

The PMI Group, Inc.
Effects of PMI Australia and PMI Asia
Cash Proceeds and Loss from Discontinued Operations Reconciliation
For the Quarter Ended September 30, 2008

	<u>PMI Australia</u>	<u>PMI Asia ⁽³⁾</u>	<u>Consolidated</u>
	<i>(USD in thousands)</i>		
Purchase price before adjustments	\$ 920,492	\$ 55,714	\$ 976,206
Contingent consideration (Promissory Note - 20% of Purchase Price) ⁽¹⁾	(184,098)	(11,143)	(195,241)
Cash purchase price	736,394	44,571	780,965
Adjustments to cash purchase price			
Interest between execution and closing	8,832	558	9,390
Portfolio value adjustment	798	-	798
Adjusted Cash Purchase Price	746,024	45,129	791,153
Reinsurance premium	(46,486)	-	(46,486)
Transaction costs	(21,530)	(1,549)	(23,079)
	<u>678,008</u>	<u>43,580</u>	<u>721,588</u>
GAAP book value as of September 30, 2008	⁽²⁾ 816,043	59,512	875,555
Loss from discontinued operations before adjustments	(138,035)	(15,932)	(153,967)
Expected net gain on foreign currency translation and other accumulated comprehensive income upon closing ⁽²⁾	116,739	654	117,393
Other expenses and income	(7,851)	4,698	(3,153)
Net loss from discontinued operations before taxes	(29,147)	(10,580)	(39,727)
Income taxes	(38,537)	(2,277)	(40,814)
Loss from discontinued operations (PMI Australia and PMI Asia)	\$ (67,684)	\$ (12,857)	\$ (80,541)
Income from discontinued operations (PMI Guaranty Co.)			437
Loss from discontinued operations			\$ (80,104)

(1) Excludes capitalized pre-completion adjustments to the Promissory Note (the "Note") of \$2,407,529 million due to interest earned on the Note from July 1 to October 22, 2008 and the portfolio value adjustment.

(2) Movements in foreign currency translation rates subsequent to September 30, 2008 will not impact the loss from discontinued operations due the one to one relationship to book value.

(3) Assumes completion of sale, which has not yet occurred.