



The PMI Group, Inc.

Wachovia Nantucket Equity Conference
June 2007



Forward-Looking Statement

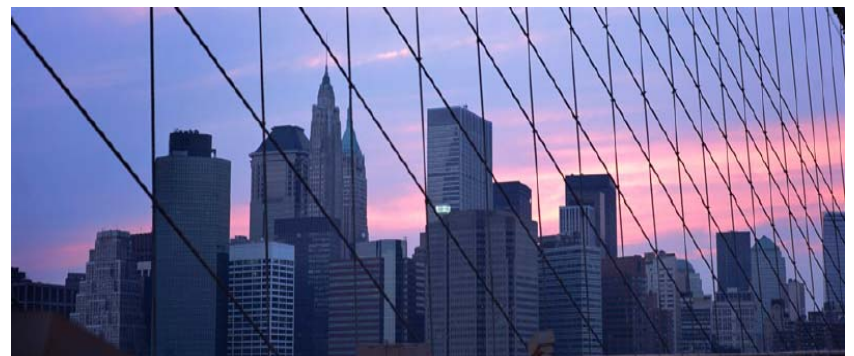
FORWARD-LOOKING STATEMENTS: Statements in this presentation and oral statements made at this conference that are not historical facts or that relate to future plans, events or performance are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include our expectations with respect to: future economic and mortgage market conditions in the United States and other areas of the world in which we conduct business; our current and future strategy, including our new venture, PMI Canada; our 2007 guidance with respect to US MI's and PMI Australia's losses and expense ratio and U.S. MI's expense ratio. Many factors could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements, including, among others, conditions affecting the mortgage insurance and financial guaranty industries, general economic conditions, and regulatory and legislative developments in the US, Europe and Australia, including the continued implementation of Basel II bank capital directives. In particular, changes in housing values, unemployment rates, interest rates, refinancing activity and the use of alternatives to mortgage insurance could affect the demand for mortgage insurance and/or cause claims on policies issued to increase. Our future strategy and various new ventures may be subject to a number of risks, including: the need for regulatory, rating agency and other third party approvals; challenges in attracting and retaining key employees; unexpected changes in foreign regulations and laws; and the need to successfully develop and market products appropriate to the new market. Accordingly, there can be no assurance that new ventures and further geographic diversification will be achieved or that such ventures will achieve profitability. Slower than anticipated growth by FGIC could cause our investment in FGIC not to produce the equity earnings expected. Other risks and uncertainties are discussed in our SEC filings, including our Form 10-K for the year ended December 31, 2006 and Form 10-Q for the quarter ended March 31, 2007. We undertake no obligation to update forward-looking statements, except as required by law.

The PMI Group, Inc.

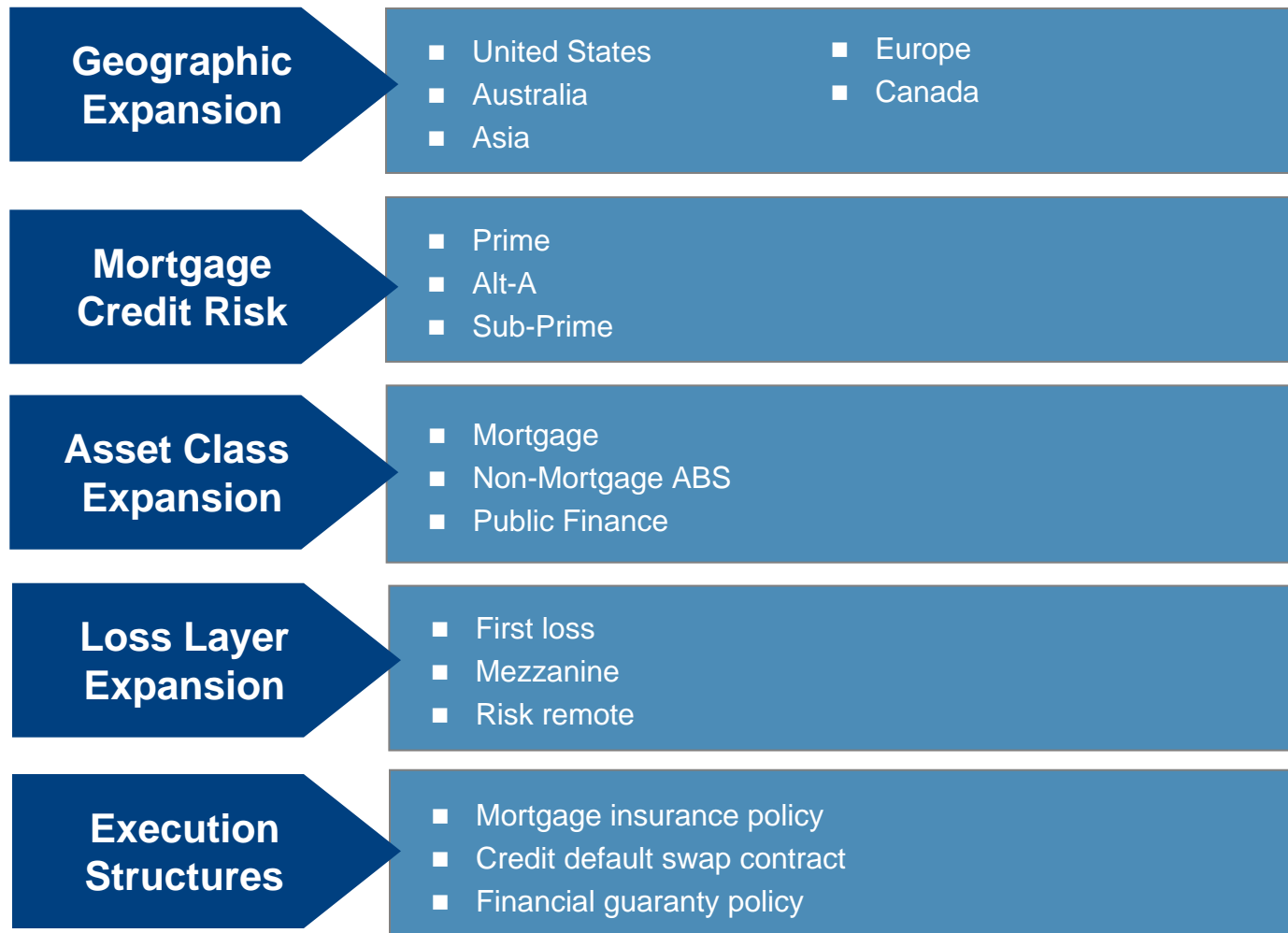
For over 35 years PMI has combined its risk management expertise and financial strength to serve the evolving needs of the financial markets.

