



The PMI Group, Inc.
May 2008

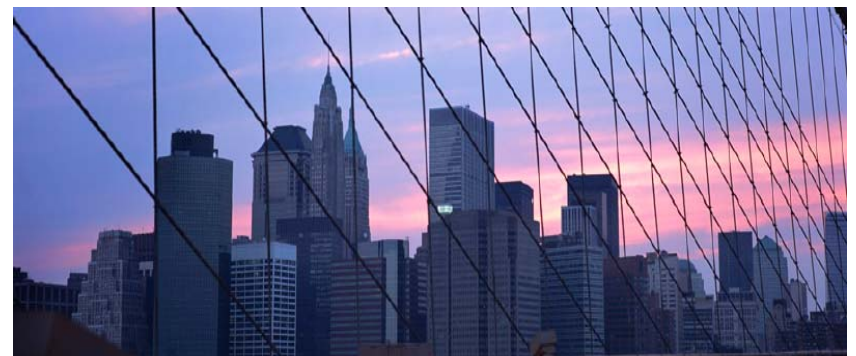
Forward-Looking Statement

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 planned new venture, PMI Canada. 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, 2007 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008. 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.

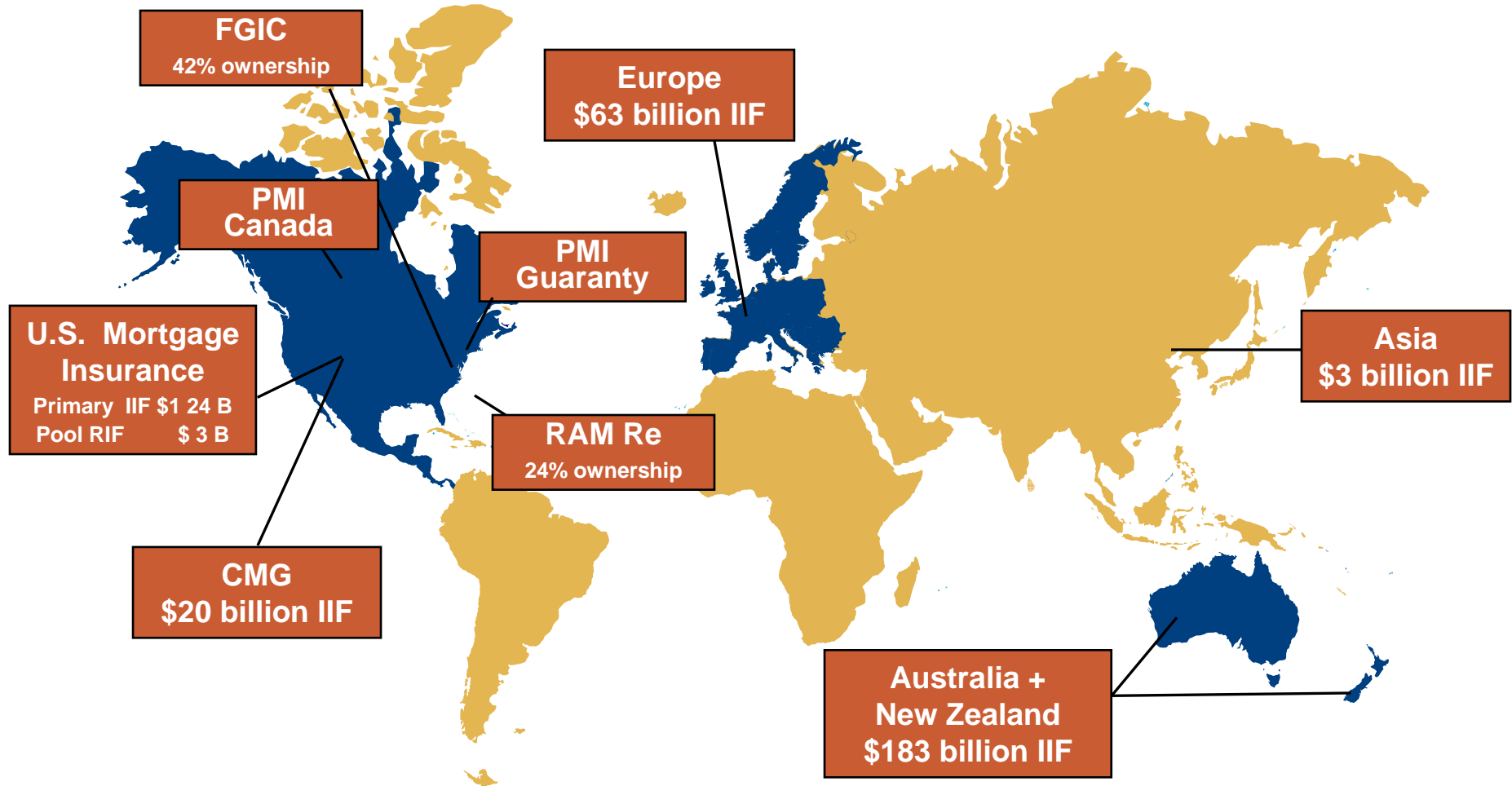
PMI provides insurance, guarantees and reinsurance for residential mortgages and securities, public finance obligations and asset-backed securities around the world.



