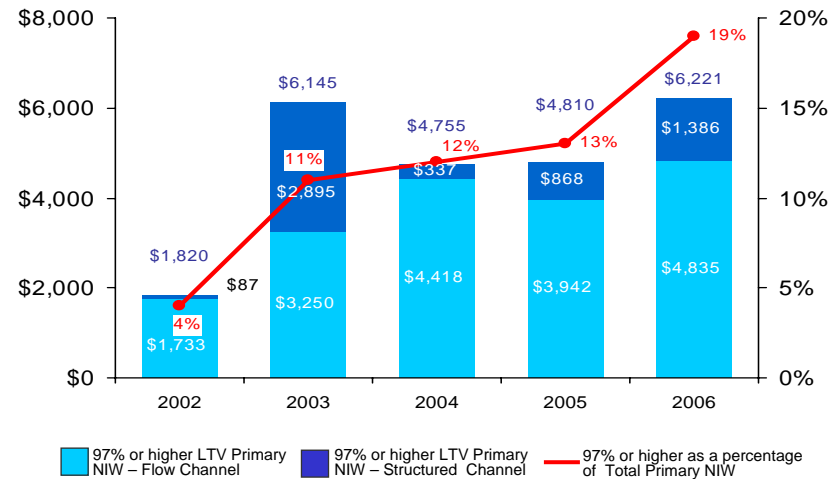


# U.S. Portfolio Primary New Insurance Written (NIW) (all charts \$'s in millions)

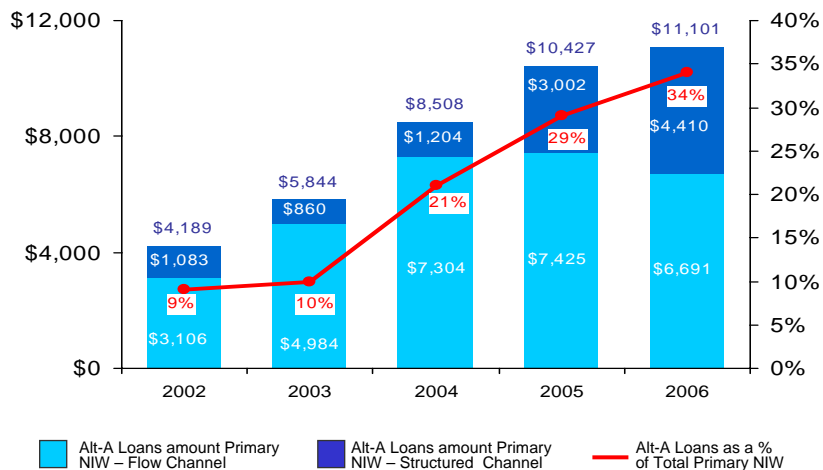
## 1 Less-Than-A Quality Loans as a Percentage of Primary NIW



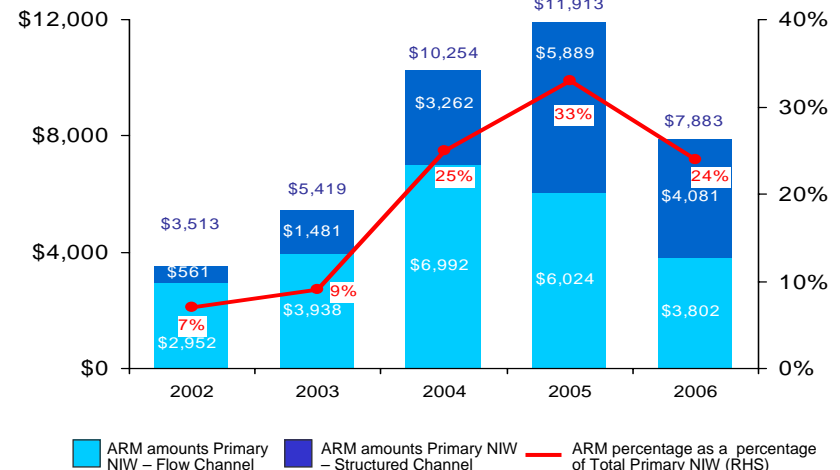
## 3 97% or Higher LTV as a Percentage of Primary NIW