PMI provides insurance, guarantees and reinsurance for residential mortgages and securities, public finance obligations and asset-backed securities around the world.

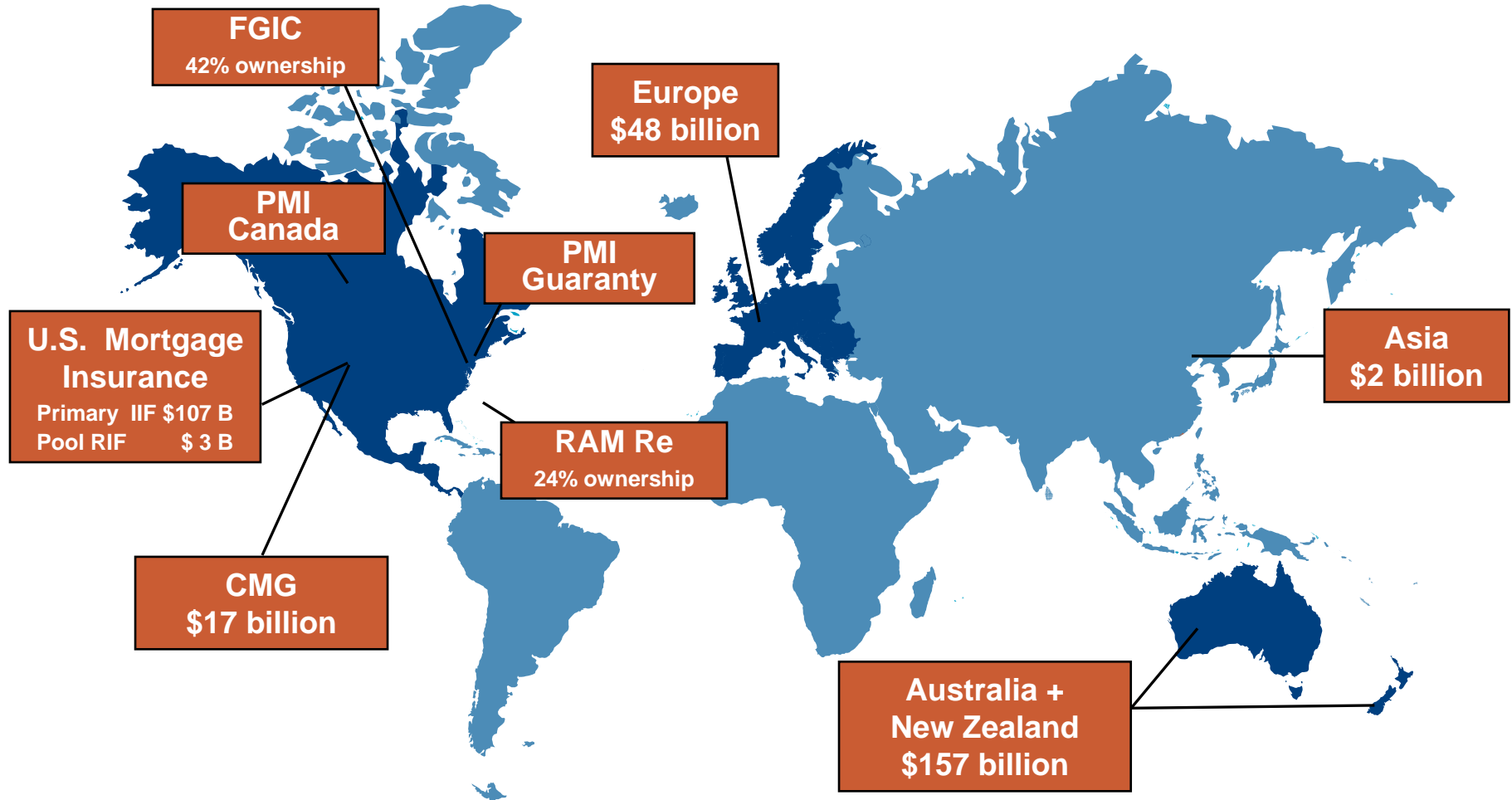
Our vision is to be the premier global provider of financial products that reduce risks, lower costs, and expand market access for our customers.