PMI's Five Point Plan for Progress



PMI's Global Footprint



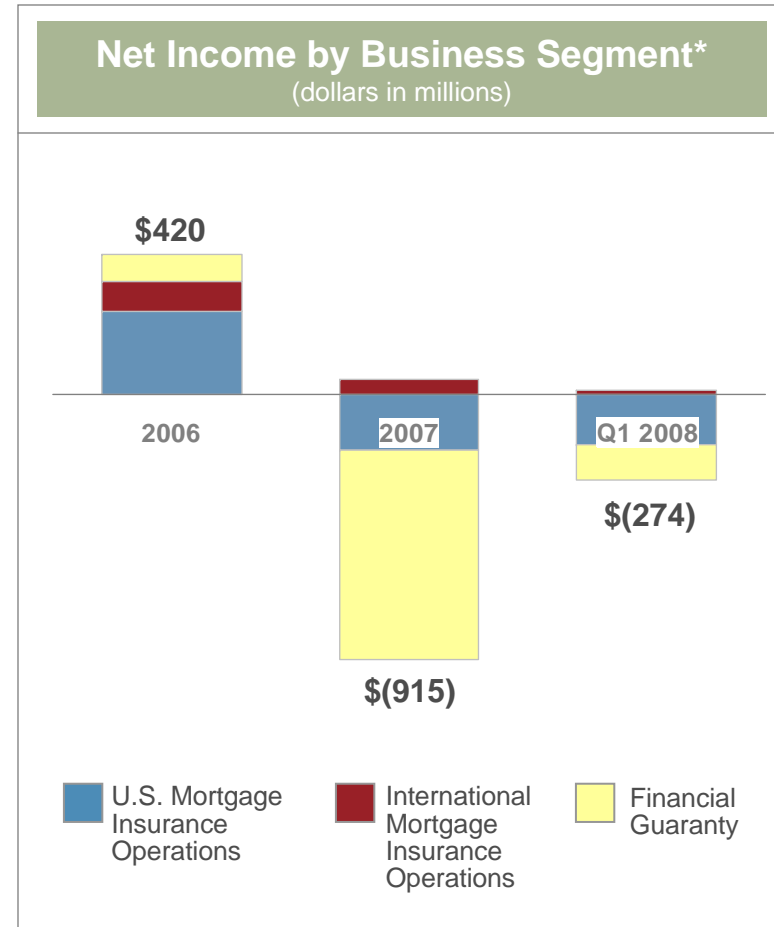
As of March 31, 2008



Segment Net Income

The PMI Group's three business segments:

- U.S. Mortgage Insurance Operations is a core business with opportunities for growth.
- International Mortgage Insurance Operations remains a positive contributor to consolidated net income.
- Financial Guaranty is no longer a core strategic segment.

