



RAM Holdings Ltd.
Quarterly Operating Supplement ⁽¹⁾
March 31, 2009

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⁽¹⁾ Information included in this report is unaudited

RAM Holdings Ltd.
Consolidated Balance Sheets
(unaudited)
As at March 31, 2009 and December 31, 2008
(dollars in thousands)

	March 31, 2009	December 31, 2008
Assets		
Investments:		
Fixed-maturity securities held as available for sale, at fair value (Amortized Cost: \$466,161 and \$415,559)	\$ 466,094	\$ 421,890
Cash and cash equivalents	3,893	8,763
Restricted cash	2,105	8,285
Accrued investment income	3,523	4,438
Reinsurance balances receivable, net	79,857	1,115
Recoverable on paid losses	8,296	1,797
Deferred policy acquisition costs	126,125	74,795
Prepaid reinsurance premiums	1,862	1,599
Other receivables	4,000	4,000
Deferred expenses	1,548	1,588
Prepaid expenses	3,468	377
Other financial instruments (at fair value)	-	43,083
Other assets	173	2,552
Total Assets	\$ 700,944	\$ 574,282
 Liabilities and Equity		
Liabilities:		
Loss and loss expense reserve	\$ 129,259	\$ 95,794
Unearned premiums	327,383	158,594
Reinsurance balances payable	7,774	24,621
Accounts payable and accrued liabilities	2,869	2,494
Long-term debt	40,000	40,000
Redeemable preferred shares: \$1,000 par value; authorized shares - 75,000; issued and outstanding shares - 75,000	75,000	75,000
Accrued interest payable	-	693
Derivative liabilities	73,135	85,354
Other liabilities	-	2,375
Total Liabilities	655,420	484,925
 Shareholders' Equity:		
Common stock: \$0.10 par value; authorized shares - 90,000,000; Issued and outstanding shares - 27,282,579 shares at March 31, 2009 and 27,251,595 at December 31, 2008	2,728	2,725
Additional paid-in capital	230,661	230,438
Accumulated other comprehensive (loss) income	(67)	6,331
Retained (deficit) earnings	(195,912)	(150,137)
Total Shareholders' Equity	37,410	89,357
Noncontrolling interest - Series B preferred shares of subsidiary	8,114	-
Total Equity	45,524	89,357
Total Liabilities and Equity	\$ 700,944	\$ 574,282

RAM Holdings Ltd.
Consolidated Statements of Operations
(unaudited)
For the three months ended March 31, 2009 and 2008
(dollars in thousands except share and per share amounts)

	Three Months Ended March 31,	
	2009	2008
Revenues		
Net premiums earned	\$ 9,205	\$ 13,198
Change in fair value of credit derivatives		
Realized gains and other settlements	893	2,614
Unrealized gains (losses)	12,012	(166,384)
Net change in fair value of credit derivatives	12,905	(163,770)
Net investment income	3,428	8,213
Net realized gains (losses) on investments	465	(912)
Net unrealized (losses) gains on other financial instruments	(1,197)	1,340
Total revenues	24,806	(141,931)
Expenses		
Losses and loss adjustment expenses	16,743	37,528
Acquisition expenses	3,961	4,619
Operating expenses	5,217	4,709
Interest expense	682	682
Total expenses	26,603	47,538
Net loss before noncontrolling interest	\$ (1,797)	\$ (189,469)
Noncontrolling interest - dividends on preferred shares of subsidiary	(137)	-
Net loss available to common shareholders	\$ (1,934)	\$ (189,469)
Net loss per common share:		
Basic	\$ (0.07)	\$ (6.95)
Diluted	(0.07)	(6.95)
Weighted-average number of common shares outstanding:		
Basic	27,263,588	27,243,316
Diluted	27,263,588	27,243,316
Operating Loss		
Net loss	\$ (1,934)	\$ (189,469)
Less: Realized (gains) losses on investments	(465)	912
Less: Unrealized (gains) losses on credit derivatives	(12,012)	166,384
Add back: credit impairment on derivatives	(3,395)	(12,390)
Less: Unrealized losses (gains) on other financial instruments	1,197	(1,340)
Operating Loss	\$ (16,609)	\$ (35,903)
Net loss per diluted share	\$ (0.07)	\$ (6.95)
Less: Realized (gains) losses on investments	(0.02)	\$ 0.03
Less: Unrealized (gains) losses on credit derivatives	(0.44)	\$ 6.11
Add back: credit impairment on derivatives	(0.12)	\$ (0.45)
Less: Unrealized losses (gains) on other financial instruments	0.04	\$ (0.05)
Operating loss per diluted share	\$ (0.61)	\$ (1.31)

RAM Holdings Ltd.
Summary Financial Information
(dollars in thousands except share and per share amounts)

Financial Ratios	1st Quarter		Year-to-date	
	2009	2008	2009	2008
<u>GAAP Basis</u> ⁽¹⁾				
Loss and LAE Ratio	181.9%	284.3%	181.9%	284.3%
Underwriting Expense Ratio	99.7%	70.7%	99.7%	70.7%
Combined Ratio	281.6%	355.0%	281.6%	355.0%
Per Share Data				
<u>Shareholders' Equity (Book Value)</u>				
Shareholders' Equity (Book Value)	\$1.37	\$2.65	\$1.37	\$2.65
Noncontrolling interest	0.30	-	0.30	-
Unearned premiums ⁽²⁾	12.07	9.08	12.07	9.08
Prepaid Reinsurance Premiums	(0.07)	(0.13)	(0.07)	(0.13)
Deferred Acquisition Costs	(4.62)	(3.24)	(4.62)	(3.24)
Present Value of Installment Premiums ⁽³⁾	0.79	7.08	0.79	7.08
Unrealized Gains (Losses) on Investments	0.00	(0.73)	0.00	(0.73)
<u>Adjusted Book Value</u>	\$9.83	\$14.71	\$9.83	\$14.71
Shares outstanding	27,282,579	27,248,700		