Full Spectrum Capabilities



PMI's Global Footprint



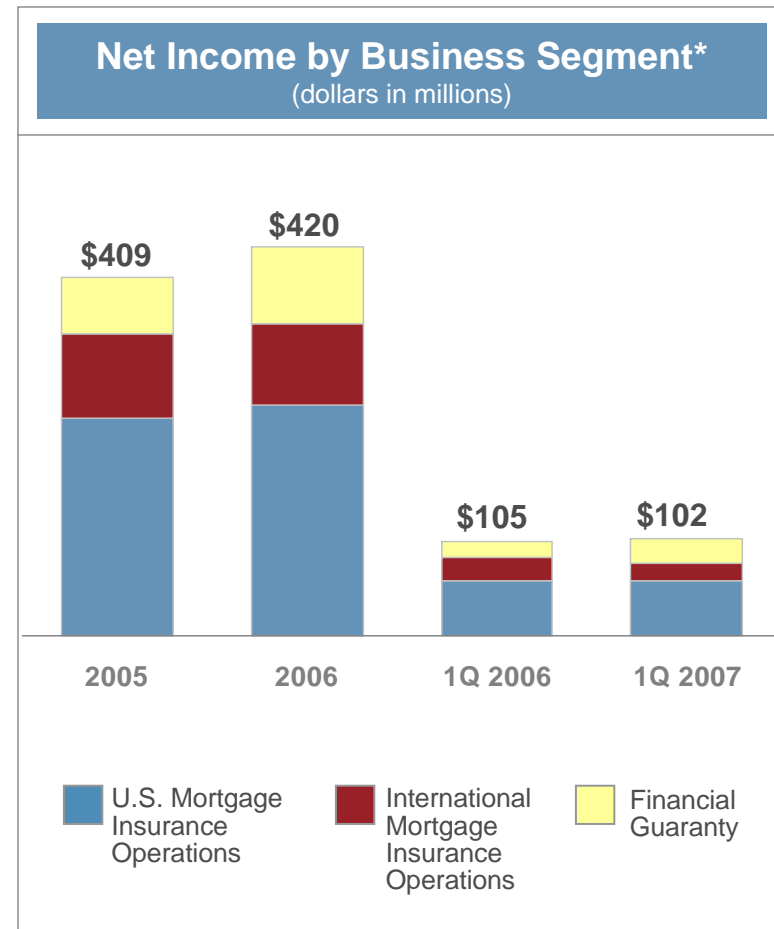
As of March 31, 2007



Segment Net Income

Complementary business segments provide growth and balance

- U.S. Mortgage Insurance Operations is a core business with opportunities for growth
- International Mortgage Insurance Operations is expanding and building new markets
- Financial Guaranty is expanding its business scope with stronger returns