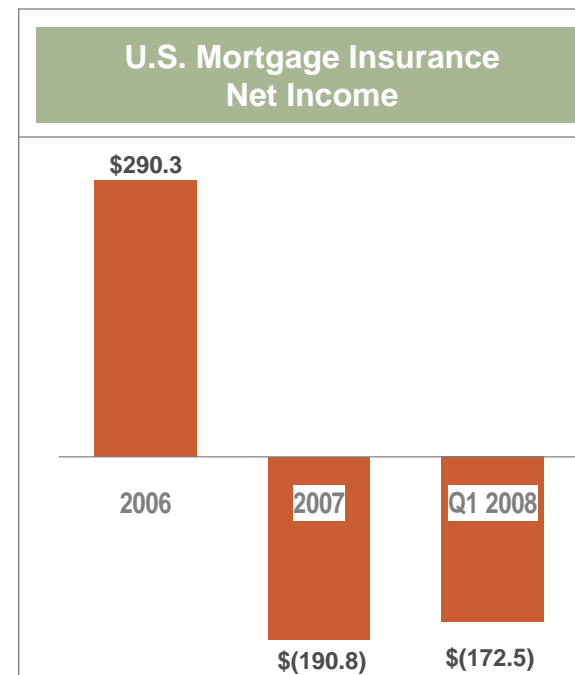
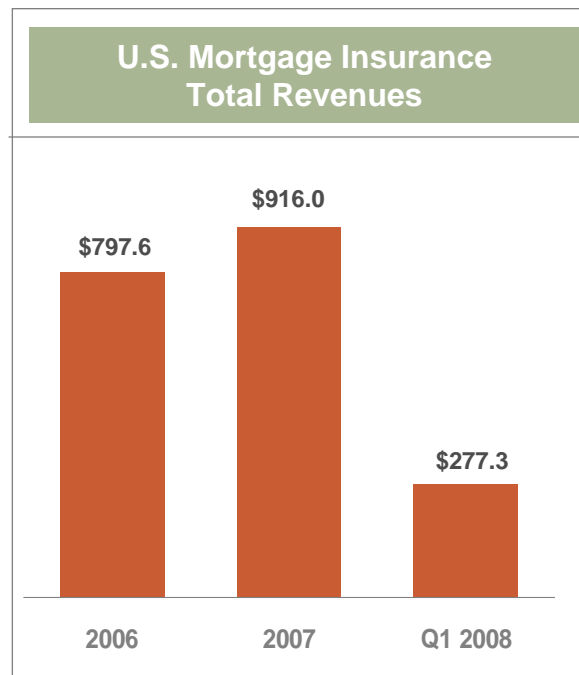


*Totals represent consolidated net income, Corporate and Other business segment not displayed in columns

U.S. Mortgage Insurance

Core business is experiencing challenges:

- We have taken steps to successfully navigate this cycle.
- Expect challenges to continue this year and, as a result, we will have losses on a consolidated basis in 2008.
- Demand trends and underwriting quality have increased significantly.

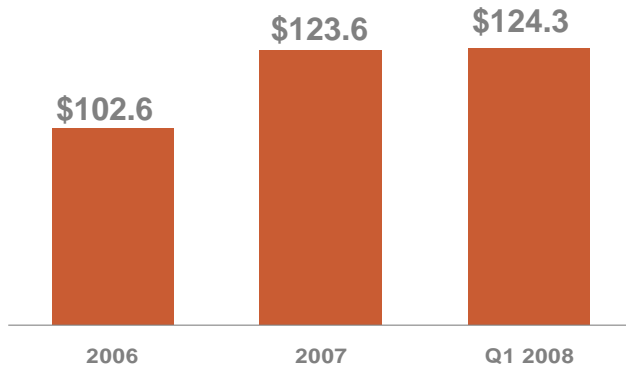


(Dollar's in millions)

U.S. Mortgage Insurance

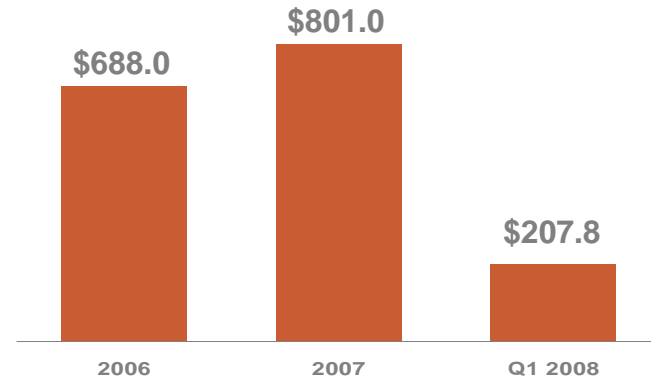
Primary Insurance in Force

(dollars in billions)