## 2 Alt-A Loans as a Percentage of Primary NIW \*



## 4 ARM amounts as a Percentage of Primary NIW

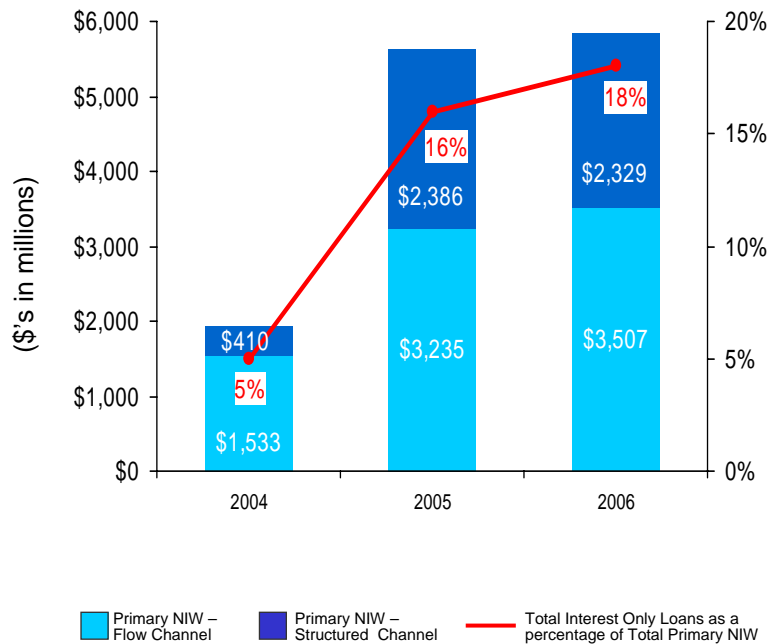


\* See chart 16:1 for Alt-A FICOs as a percentage of risk in force

# U.S. Portfolio Primary New Insurance Written (NIW)

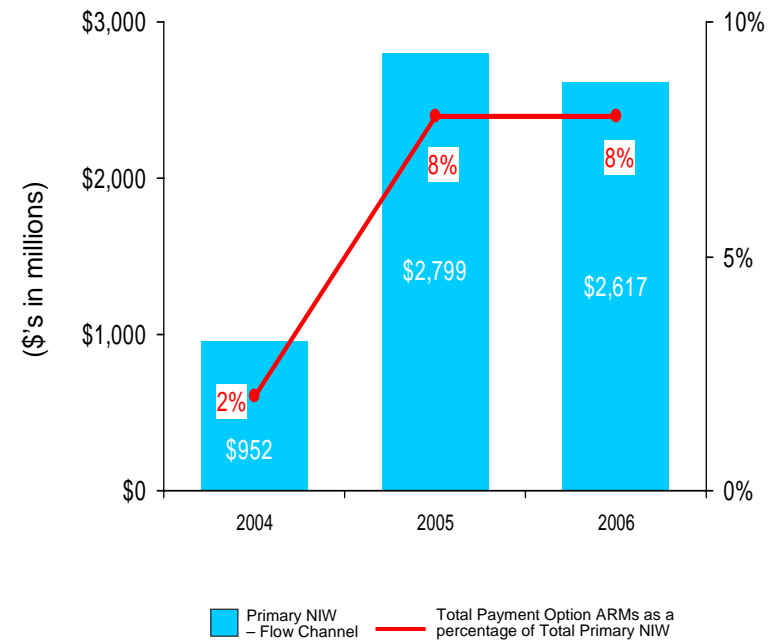
## Interest Only Loans

1



## Payment Option ARMs

2

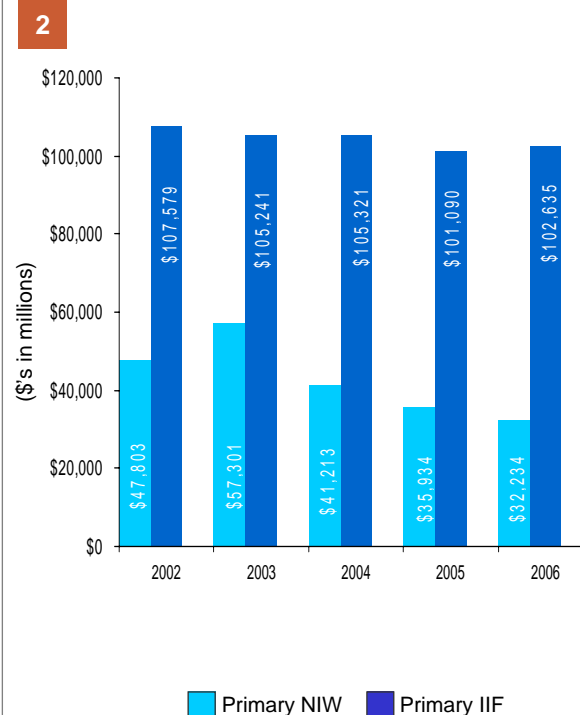