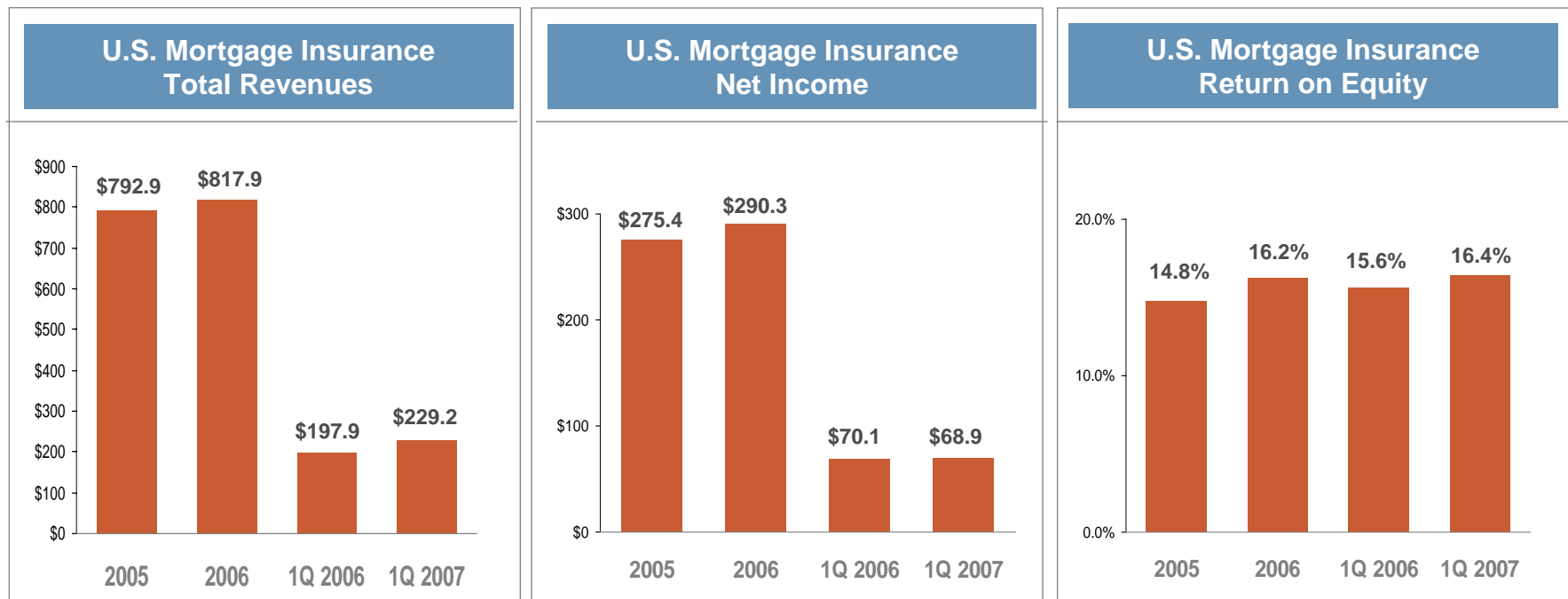


*Chart columns exclude Corporate and Other business segment

U.S. Mortgage Insurance

Core business generates attractive financial returns for The PMI Group:

- Consistent growth in total revenues and net income
- Generating attractive return on equity
- Total dividends to The PMI Group of over \$1 billion since 2003



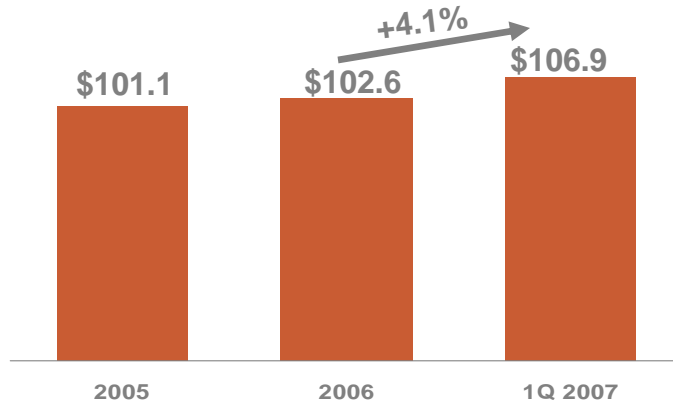
(Dollar's in millions)



U.S. Mortgage Insurance

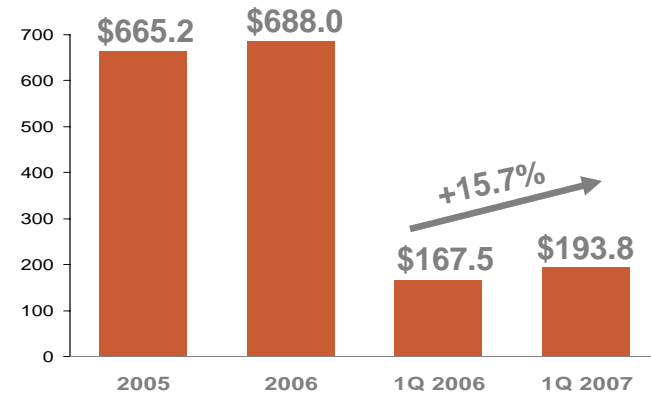
Primary Insurance in Force

(dollars in billions)