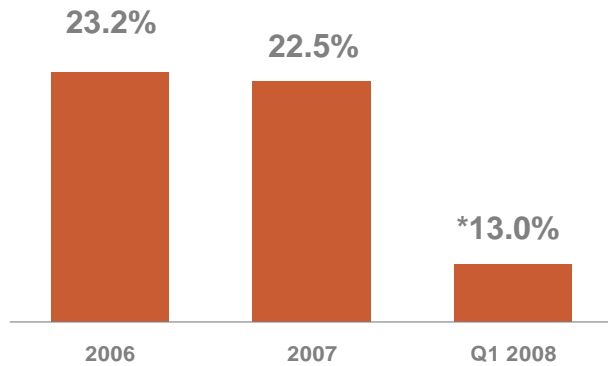


Premiums Earned

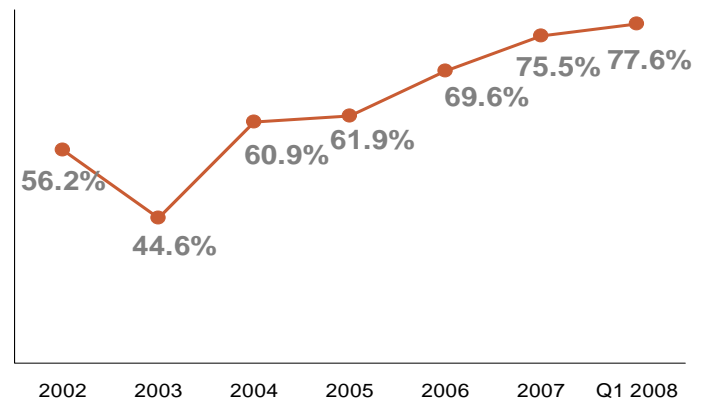
(dollars in millions)



U.S. Mortgage Insurance Operations Expense Ratio



Primary Persistency Rate



*The Q1 2008 expense ratio was affected by a \$34 million impairment of deferred policy acquisitions costs associated with PMI's 2007 book year in the fourth quarter of 2007.

Credit Environment

Economy

- National economy trending toward modest recession
- Modest rise in unemployment
- Interest rates continue to move downward

Credit Performance

- Primary default rate at March 31, 2008 was 8.78%
- Slowing HPA has affected ability to mitigate losses
- Larger loans sizes from recent vintages are resulting in larger claim sizes
- Increase in length of time loans stay delinquent has grown as servicers face a backlog of defaults