# U.S. Portfolio Primary Insurance in Force (IIF)

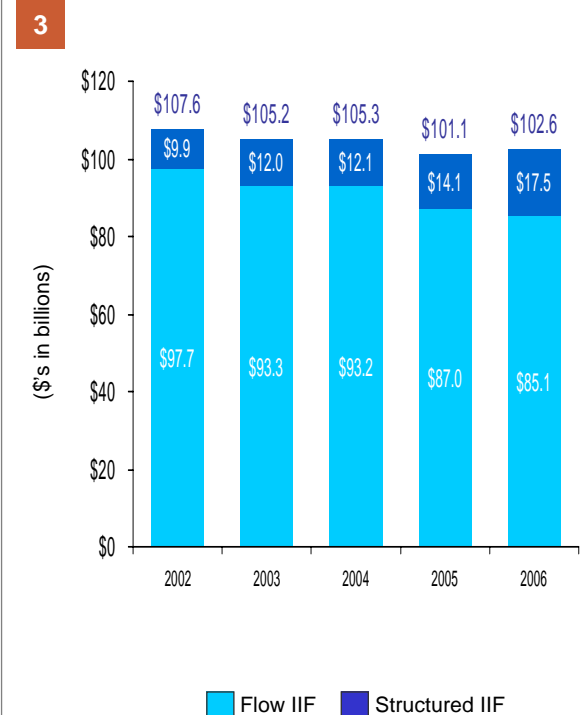
## Alt-A FICOs and as a Percentage of IIF



## Primary NIW and IIF

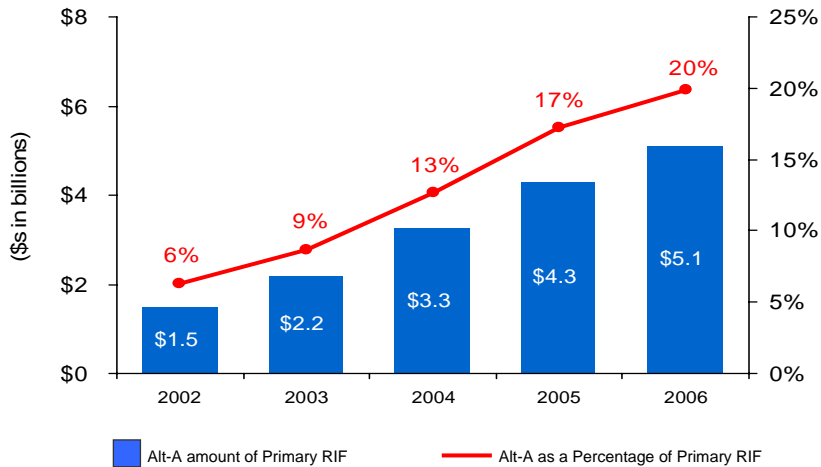


## Flow and Structured IIF

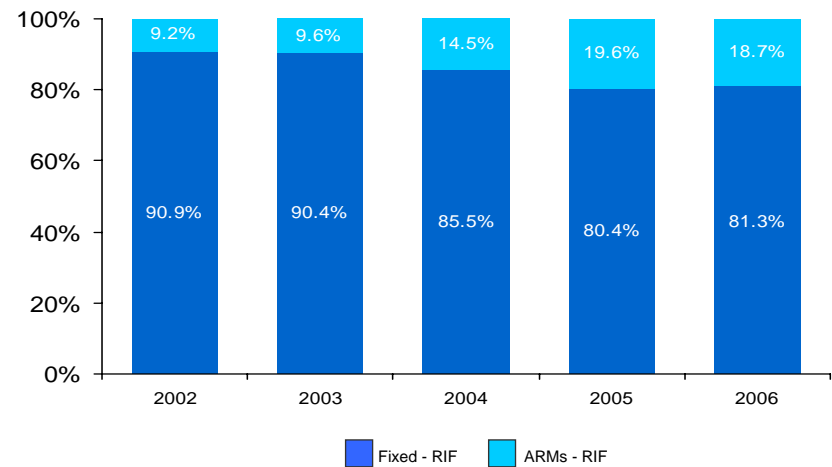


# U.S. Portfolio Primary Risk in Force (RIF)

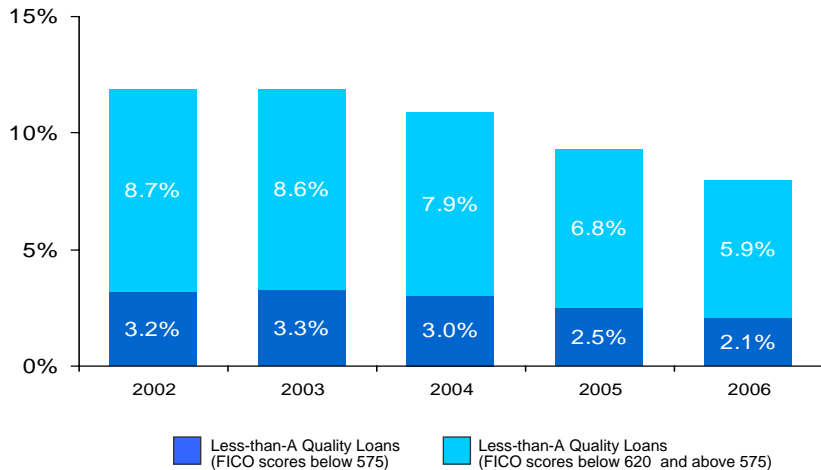
## Alt-A loans as a Percentage of Primary RIF