U.S. Statutory Basis (estimated)	1st Quarter		Year-to-date	
	2009	2008	2009	2008
<u>Financial Ratios</u>				
Loss and LAE Ratio	263.1%	253.9%	263.1%	253.9%
Underwriting Expense Ratio	146.9%	68.2%	146.9%	68.2%
Combined Ratio	410.0%	322.1%	410.0%	322.1%
<u>Balance Sheet</u>				
	3/31/2009	12/31/2008		
Capital and Surplus	\$73,375	\$65,389		
Contingency Reserve	77,923	71,698		
Capital Base	\$151,298	\$137,087		
Unearned Premium Reserve ⁽⁴⁾	180,916	189,927		
Present Value of Installment Premiums ⁽⁵⁾	136,938	78,697		
Premium Resources	317,854	268,624		
Loss and LAE Reserves (incl. credit impairment)	113,829	86,005		
Soft Capital Credit Facilities ⁽⁶⁾	130,000	180,000		
Total Claims-Paying Resources	\$712,981	\$671,716		
Debt Service Outstanding	\$48,236,472	\$50,737,076		
Capital Ratio ⁽⁷⁾	319:1	370:1		
Claims-Paying Ratio ⁽⁸⁾	68:1	76:1		

(1) Based on U.S. GAAP Income Statement Data

(2) Including unearned premium amounts relating to credit derivative policies. In 2009 including the present value of future installments for policies classified as financial guaranty in accordance with FAS 163.

(3) Estimated present value of future installments, net of ceding commissions, on policies written in credit derivative form only in 2009 and on all policies (whether written in credit derivative or financial guarantee form) prior to 2009. At March 31, 2009 and December 31, 2008, the discount rate was 1.72% and 3.00%, respectively.

(4) Including unearned premium amounts relating to credit derivative policies.

(5) Estimated present value of future installments, net of ceding commissions on policies written in credit derivative form plus premiums receivable on future installments net of ceding commissions on policies written in financial guarantee form as calculated for GAAP under FAS 163 in 2009.

(6) Soft Capital facilities were cancelled subsequent to 3/31/09

(7) Net Debt service outstanding divided by the capital base.

(8) Net Debt service outstanding divided by total claims-paying resources.

(9) On April 7, 2009, RAM entered into a commutation agreement with Ambac Assurance Corporation ("Ambac") to commute all business assumed by RAM back to Ambac. The effects of this commutation will be recorded in the quarter ending June 30, 2009.

RAM Holdings Ltd.
Annual Financial and Statistical Data
(dollars in thousands except share and per share amounts)

	Year-to-date		As Reclassified ⁽¹⁾		
	2009	2008	2007	2006	2005
GAAP Summary Income Statement Data					
Insurance					
Net premiums Earned	9,205	68,577	51,005	44,292	39,036
Net change in fair value of credit derivatives	12,905	7,968	(171,806)	3,190	(157)
Net Investment Income	3,428	29,307	33,148	24,236	18,201
Realized Gains/(Losses) on Investments	465	(2,356)	(3,604)	(1,002)	(1,583)
Unrealized Gain on Other Financial Instruments	(1,197)	7,754	35,330	-	-
Loss and Loss Adjustment Expenses	16,743	214,828	48,026	(2,781)	7,204
Acquisition Expenses	3,961	30,576	18,418	16,315	14,424
Operating Expenses	5,217	16,930	13,373	13,379	11,531
Interest Expense	682	8,375	8,375	2,750	2,750
Net (Loss)/Income	(1,797)	(159,459)	(144,119)	41,053	19,588
ROE ⁽³⁾ *	-10.66%	-93.34%	-45.64%	11.70%	6.18%
Operating ROE ⁽⁴⁾ *	-102.46%	-136.07%	-13.57%	11.82%	7.45%
GAAP Summary Balance Sheet Data					
Investments	\$ 466,094	\$ 421,890	\$ 696,533	\$ 578,589	\$ 469,908
Deferred Acquisition Costs	126,125	74,795	87,304	73,838	66,220
Total Assets	700,944	574,282	860,265	711,843	553,498
Unearned Premiums	327,383	158,594	239,957	192,641	163,769
Loss and Loss Expense Reserves	129,259	95,794	63,798	14,506	16,595
Derivative Liability	73,135	85,354	180,589	1,621	1,737
Long-term Debt	40,000	40,000	40,000	40,000	40,000
Preferred Shares	75,000	75,000	75,000	75,000	-
Total Liabilities	655,420	484,925	607,952	332,576	230,842
Shares outstanding	27,283	27,252	27,239	27,235	25,885
Equity	45,524	89,357	252,313	379,267	322,656
Financial Ratios					
<u>GAAP</u>					
Loss and LAE Ratio	181.9%	313.3%	94.2%	-6.3%	18.5%
Underwriting Expense Ratio	99.7%	69.3%	62.3%	67.0%	66.5%
Combined Ratio	281.6%	382.5%	156.5%	60.8%	84.9%
Other Financial Information					
Net Par Amount Outstanding	\$ 28,778,225	\$ 29,956,953	\$ 45,393,803	\$ 31,118,714	\$ 27,054,260
Book Value Per Share	\$ 1.37	\$ 3.28	\$ 9.26	\$ 13.93	\$ 12.47
Adjusted Book Value Per Share	\$ 9.83	\$ 9.02	\$ 20.56	\$ 22.49	\$ 19.76
<u>Operating Book Value</u>					
Shareholders' Equity (Book Value)	37,410	89,357	252,313	379,267	322,656
Derivative Liability (Asset) ⁽⁵⁾	71,416	83,429	177,717	(60)	(74)
Add back credit impairments on derivatives	9,409	6,014	44,413	-	-
Fair value of other financial instruments	-	43,083	35,330	-	-
Operating book value per share	3.64	4.54	12.86	13.92	12.46
Noncontrolling interest	8,114	-	-	-	-
Unearned premiums ⁽⁶⁾	329,246	160,519	242,829	194,322	165,580
Prepaid reinsurance premiums	1,862	1,599	2,663	2,091	-
Deferred Acquisition Costs	126,125	74,795	87,304	73,838	66,220
Present Value of Installment Premiums ⁽²⁾	21,421	78,697	165,644	109,303	84,839
Unrealized Gains (Losses) on Investments	(67)	6,331	10,888	(5,497)	(4,540)
Adjusted Operating Book Value Per Share	\$ 12.11	\$ 10.28	\$ 24.15	\$ 22.49	\$ 19.75