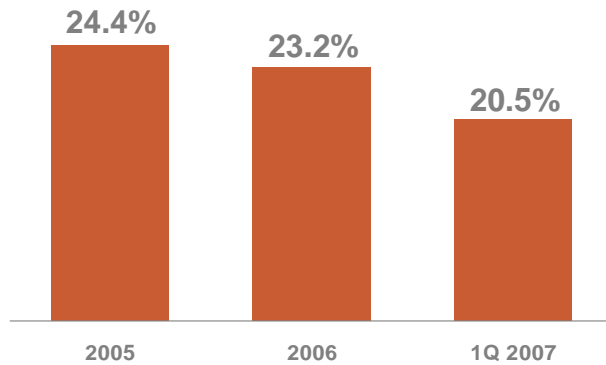


Premiums Earned

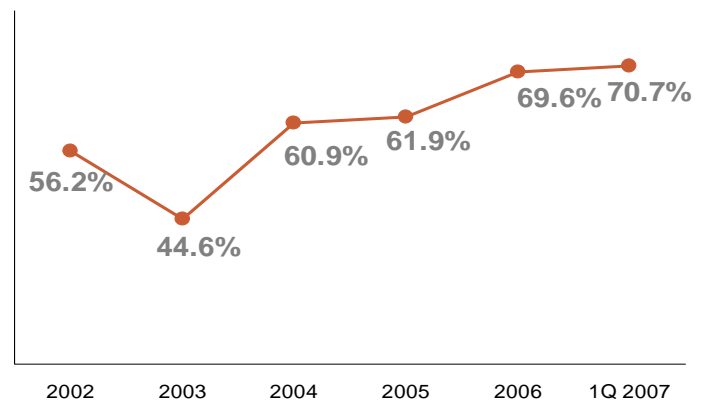
(dollars in millions)



U.S. Mortgage Insurance Operations Expense Ratio



Primary Persistency Rate



Credit Risk Management: PMI's Core Competency

Economy

- National economy shows continued moderate growth
- Employment remains strong in most markets

Product Diversification

- High quality book of insured loans
- Primarily first time home buyers with modest loan size
- Low percentage in interest only and payment option ARMs

Geographic Diversification

- Portfolio is well diversified throughout the U.S.

Credit Performance

- Credit is performing within our expectations
- Total incurred losses in 2006 were \$263 million, consistent with guidance
- 2004 and earlier book years are past peak losses
- Expect total incurred losses in 2007 of between \$300 and \$360 million

International Mortgage Insurance

- International MI operations have consistently been a strong net income contributor
- International markets offer continued opportunity for growth
 - Increasing home ownership rates
 - Capital markets developments
 - Regulatory acceptance



PMI is building new markets and expanding globally as it seeks international growth opportunities

International Mortgage Insurance

Australia



- Strong growth in written premiums and net income
- Losses are trending towards more normal levels
- Continued strong economic growth and employment
- Position business to lead in flow and structured segments
- Stronger relationships with Top 4 lenders
- Development of products to fit new regulatory and capital regimes

Europe



- Strong business results since inception
- Continued leadership in innovative transactions
- New Italian flow customers and strong German pipeline
- New office opened in Spain
- Product development for new regulatory regimes
- Significant opportunities in structured, super senior and first loss transactions

Asia



- PMI is leading provider of reinsurance to the Hong Kong Mortgage Corporation
- History of strong results in Hong Kong
- Develop market leading programs to expand home ownership
- Poised for capital markets opportunities
- Strong platform to enter other Asian markets