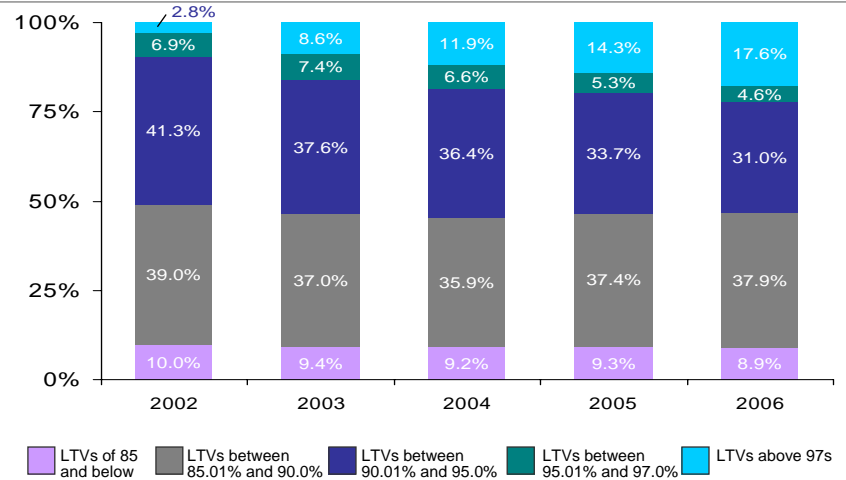
## Fixed Rate Loans & ARMs as a Percentage of Primary RIF



## Less-than-A Quality Loans as a Percentage of Primary RIF



## LTVs as a Percentage of Primary RIF

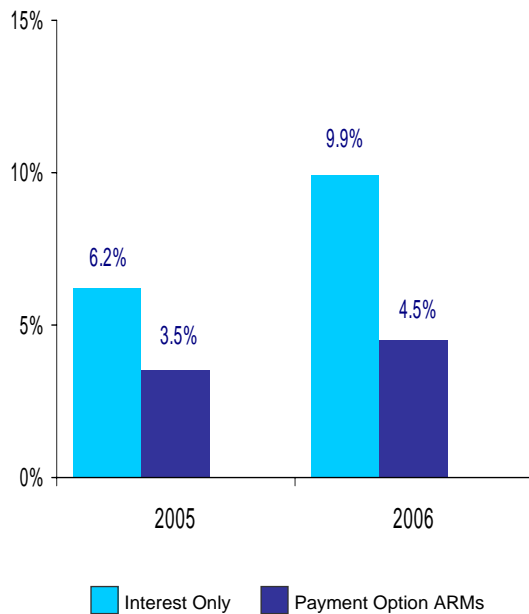


Note: Due to rounding, the sum of percentages may not total 100%

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

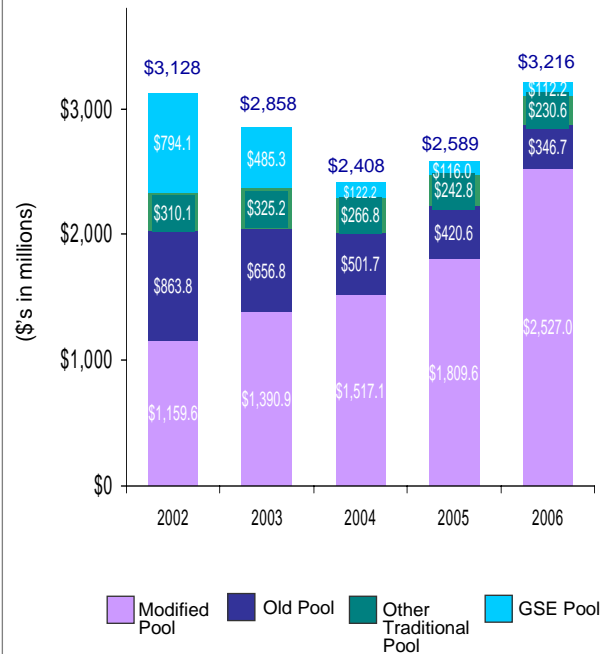
## Interest Only Loans and Payment Option ARMs as a Percentage of Primary RIF