(1) Includes reclassification of balance sheet, income and expense items related to credit derivative contracts reinsured by the Company to conform with 2008 presentation.

(2) Estimated present value of future installments, net of ceding commissions, on policies written in credit derivative form only in 2009 and on all policies (written in credit derivative or financial guarantee form) prior to 2009. At March 31, 2009 and December 31, 2008, the discount rate was 1.72% and 3.00%, respectively.

(3) Net income divided by average equity.

(4) Operating earnings divided by average equity, excluding accumulated other comprehensive income.

(5) Represents only the unrealized gains/losses portion of the Derivative liability.

(6) Includes unearned premium balances on credit derivative policies. In 2009 includes the present value of future installment premiums on policies written in financial guarantee form as calculated for GAAP under FAS 163.

* ROE and Operating ROE is annualized if period is less than 12 months

RAM Holdings Ltd.
Estimated Net Debt Service Amortization ^{(1) (2)}

(dollars in thousands)

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
4th Quarter 2008		48,236,472
1st Quarter 2009	383,301	47,853,170
2nd Quarter 2009	640,723	47,212,448
3rd Quarter 2009	890,001	46,322,447
4th Quarter 2009	548,324	45,774,123
2010	2,278,249	43,495,874
2011	2,298,567	41,197,306
2012	2,491,461	38,705,846
2013	2,043,223	36,662,623
2014-2018	8,649,853	28,012,770
2019-2023	7,169,171	20,843,599
2024-2028	6,213,829	14,629,770
2029 and thereafter	<u>14,629,770</u>	-
Total	<u><u>48,236,472</u></u>	

(1) Represents the amortization from December 31, 2008 based on exiting insured issues as of December 31, 2008

(2) Includes exposures relating to credit derivative policies

RAM Holdings Ltd.
Net Premiums Earned Analysis
(dollars in thousands)

2009	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Public Finance	\$ 6,962	\$ -	\$ -	\$ -	\$ 6,962
Structured Finance	2,243	-	-	-	2,243
Total	\$ 9,205	\$ -	\$ -	\$ -	\$ 9,205
Refundings included in total	\$ 2,351	\$ -	\$ -	\$ -	\$ 2,351

2008	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Public Finance	\$ 6,399	\$ 12,815	\$ 14,537	\$ 10,792	\$ 44,543
Structured Finance	6,799	6,656	6,190	4,389	24,034
Total	\$ 13,198	\$ 19,471	\$ 20,727	\$ 15,181	\$ 68,577
Refundings included in total	\$ 534	\$ 9,056	\$ 8,172	\$ 5,983	\$ 23,745

RAM Holdings Ltd
Investment Portfolio
As of March 31, 2009
(dollars in thousands)

Fixed Income Securities

	<u>Market Value</u>	<u>% of Market Value</u>	<u>Amortized Cost</u>	<u>Book Yield</u>	<u>Annualized Income</u>
U.S.Treasuries	\$ 166,646	35.8%	\$ 162,711	2.4%	\$ 3,938
Agencies	37,128	8.0%	34,288	4.5%	1,550
Corporate	82,989	17.8%	85,834	4.6%	3,984
Municipal	31,604	6.8%	30,732	4.7%	1,446
Mortgage and Asset Backed	147,727	31.7%	152,596	4.8%	7,398
Total Investments	<u>\$ 466,094</u>	<u>100.0%</u>	<u>\$ 466,161</u>	3.9%	<u>\$ 18,316</u>

Maturity

	<u>Market Value</u>	<u>% of Market Value</u>
Within 1 Year	\$ 26,332	5.6%
1 to 5 Years	217,134	46.6%
5 to 10 Years	54,799	11.8%
More than 10 Years	20,102	4.3%
Mortgage and asset-backed securities	147,727	31.7%
Total Investments	<u>\$ 466,094</u>	<u>100.0%</u>