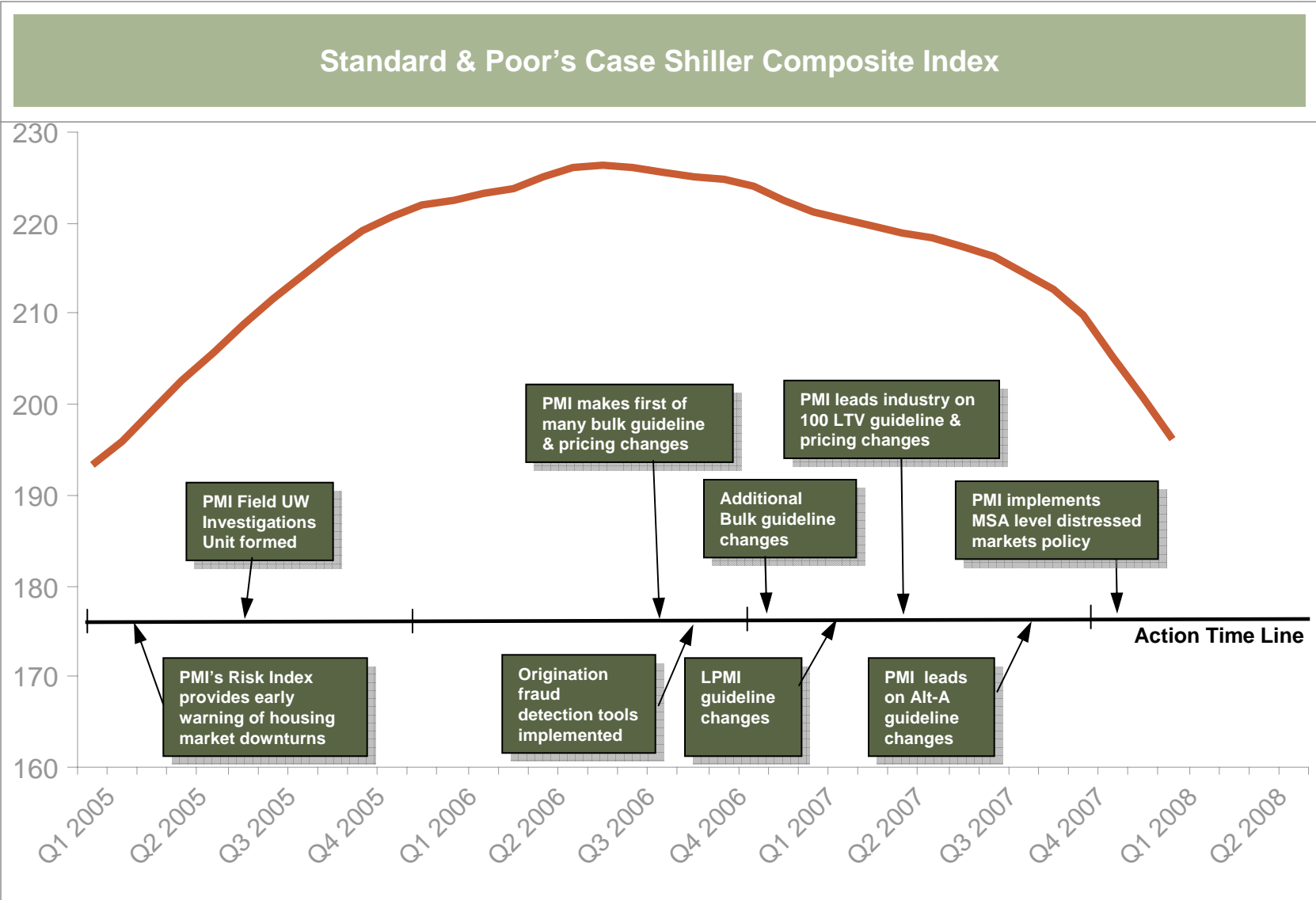
Product Diversification

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

Geographic Diversification

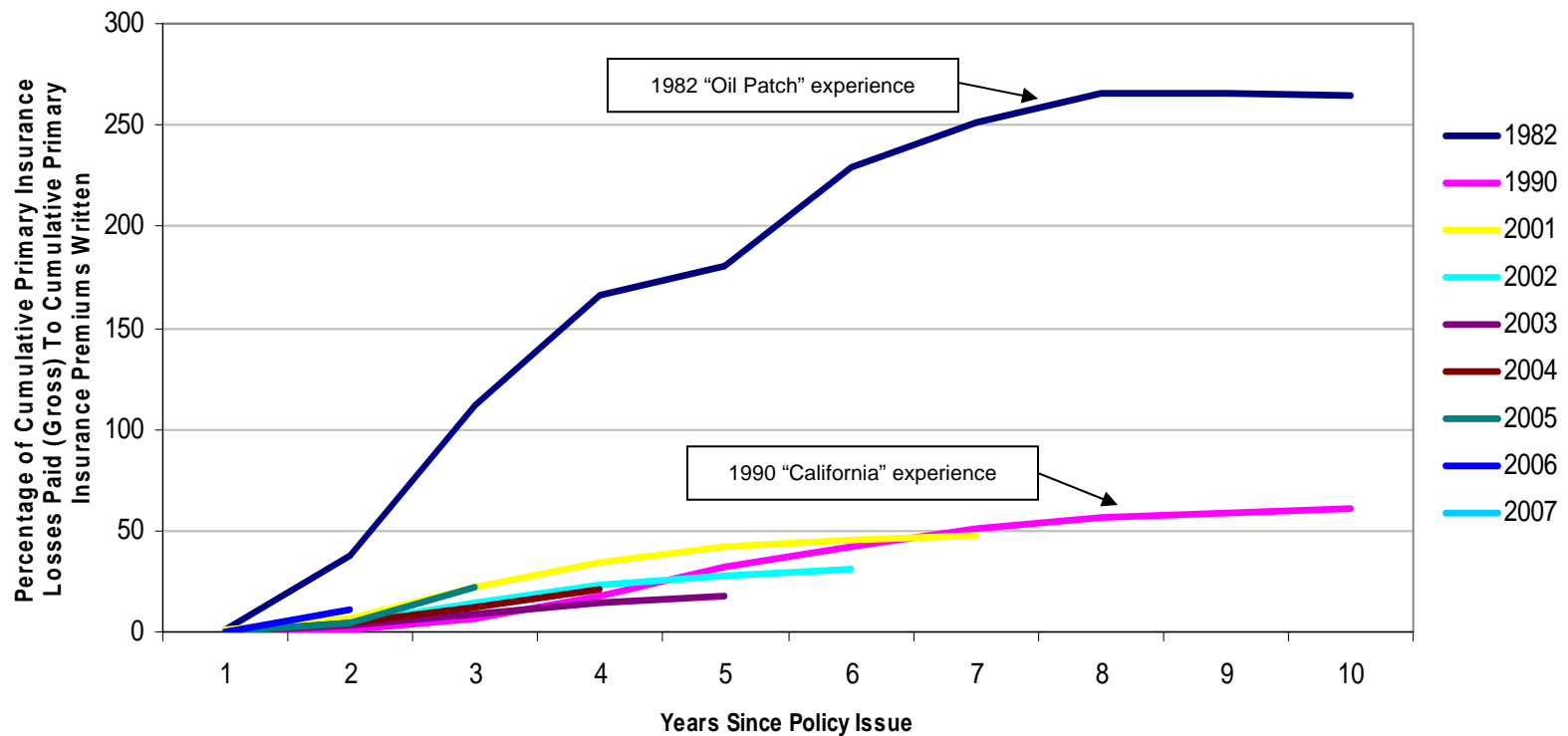
- Portfolio is well diversified throughout the U.S.
- Florida accounts for 10.8% of risk in force
- California accounts for 8.4% of risk in force