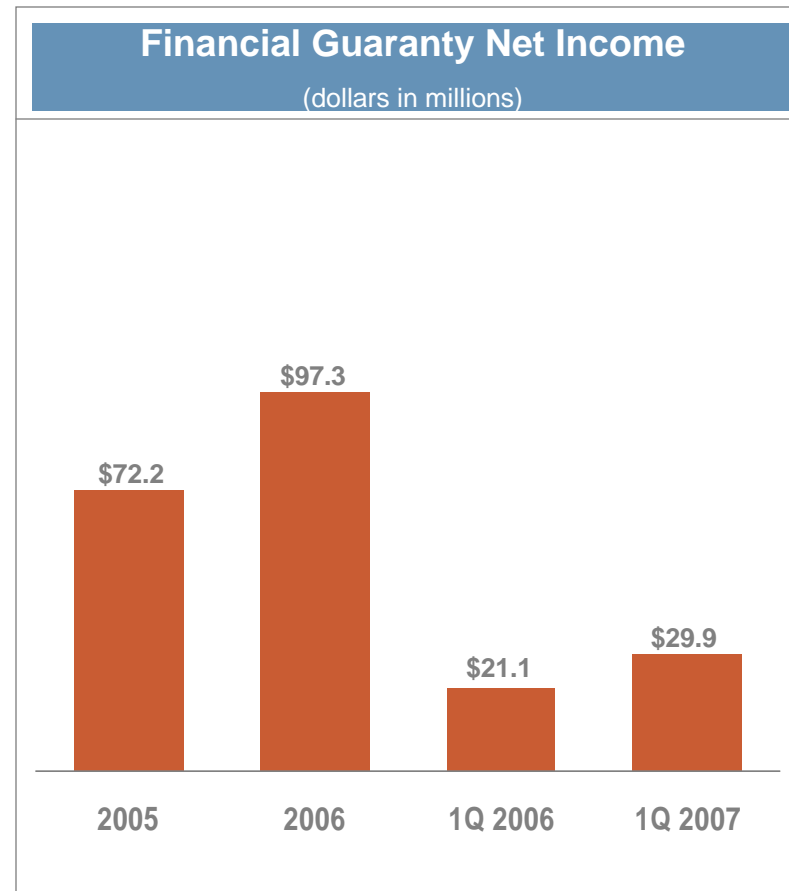
Canada



- Second largest mortgage insurance market behind the U.S.
- \$322 billion IIF at year-end 2005
- Strong leadership team and board assembled
- Innovative products and services
- Recently signed first customer

Financial Guaranty

- Financial Guaranty Insurance Company (FGIC) continues to produce strong earnings, increased ROE, and adjusted gross premium growth
- RAM Re is growing as a public company
- PMI Guaranty is providing expanded product opportunities and enabling us to offer more comprehensive credit enhancement solutions to our customers

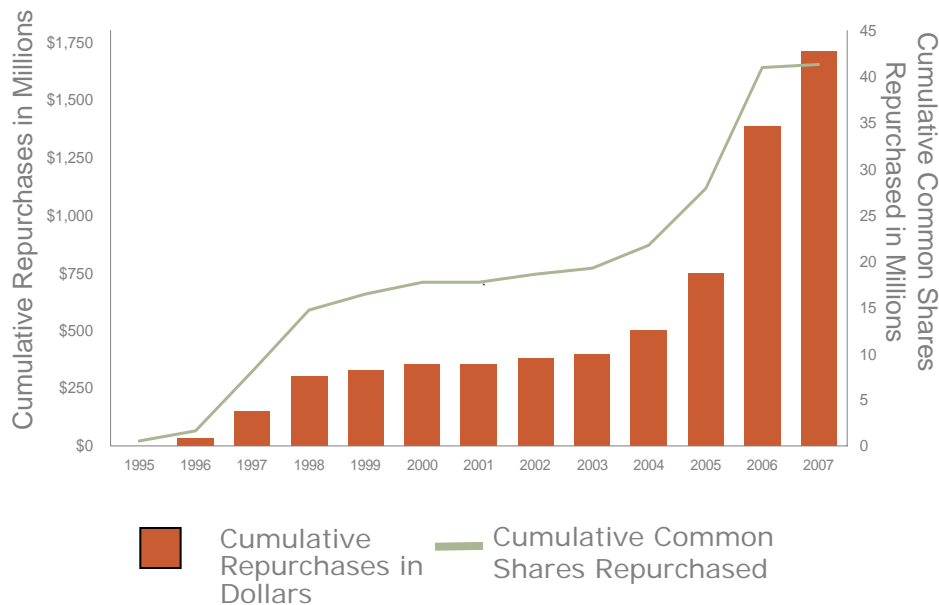


Common Share Repurchases: \$1.4 billion – 41 million shares

The PMI Group has a 10-year history of returning excess capital to our shareholders