Average life: 4.48 years

Duration: 3.6 years

**Quality Distribution
of Fixed
Income Investments**

<u>Rating</u>	<u>% of Market Value</u>
Aaa	80.0%
Aa	5.7%
A	13.4%
BIG	0.9%
	<u>100.0%</u>

RAM Holdings Ltd.
Loss and Loss Adjustment Expense (LAE) Reserves
(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2009				
Loss and loss expense Reserves	\$ 129,259	\$ -	\$ -	\$ -
Total Reserves	<u>\$ 129,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Credit Impairments ⁽¹⁾	9,409	-	-	-
Total Portfolio Losses	<u>\$ 138,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2008				
Case Reserves	\$ 51,049	\$ 91,451	\$ 99,666	\$ 81,787
Unallocated Reserves ⁽²⁾	43,281	31,551	35,745	14,007
Total Reserves	<u>\$ 94,330</u>	<u>\$ 123,002</u>	<u>\$ 135,411</u>	<u>\$ 95,794</u>
Credit Impairments ⁽¹⁾	56,804	143,463	27,251	6,014
Total Portfolio Losses	<u>\$ 151,134</u>	<u>\$ 266,465</u>	<u>\$ 162,662</u>	<u>\$ 101,808</u>

(1) Represents estimated impairments of reinsured credit derivative contracts.

(2) Under FAS 163, implemented 1/1/09, all reserves are allocated to specific policies and therefore there are no unallocated reserves subsequent to December 31, 2008.

RAM Holdings Ltd.
Insurance Expense Analysis
(dollars in thousands)

2009	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Acquisition and Operating Expenses:					
Operating expenses	5,217				5,217
Gross acquisition expenses	948				948
Gross acquisition and operating expenses	\$ 6,165	\$ -	\$ -	\$ -	\$ 6,165
Deferred Expenses:					
Acquisition expenses	(413)				(413)
Operating expenses	-				-
Total deferred expenses	(413)	-	-	-	(413)
Change in deferred acquisition expenses	3,426	-	-	-	3,426
Total acquisition and operating expense, net of deferred expenses	<u>\$ 9,178</u>				<u>\$ 9,178</u>

2008	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Acquisition and Operating Expenses:					
Operating expenses	5,177	4,405	4,720	3,912	18,214
Gross acquisition expenses	5,042	(98)	1,116	(11,521)	(5,461)
Gross acquisition and operating expenses	\$ 10,219	\$ 4,307	\$ 5,836	\$ (7,609)	\$ 12,753
Deferred Expenses:					
Acquisition expenses	(6,034)	(894)	1,189	11,568	5,829
Operating expenses	(468)	(409)	(179)	(228)	(1,284)
Total deferred expenses	(6,502)	(1,303)	1,010	11,340	4,545
Change in deferred acquisition expenses	5,611	7,761	5,971	10,865	30,208
Total acquisition and operating expense, net of deferred expenses	<u>\$ 9,328</u>	<u>\$ 10,765</u>	<u>\$ 12,817</u>	<u>\$ 14,596</u>	<u>\$ 47,506</u>

Deferred Expenses to Deferred Premiums Ratio
(dollars in thousands)

	2007	2008	1st Qtr. 2009	2nd Qtr. 2009	3rd Qtr. 2009	4th Qtr. 2009
Deferred Acquisition Costs	\$ 87,304	\$ 74,795	\$ 126,125	\$ -	\$ -	\$ -
Unearned Premiums	239,957	158,594	327,383	-	-	-
Present Value of Future Installment Premiums, net of ceding commissions ⁽¹⁾	165,644	78,697	-	-	-	-
Adjusted Deferred Premiums	<u>\$ 405,601</u>	<u>\$ 237,291</u>	<u>\$ 327,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ratio	21.5%	31.5%	38.5%			

(1) From January 1, 2009 the present value of future installment premiums is included within unearned premiums in accordance with FAS 163. The corresponding present value of future ceding commissions are included within Deferred Acquisition costs.

RAM Holdings Ltd.
Change in Fair Value of Credit Derivatives
(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
2009					
Credit derivative premiums received and receivable	\$ 2,068	\$ -	\$ -	\$ -	\$ 2,068
Expenses on credit derivative policies	1,124	-	-	-	1,124
Losses and Loss Adjustment Expenses	51	-	-	-	51
Net Realized Gains (Losses) on Credit Derivatives	<u>893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>893</u>
Net Unrealized Gains (Losses) on Credit Derivatives ⁽¹⁾	<u>12,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,012</u>
Net Change in Fair Value of Credit Derivatives	<u>\$ 12,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,905</u>
2008					
Credit derivative premiums received and receivable	\$ 3,795	\$ 3,814	\$ 2,895	\$ 1,914	\$ 12,418
Expenses on credit derivative policies	1,181	1,102	742	531	3,556
Losses and Loss Adjustment Expenses	-	-	69,701	25,481	95,182
Net Realized Gains (Losses) on Credit Derivatives	<u>2,614</u>	<u>2,712</u>	<u>(67,548)</u>	<u>(24,098)</u>	<u>(86,320)</u>
Net Unrealized Gains (Losses) on Credit Derivatives ⁽¹⁾	<u>(166,384)</u>	<u>151,535</u>	<u>66,299</u>	<u>42,838</u>	<u>94,288</u>
Net Change in Fair Value of Credit Derivatives	<u>\$ (163,770)</u>	<u>\$ 154,247</u>	<u>\$ (1,249)</u>	<u>\$ 18,740</u>	<u>\$ 7,968</u>