Managing Risk Ahead of the Market



U.S. Portfolio – Policy Year Loan Performance

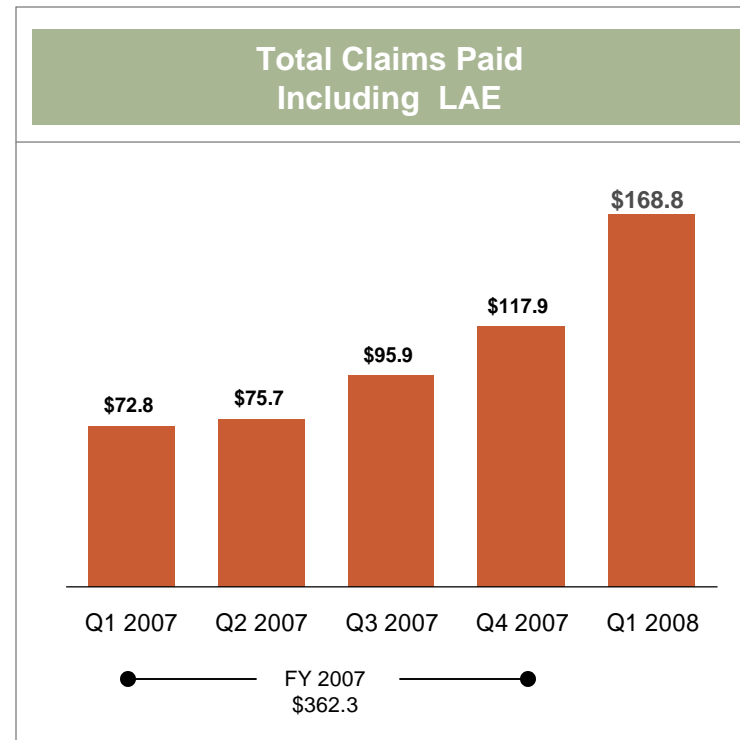
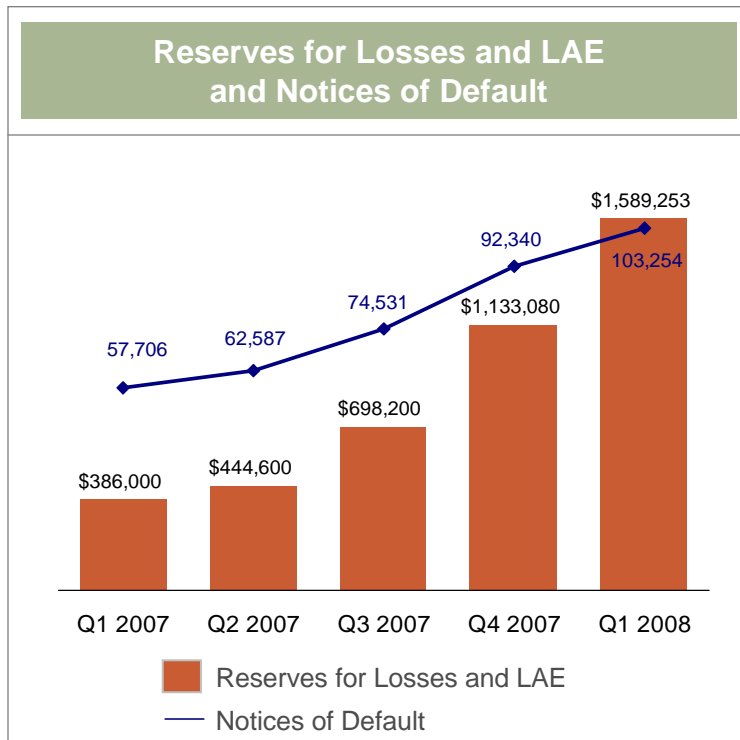
Percentage of Cumulative Primary Insurance Losses Paid (Gross)
To Cumulative Primary Insurance Premiums Written (Gross)*