1



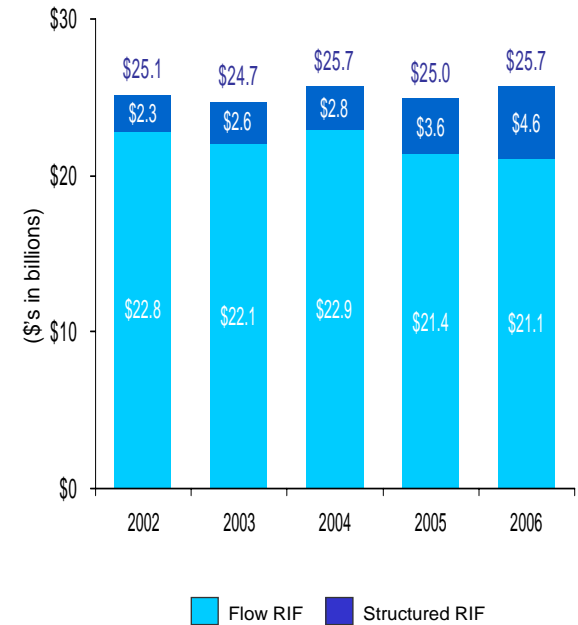
## Pool Risk in Force

2



## Flow and Structured RIF

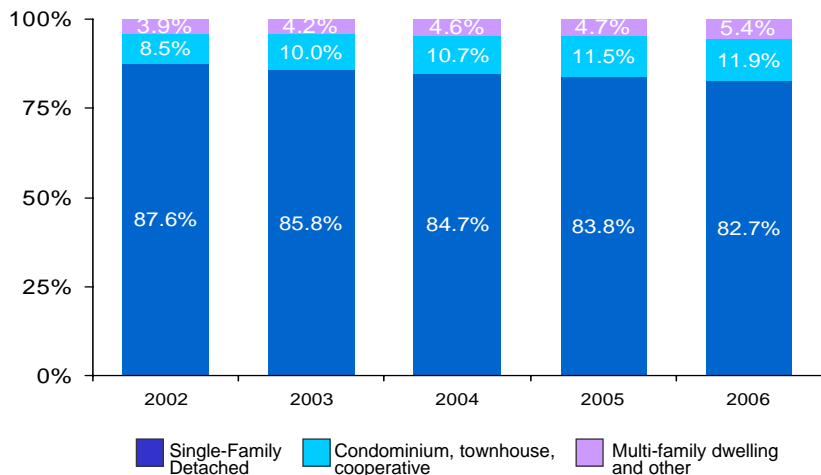
3



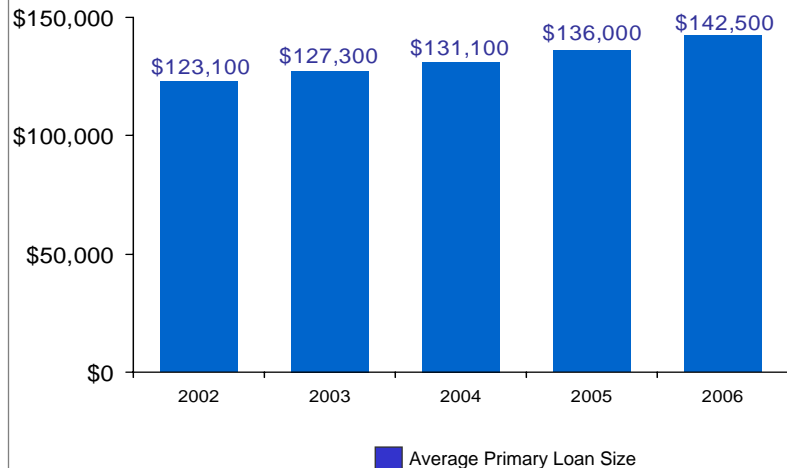
# U.S. Portfolio Loan Type

1

### Property Type



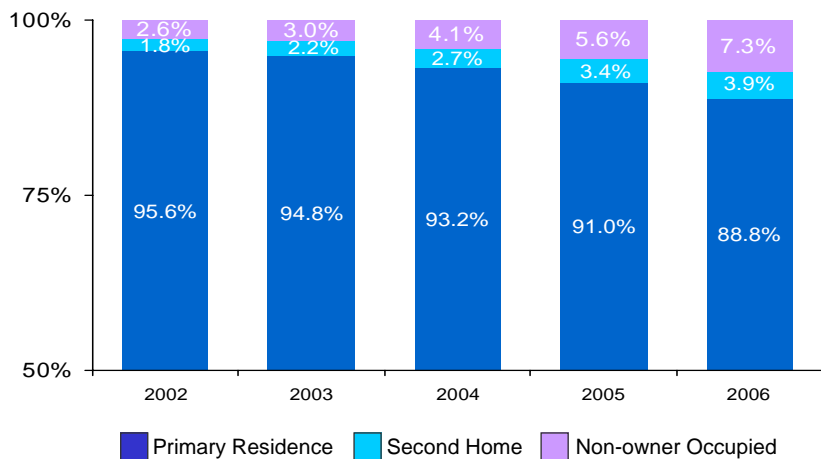
### Average Primary Loan Size



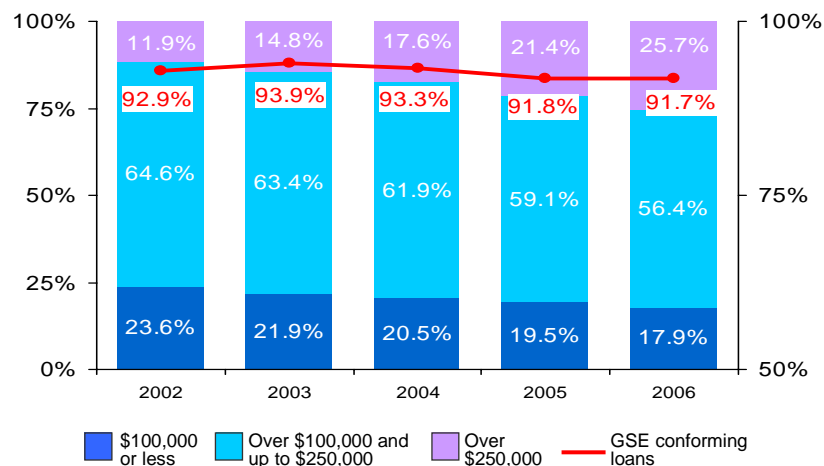
3

2

### Occupancy Status



### Loan Amount and % of GSE Conforming Loans



4

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	35.8%
● Queensland	21.0%
● Victoria	18.1%
● Western Australia	11.5%