Credit Derivative Liability
(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
2009					
Opening Net Derivative Asset/(Liability)	\$ (85,354)	\$ -	\$ -	\$ -	\$ (85,354)
Unrealized Loss	8,617	-	-	-	8,617
Credit impairments ⁽²⁾	3,395	-	-	-	3,395
Other changes in derivative asset/liability	207	-	-	-	207
Net movement in Asset (Liability)	<u>12,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,219</u>
Closing Net Derivative Asset/(Liability)	<u>\$ (73,135)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,135)</u>
2008					
Opening Net Derivative Asset/(Liability)	\$ (180,589)	\$ (347,099)	\$ (195,510)	\$ (128,738)	\$ (180,589)
Unrealized Loss	(153,994)	238,194	(49,911)	21,600	55,889
Credit impairments ⁽²⁾	(12,390)	(86,659)	116,211	21,237	38,399
Other changes in derivative asset/liability	(126)	54	472	547	947
Net movement in Asset (Liability)	<u>(166,510)</u>	<u>151,589</u>	<u>66,772</u>	<u>43,384</u>	<u>95,235</u>
Closing Net Derivative Asset/(Liability)	<u>\$ (347,099)</u>	<u>\$ (195,510)</u>	<u>\$ (128,738)</u>	<u>\$ (85,354)</u>	<u>\$ (85,354)</u>

(1) Incorporates the change in estimated impairments of reinsured credit derivative contracts

(2) Represents the change in estimated impairments of reinsured credit derivative contracts

RAM Holdings Ltd.
Insured Portfolio Profile by Bond Type
Net Par Outstanding*
(dollars in millions)

	Outstanding as of March 31, 2009		Ambac	Outstanding as of March 31, 2009	
	Before			After	
	Net Amount	%		Net Amount	Net Amount
US Public Finance					
General Obligation and Lease	\$ 6,932	24.1%	\$ (673)	\$ 6,260	28.5%
Tax backed	2,071	7.2%	(862)	1,209	5.5%
Transportation	2,778	9.7%	(545)	2,233	10.2%
Healthcare	1,441	5.0%	(394)	1,047	4.8%
Utility	2,996	10.4%	(675)	2,320	10.5%
Investor Owned Utilities	545	1.9%	(467)	78	0.4%
Higher Education	634	2.2%	(167)	467	2.1%
Housing	196	0.7%	(91)	105	0.5%
Other	270	0.9%	(39)	230	1.0%
Total US Public Finance	\$ 17,863	62.1%	\$ (3,914)	\$ 13,949	63.4%
US Structured Finance					
Commercial ABS	\$ 4,156	14.4%	\$ (761)	\$ 3,395	15.4%
Home Equity	497	1.7%	(208)	289	1.3%
Autos	298	1.0%	(94)	203	0.9%
Mortgage Backed Securities	772	2.7%	(273)	499	2.3%
Banks and Other Corporate	15	0.1%	-	15	0.1%
Other Consumer ABS	648	2.3%	(454)	194	0.9%
Total US Structured Finance	\$ 6,386	22.2%	\$ (1,791)	\$ 4,595	20.9%
International					
Asset Backed					
Commercial ABS	\$ 1,778	6.2%	\$ (464)	\$ 1,313	6.0%
Autos	-	0.0%	-	-	0.0%
Mortgage Backed Securities	360	1.3%	(32)	328	1.5%
Other Consumer ABS	52	0.2%	-	52	0.2%
Tax-Backed	-	0.0%	-	-	0.0%
Housing	-	0.0%	-	-	0.0%
Public Finance	1,385	4.8%	(317)	1,068	4.9%
Investor Owned Utilities and Other	954	3.3%	(267)	687	3.1%
Total International	\$ 4,529	15.7%	\$ (1,080)	\$ 3,449	15.7%
Total	\$ 28,778	100.0%	\$ (6,785)	\$ 21,994	100.0%

* All net par outstanding reported herein is based on a one-quarter lag.

¹ On April 7, 2009, RAM entered into a commutation agreement with Ambac Assurance Corporation ("Ambac") to commute all business assumed by RAM back to Ambac. Accordingly, the table above presents outstanding par before and after taking effect of this commutation.

RAM Holdings Ltd.
Insured Portfolio Profile by Geographic Distribution
Net Par Outstanding
(dollars in millions)