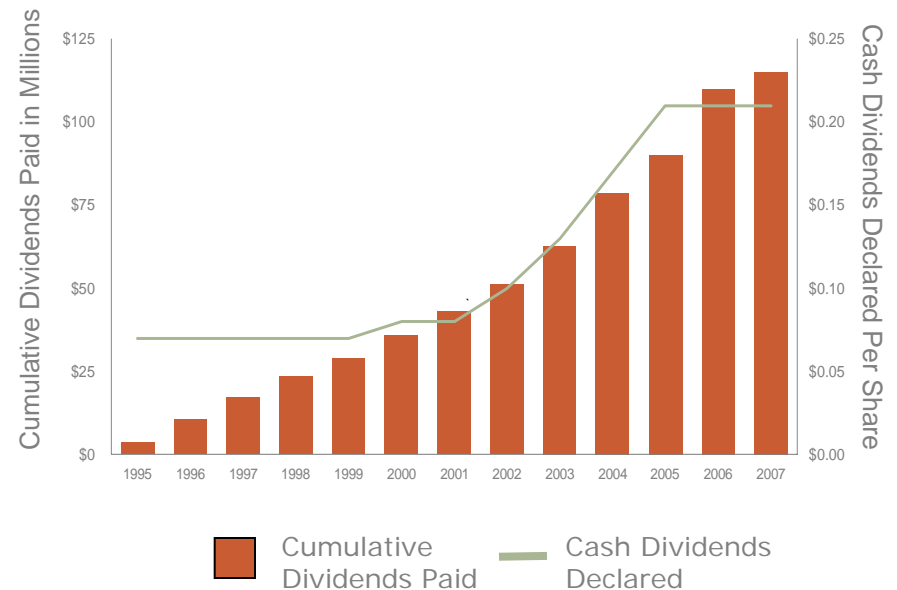
Common Share Repurchases

- In 2006, repurchased 11.4 million common shares for \$535 million



Shareholder Dividends

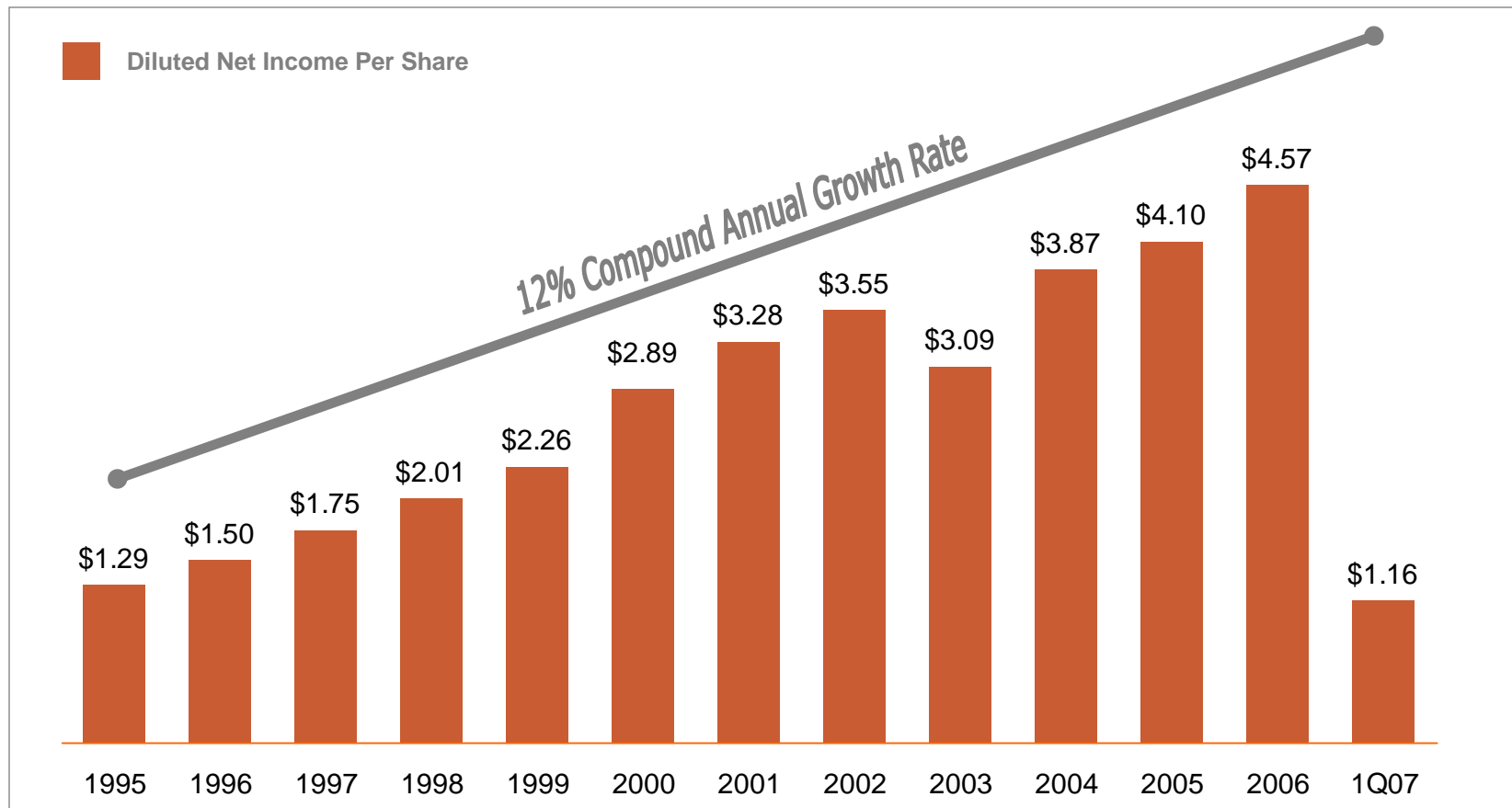
- Increasing cash dividends per share totaling approximately \$115 million



- Dollars in millions
- 2006 dividend and common share repurchase data through March 31, 2007 and including effect of accelerated share repurchase program

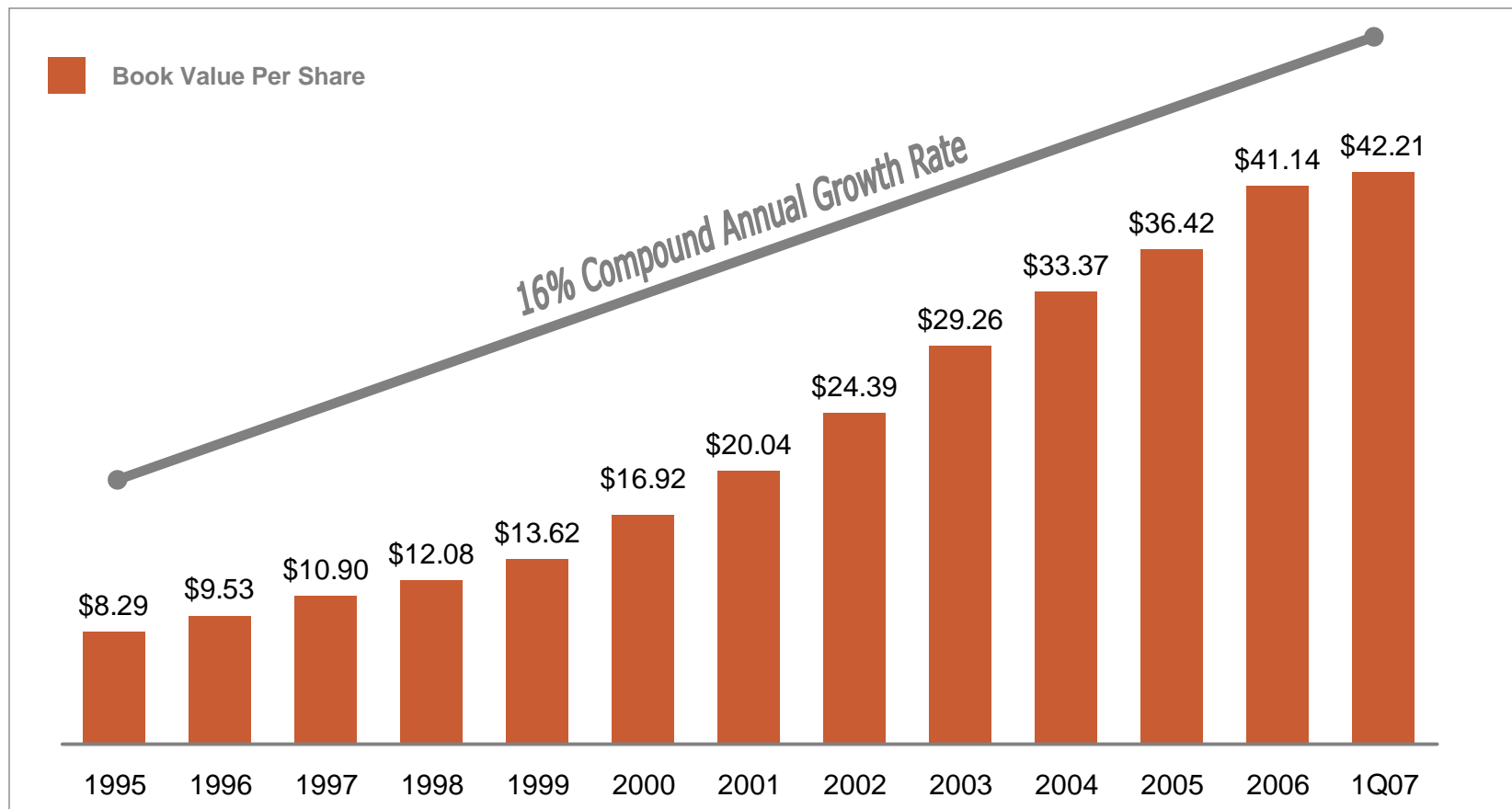
Results – Growing Net Income Per Share

A strong history of growing net income



Results – Growing Book Value

A strong history of building shareholder value



Summary

- Favorable long term market trends
- Global expansion for credit enhancement solutions
- Solid financial and capital foundation
- Well positioned for continued success



The PMI Group, Inc.