● South Australia	6.5%
● New Zealand	4.0%
● Australian Capital Territory	1.8%
● Tasmania	0.8%
● Northern Territory	0.5%

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

● New South Wales	6,827,700	33.1%
● Queensland	4,053,400	19.7%
● Victoria	5,091,700	24.7%
● Western Australia	2,050,900	10.0%
● South Australia	1,554,700	7.5%
● Australian Capital Territory	328,800	1.6%
● Tasmania	488,900	2.4%
● Northern Territory	206,700	1.0%
	<b>20,605,500</b>	<b>100.0%</b>

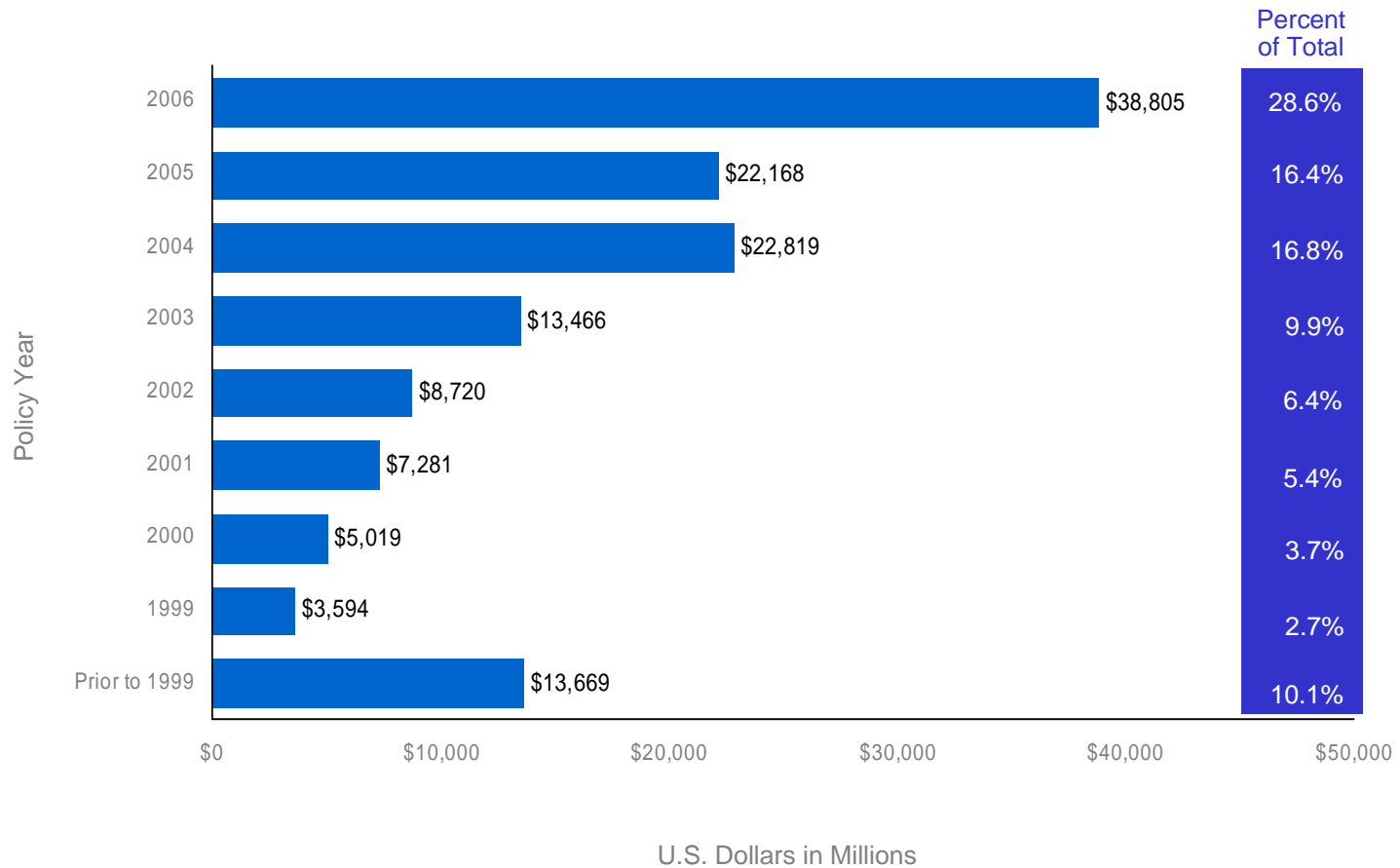


<sup>1</sup> Risk in force as of December 31, 2006.