Geographic Distribution	Outstanding as of March 31, 2009			Ambac Net Amount	Outstanding as of March 31, 2009		
	Before Commutation		Net Amount		After Commutation		
	Net Amount	%			Net Amount	%	
United States							
CALIFORNIA	\$ 3,040	10.6%	\$ (644)	\$ 2,396	10.9%		
NEW YORK	2,102	7.3%	(662)	1,440	6.5%		
ILLINOIS	1,239	4.3%	(244)	996	4.5%		
FLORIDA	1,169	4.1%	(231)	938	4.3%		
TEXAS	993	3.5%	(231)	763	3.5%		
MASSACHUSETTS	810	2.8%	(202)	608	2.8%		
MICHIGAN	702	2.4%	(123)	579	2.6%		
WASHINGTON	674	2.3%	(130)	544	2.5%		
PENNSYLVANIA	688	2.4%	(169)	519	2.4%		
NEW JERSEY	570	2.0%	(52)	518	2.4%		
OTHER STATES	6,516	22.6%	(1,825)	4,691	21.3%		
MULTI-STATE	5,746	20.0%	(1,192)	4,554	20.7%		
US Sub-total	\$ 24,249	84.3%	\$ (5,705)	\$ 18,544	84.3%		
International							
United Kingdom	\$ 1,918	6.7%	\$ (511)	\$ 1,407	6.4%		
Australia	416	1.4%	(110)	306	1.4%		
Italy	362	1.3%	(114)	248	1.1%		
Canada	144	0.5%	(7)	137	0.6%		
France	94	0.3%	(5)	89	0.4%		
Japan	176	0.6%	(88)	89	0.4%		
Turkey	77	0.3%	(13)	64	0.3%		
Germany	45	0.2%	-	45	0.2%		
Brazil	35	0.1%	(1)	34	0.2%		
Austria	94	0.3%	(63)	31	0.1%		
Other Countries	219	0.8%	(119)	100	0.5%		
Multinational	949	3.3%	(49)	900	4.1%		
Int. Sub-total	\$ 4,529	15.7%	\$ (1,080)	\$ 3,449	15.7%		
Total Par	\$ 28,778	100.0%	\$ (6,785)	\$ 21,994	100.0%		

* All net par outstanding reported herein is based on a one-quarter lag.

¹ On April 7, 2009, RAM entered into a commutation agreement with Ambac Assurance Corporation ("Ambac") to commute all business assumed by RAM back to Ambac. Accordingly, the table above presents outstanding par before and after taking effect of this commutation.

RAM Holdings Ltd.
Largest Exposures
Net Par Outstanding
as of March 31, 2009
(dollars in millions)

Top 10 Largest Public Finance Exposures:	Country	NPO	RAM Re Rating ¹
1 Massachusetts (State of) - GO Appropriation	US	\$ 240	AA
2 Clark County SD, NV - GO	US	226	AA
3 Chicago, IL	US	224	A+
4 Port Authority of New York and New Jersey	US	214	A+
5 Washington (State of) - GO/Appropriation	US	209	AA
6 Kentucky (State of) - GO/Appropriation	US	208	AA-
7 Los Angeles, CA - SD	US	200	AA
8 New York City, NY	US	195	AA-
9 Detroit (City of), MI GO	US	178	BIG
10 New York, NY Muni Water Finance Authority	US	<u>170</u>	AA
Total		\$ <u>2,064</u>	

Top 10 Largest Structured Finance Exposures:	Country	NPO	RAM Re Rating ¹
1 Market Value CLO	US	\$ 163	AAA
2 Market Value CLO	US	128	AAA
3 First Lien Adjustable-Rate Residential Mortgage-Backed Securities	US	114	BIG
4 Private Residential Mortgage-Backed Securities	GBR	110	AAA
5 Super Senior Static Emerging Market Sovereign CDO	MULTI	103	AAA
6 High Yield CLO	US	101	AAA
7 High Yield CLO	US	100	AAA
8 High Yield CLO	US	100	AAA
9 Access Group Inc Student Loans 2007A	US	96	AAA
10 Synthetic High Yield CDO	US	<u>86</u>	AAA
Total		\$ <u>1,101</u>	

1. Rating assigned by RAM Re, which takes into consideration ratings assigned by the primaries and the rating agencies. Ratings are assigned as of April 30, 2009.

RAM Holdings Ltd.
Insured Portfolio Profile by Credit Quality Distribution
Net Par Outstanding
(dollars in millions)

	Outstanding as of March 31, 2009 ¹			Ambac	Outstanding as of March 31, 2009 ¹		
	Before		Commutation		After		
	Commutation				Commutation		
	Net Amount	%	Net Amount		Net Amount	%	
Public Finance							
AAA	\$ 141	0.7%	\$ (42)	\$ 98	0.6%		
AA	8,590	42.5%	(1,485)	7,105	45.2%		
A	8,201	40.6%	(2,123)	6,078	38.7%		
BBB	2,908	14.4%	(806)	2,102	13.4%		
Below Investment Grade	363	1.8%	(41)	322	2.0%		
Total	\$ 20,202	100.0%	\$ (4,498)	\$ 15,705	100.0%		

	Outstanding as of March 31, 2009 ¹			Ambac	Outstanding as of March 31, 2009 ¹		
	Before		Commutation		After		
	Commutation				Commutation		
	Net Amount	%	Net Amount		Net Amount	%	
Structured Finance							
AAA	\$ 4,184	48.8%	\$ (82)	\$ 4,102	65.2%		
AA	596	7.0%	(241)	355	5.7%		
A	856	10.0%	(623)	233	3.7%		
BBB	1,251	14.6%	(564)	686	10.9%		
Below Investment Grade	1,690	19.7%	(778)	912	14.5%		
Total	\$ 8,576	100.0%	\$ (2,287)	\$ 6,289	100.0%		

	Outstanding as of March 31, 2009 ¹			Ambac	Outstanding as of March 31, 2009 ¹		
	Before		Commutation		After		
	Commutation				Commutation		
	Net Amount	%	Net Amount		Net Amount	%	
Total							
AAA	\$ 4,324	15.0%	\$ (124)	\$ 4,200	19.1%		
AA	9,186	31.9%	(1,726)	7,460	33.9%		
A	9,057	31.5%	(2,746)	6,311	28.7%		
BBB	4,158	14.4%	(1,370)	2,788	12.7%		
Below Investment Grade	2,052	7.1%	(819)	1,234	5.6%		
Total	\$ 28,778	100.0%	\$ (6,785)	\$ 21,994	100.0%		

1. Rating assigned by RAM Re, which takes into consideration ratings assigned by the primaries and the rating agencies. Ratings are assigned as of April 30, 2009.