*Gross premiums written include ceded and refunded premiums.

U.S. Portfolio – Credit

- Significant strengthened reserves for losses and loss adjustment expenses (LAE).
- Intense focus on foreclosure prevention through payment plans, loan modifications, presales, deeds in lieu.
 - Partially as a result, in the first quarter of 2008 approximately 600 foreclosures were avoided and 1,000 borrowers were able to retain their homes.



(Dollar's in millions)

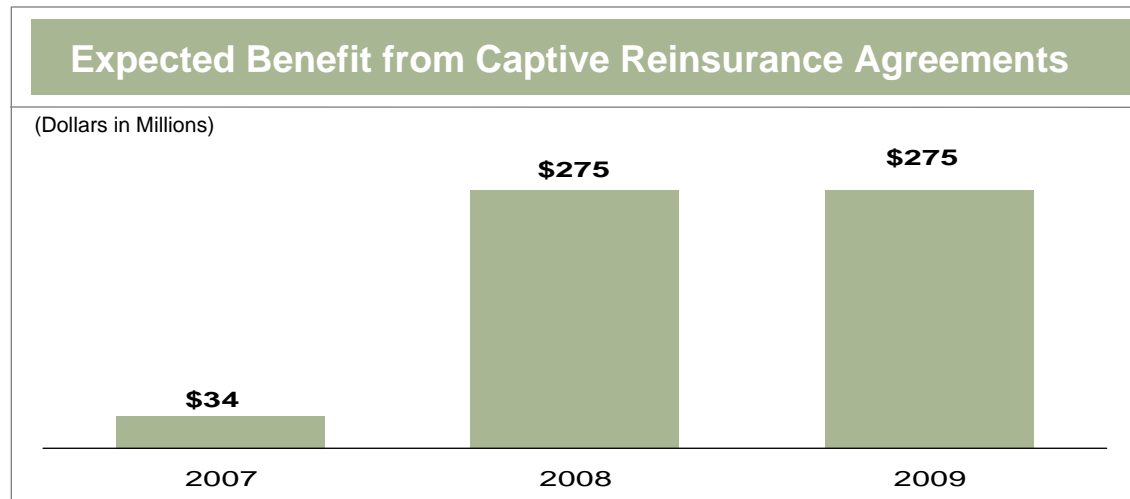


PMI's Captive Reinsurance Agreements

- Captive reinsurers are wholly-owned, bankruptcy remote subsidiaries of originators that provide mezzanine level reinsurance for loans for which PMI has provided primary mortgage insurance coverage.
- PMI is the named beneficiary on captive trust balances totaling approximately \$747 million as of March 31, 2008.
- At December 31, 2007, approximately 62% of flow risk in force was covered by captive reinsurance agreements, including:

Flow Risk in Force Covered by Captives	
~ 65% of prime	~ 48% of Alt-A
~ 65% of less-than-A quality	~ 55% of LTVs >97%*

- Captive trust balances will continue to grow with new insurance written in the flow channel. Future ceded premiums can be used to meet capital adequacy for existing book years.
- Based on current expectations of defaults, PMI forecasts approximately the following reductions to total incurred losses as a result of captive reinsurance agreements in 2008 and 2009:



* Captive coverage for LTVs greater than 97% may overlap with other listed categories

International Mortgage Insurance

- International MI operations have consistently been a positive net income contributor.
- PMI Europe has posted net losses in recent quarters as a result of increased losses and mark-to-market on CDS related to European prime mortgage.