<sup>2</sup> Source: Australian Bureau of Statistics, June 2006

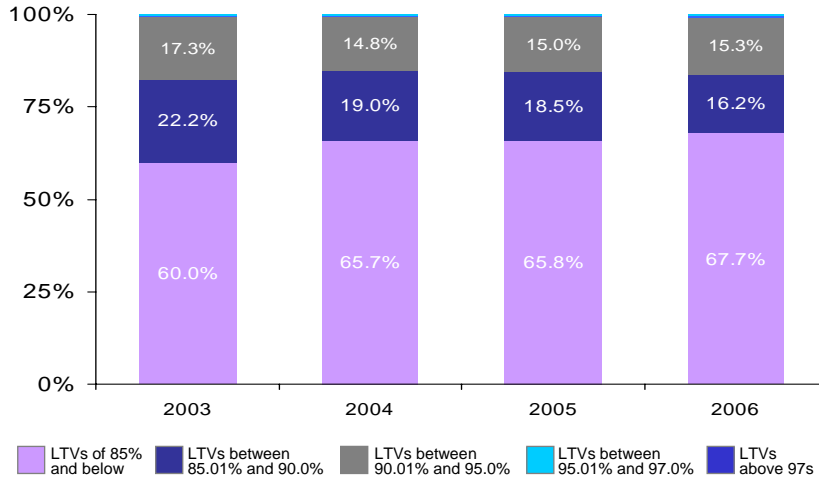
# Australian Portfolio Age Distribution

**\$135.5 Billion Primary Risk in Force**

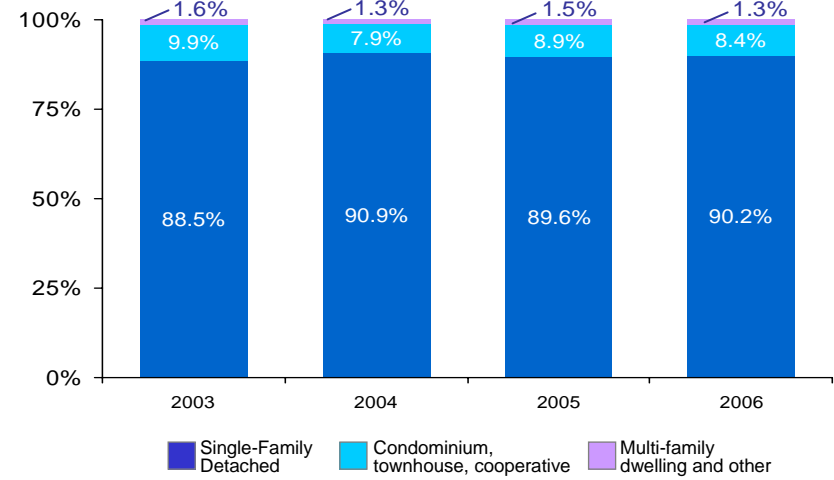


# Australian Portfolio Characteristics

## LTVs as a Percentage of Risk in Force



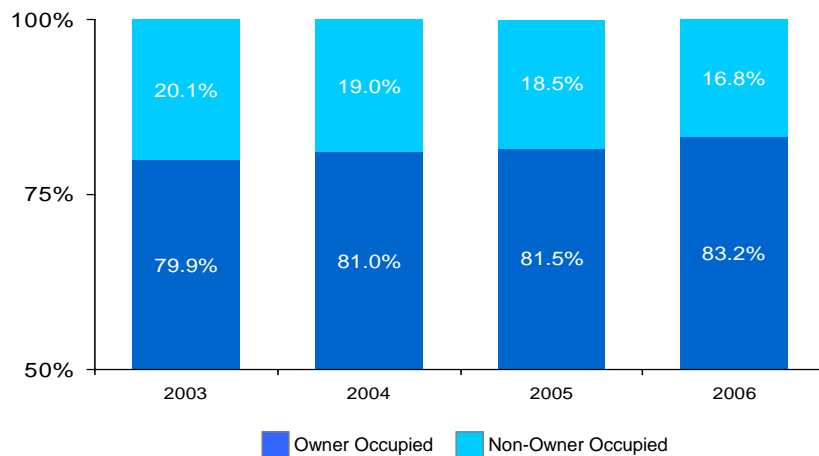
## Property Type



1

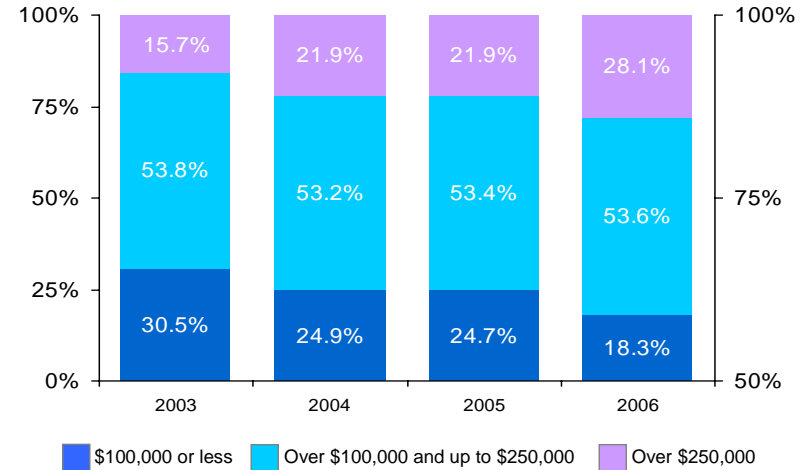