2. On April 7, 2009, RAM entered into a commutation agreement with Ambac Assurance Corporation ("Ambac") to commute all business assumed by RAM back to Ambac. Accordingly, the table above presents outstanding par before and after taking effect of this commutation.

RAM Holdings Ltd.
Non-Investment Grade Exposures
Net Par Outstanding
as of March 31, 2009
(dollars in millions)

Non-Investment Grade Exposures by:	Net Par Outstanding	Average RAM Re Rating ^{1*}
Asset Type		
US Public Finance		
General Obligation and Lease	\$ 195	BB
Tax backed	11	B+
Transportation	-	
Healthcare	4	BB
Utility	82	CCC-
Investor Owned Utilities	-	
Higher Education	3	B
Housing	-	
Other	-	
Total US Public Finance	\$ 294	
US Structured Finance		
Commercial ABS	\$ 137	BB-
Home Equity	229	C+
Autos	5	BB
Mortgage Backed Securities	400	CCC+
Banks and Other Corporate	-	
Other Consumer ABS	-	
Total US Structured Finance	\$ 771	
International		
Asset Backed	\$ 141	BB
Public Finance	28	B+
Investor Owned Utilities and Other	-	
Total International	\$ 169	
Total	\$ 1,234	

Top Ten Non-Investment Grade Exposures as of	March 31, 2009
Name or Description	Net Par Outstanding
1 Detroit (City of), MI GO	\$ 178
2 First Lien Adjustable-Rate Residential Mortgage-Backed Securities	\$ 114
3 Jefferson County, AL Sewer	\$ 81
4 High Yield Trust Preferred CDO	\$ 78
5 Rental Car Finance Corp. Series 2007-1	\$ 75
6 First Lien Adjustable-Rate Residential Mortgage-Backed Securities	\$ 75
7 Second Lien Residential Mortgage-Backed Securities	\$ 57
8 High Yield Trust Preferred CDO	\$ 48
9 First Lien Adjustable-Rate Residential Mortgage-Backed Securities	\$ 45
10 Subprime Residential Mortgage-Backed Securities	\$ 40
Total Top Ten Non-Investment Grade Exposures	\$ 792

* Average RAM Re rating is the weighted average RAM Re rating within each asset type.

1. Rating assigned by RAM Re, which takes into consideration ratings assigned by the primaries and the rating agencies. Ratings are assigned as of April 30, 2009.

RAM Holdings Ltd.
Quarterly Operating Supplement

Introductory Notes

This operating supplement presents financial information for RAM Holdings Ltd. and its consolidated subsidiary, RAM Reinsurance Company Ltd. (together the "Company") on a U.S. GAAP basis unless otherwise indicated and includes selected information for RAM Reinsurance Company Ltd. as estimated by management to approximate a U.S. statutory accounting basis. RAM Reinsurance Company Ltd. files Bermuda statutory financial statements and does not file or prepare U.S. statutory financial statements.

This supplement should be read in conjunction with the financial statements of RAM Holdings Ltd. as previously filed with the Securities and Exchange Commission and included within our 10Q's and 10K's, and financial information posted on our website at www.ramre.com. The financial statements included herein do not include all of the information and disclosures required by generally accepted accounting principles.

This supplement should also be read in conjunction with various footnotes and explanatory notes contained herein, including notes regarding non-GAAP measures. Certain measures reported in this Supplement are not in conformity with U.S. GAAP and should not be considered as a substitute for GAAP measures. They are provided with the intent of enhancing information available to analysts and investors. In particular:

1. Adjusted book value (ABV) and ABV per share is reported because it is used by management, analysts, rating agencies and investors as a measure of the estimated net present value of the Company's in-force premium and capital base or the intrinsic value of the Company assuming no new business production. We derive adjusted book value by beginning with shareholders' equity (book value) and then adding or subtracting the value of:
 - a. GAAP unearned premium reserves (on policies classified as financial guarantee);
 - b. Deferred acquisition costs;
 - c. Unearned premiums reserves and the present value of estimated future installment premiums net of ceding commissions on credit derivative policies (discounted at 1.72% at March 31, 2009 and 3.00% at December 31, 2008);
 - d. Unrealized appreciation or depreciation of investments; and
 - e. Noncontrolling interest in subsidiary.

The definition of ABV used by RAM Re may differ from definitions of ABV used by other financial guaranty companies. The adjustments described above will be realized in future periods and may differ materially from amounts used in determining estimated ABV.

2. Operating book value and adjusted operating book value per share is reported because they give a measure of the value of the Company, excluding non-operating items of unrealized gains and losses on (a) other financial instruments and (b) credit derivatives. We derive operating book value by beginning with GAAP book value and adding back (i) the fair value of other financial instruments and (ii) the derivative asset or liability excluding the impact of credit impairments and unearned premiums on credit derivatives. Adjusted operating book value begins with adjusted book value and subtracts items (i) and (ii) as for operating book value above.