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



- Current challenges with higher losses and negative mark-to-market losses
- Developing Italian flow channel
- Office opened in Spain in 2007
- Product development for new regulatory regimes
- Significant opportunities in structured, super senior and first loss transactions

Asia



- PMI is one of the few providers 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

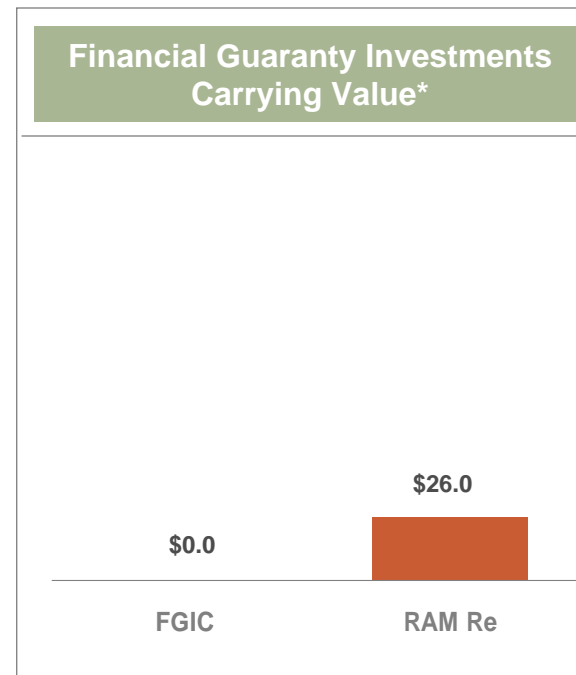
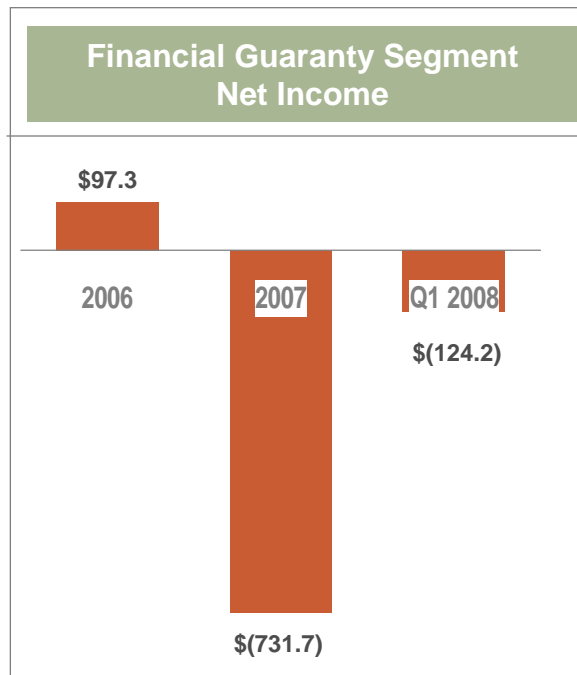
Canada



- Second largest mortgage insurance market behind the U.S.
- Strong leadership team and board assembled
- Innovative products and services

Financial Guaranty

- Financial Guaranty segment is no longer strategic to our operations.
- FGIC carrying value was reduced to zero at March 31, 2008, therefore, the Company will not recognize in future periods its proportionate share of FGIC losses, if any.
- No additional capital will be invested in FGIC or RAM Re.
- PMI's management team continues to work with the both FGIC and RAM Re in stabilizing their respective businesses and our equity investments.



*At March 31, 2008

Summary

- We are executing our plan to return to profitability and are making substantial progress.
- Continue to see strong fundamentals in the mortgage insurance business. We continue to believe that our core mortgage insurance operations will be an attractive long-term business.
- PMI's entire management team, and each and every PMI employee, is committed to executing our plan, as well as fostering sustainable home ownership, which we believe will bring long term value to our shareholders.