3

## Occupancy Status



2

## Loan Amount



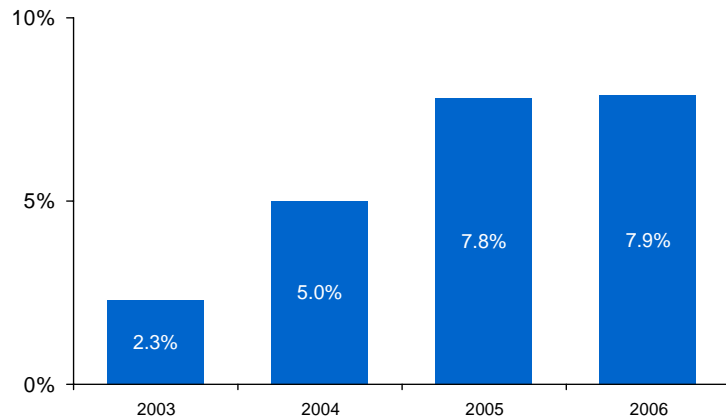
4

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

# Australian Portfolio Characteristics

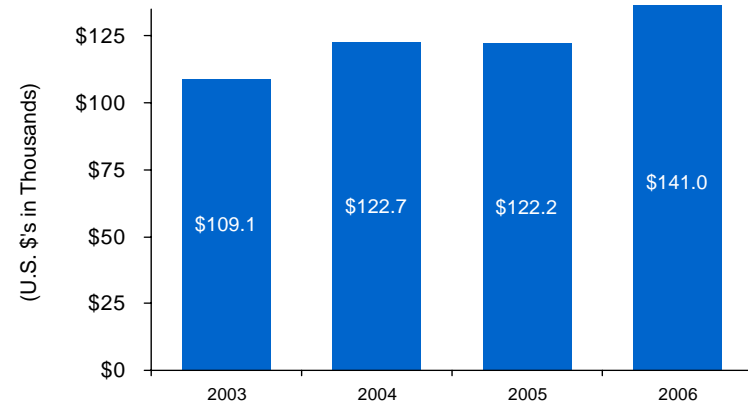
## Low Documentation Loans

1



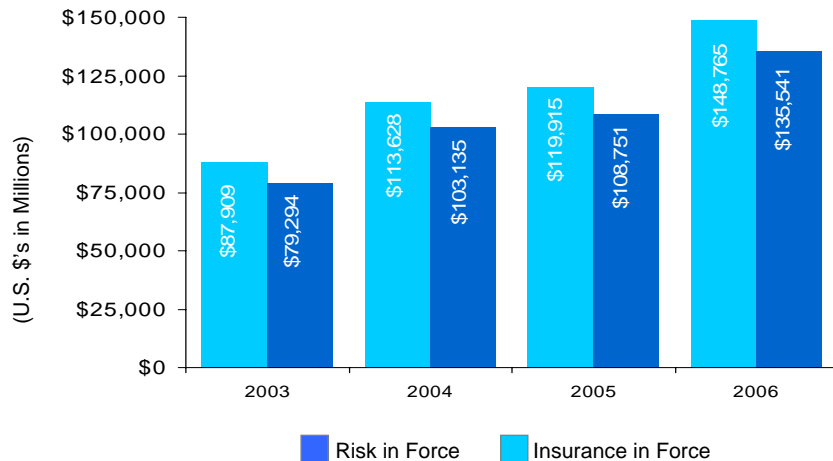
## Average Primary Loan Size

3



## Insurance in Force and Risk in Force

2



## Flow and RMBS Risk in Force

4