3. Operating income is reported because it is used by management, analysts, rating agencies and investors as a measure to highlight insurance results. We define operating income as net income excluding (a) realized gains (losses) on investments and (b) unrealized gains (losses) on derivatives. Operating income provides a view of insurance results because realized gains (losses) on investments and unrealized gains (losses) on derivatives are substantially influenced by and fluctuate with factors that generally cannot be controlled or reasonably predicted by management, including interest rates and spreads. Operating return on equity is a useful measure of financial performance because it excludes the impact of unrealized gains or losses on investments from earnings as well as from shareholders' equity.
4. Credit impairments on our credit derivatives are a non GAAP metric which management believes is useful to analysts, rating agencies and investors to review the results of our entire portfolio of policies. Management considers our credit derivative policies as a normal extension of our financial guarantee business and reinsurance in substance. The Company measures and monitors credit impairments which are expected to be paid out over the term of the credit derivative policies.
5. Due to the timing of receipt of reports prepared by our ceding companies, par outstanding and associated exposure data, and present value of future installment premiums and estimated future installment premiums are reported on a one quarter lag.

Adoption of FAS 163

On May 23, 2008, the Financial Accounting Standards Board ("FASB") issued FASB Statement No.163 "Accounting for Financial Guarantee Insurance Contracts" ("FAS 163"). FAS 163 clarifies how FASB Statement No.60 "Accounting and Reporting by Insurance Enterprises" applies to financial guaranty insurance contracts. FAS 163 is focused on the recognition and measurement of premium revenue and claims liabilities, along with additional disclosure requirements for financial guaranty contracts. FAS 163 requires the following:

1. Premium revenue will be recognized as a function of the amount of insurance protection provided over the contract term.
2. Present value of installment premiums due pursuant to the terms of a financial guaranty insurance contract will be recognized at inception of the contract as unearned premiums and premiums receivable.
3. A claim liability will be established on a financial guaranty contract when the probability weighted net present value of an expected claim loss is estimated to exceed the related unearned premium revenue. Provision of unallocated reserves is not permitted under FAS 163.
4. Additional disclosures will be required on financial guaranty contracts, including the accounting and risk management activities used to evaluate credit deterioration in the Company's insured obligations and surveillance lists.

FAS 163 is effective for fiscal years beginning after December 15, 2008, and all interim periods within those fiscal years, with the exception of certain risk management disclosures which were effective for the interim financial statements prepared as of September 30, 2008. FAS 163 does not apply to policies which are credit derivatives under the scope of FAS 133 "Accounting for Derivative Instruments and Hedging Activities". The cumulative effect of adopting FAS 163 is recognized as an adjustment to opening retained earnings as of January 1, 2009.

The impact of adopting FAS 163 on the Company's balance sheet was as follows:

	December 31, 2008 As reported	Transition Adjustment	January 1, 2009 As adjusted for FAS 163
ASSETS:			
Reinsurance balances receivable, net ⁽¹⁾	\$ 1,115,413	\$ 86,268,741	\$ 87,384,154
Recoverable on paid losses ⁽³⁾	1,796,842	372,737	2,169,579
Deferred policy acquisition costs ⁽²⁾	74,795,257	54,708,661	129,503,918
Prepaid reinsurance premiums ⁽²⁾	1,599,174	281,642	1,880,816
Total assets	\$ 574,281,925	\$ 141,631,781	\$ 715,913,706
LIABILITIES AND SHAREHOLDERS' EQUITY			
Loss and loss expense reserve ⁽³⁾	95,794,254	26,238,858	122,033,112
Unearned premiums ⁽²⁾	158,593,738	176,029,942	334,623,680
Reinsurance balances payable ⁽¹⁾	24,621,111	(16,796,051)	7,825,060
Total liabilities	\$ 484,924,036	\$ 185,472,749	\$ 670,396,785
Retained deficit ⁽⁴⁾	(150,136,895)	(43,840,968)	(193,977,863)
Total shareholders' equity	89,357,889	(43,840,968)	45,516,921
Total liabilities and shareholders' equity	\$ 574,281,925	\$ 141,631,781	\$ 715,913,706

- (1) Reinsurance balances receivable and reinsurance balances payable were increased and decreased, respectively, to reflect the net present value of future installment premiums, net of ceding commissions (including the accrual for additional ceding commissions), discounted at a risk free rate.
- (2) Unearned premiums and prepaid reinsurance premiums were increased to reflect the change in premium earning methodology under FAS 163 along with the net present value of installment premiums, on assumed and retroceded policies respectively. Deferred policy acquisition costs increased to reflect the associated acquisition costs on the increased unearned premium balances.
- (3) Loss and loss expense reserves were increased for the new reserving methodology under FAS 163. This was offset by a decrease in reserves for the release of the unallocated loss reserves which are not allowed under FAS 163.
- (4) Retained deficit was increased for the net effect of the transition adjustments as at January 1, 2009.

Safe Harbor Statement

Any forward-looking statements made in this supplement reflect the Company's current views and assumptions with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. For example, the Company's forward-looking statements regarding future installment premiums and present value of future installment premiums could be affected by a significant reduction in the amount of reinsurance ceded by ceding companies, rating agency action such as a ratings downgrade, general economic conditions, losses in excess of amounts anticipated in the Company's loss reserving, changes in accounting policies or practices, developments in the financial guaranty industry, as well as management's responses to these factors, and other risk factors identified in the Company's filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made or on which estimates were prepared. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise.