



**RAM Holdings Ltd.**  
**Quarterly Operating Supplement <sup>(1)</sup>**  
**September 30, 2007**

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<sup>(1)</sup> Information included in this report is unaudited

**RAM Holdings Ltd.**  
**Consolidated Balance Sheets**  
**(unaudited)**  
**As at September 30, 2007 and December 31, 2006**  
**(dollars in thousands)**

	<b>September 30, 2007</b>	<b>December 31, 2006</b>
<b>Assets</b>		
Investments:		
Fixed-maturity securities held as available for sale, at fair value (Amortized Cost: \$672,771 and \$574,127)	\$ 669,261	\$ 568,630
Short-term investments	13,696	45,828
Cash and cash equivalents	2,555	6,120
Accrued investment income	6,240	5,227
Premiums receivable	4,420	3,464
Recoverable on paid losses	1,173	916
Deferred policy acquisition costs	83,958	73,838
Prepaid reinsurance premiums	2,006	2,091
Fixed assets	54	73
Deferred expenses	1,794	1,917
Prepaid expenses	627	185
Derivative assets	-	60
Other assets	3,933	3,554
<b>Total Assets</b>	<b>\$ 789,717</b>	<b>\$ 711,903</b>
 <b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities:</b>		
Loss and loss expense reserve	\$ 17,607	\$ 14,506
Unearned premiums	230,899	194,322
Reinsurance balances payable	-	1,211
Accounts payable and accrued liabilities	3,589	3,458
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	28,348	-
Other liabilities	3,830	3,446
<b>Total Liabilities</b>	<b>399,273</b>	<b>332,636</b>
<b>Shareholders' Equity:</b>		
Common stock: \$0.10 par value; authorized shares - 90,000,000; Issued and outstanding shares -27,238,976 shares at September 30, 2007 and 27,234,755 at December 31, 2006	2,724	2,723
Additional paid-in capital	227,850	227,437
Accumulated other comprehensive income/(loss)	(3,511)	(5,497)
Retained earnings	163,381	154,604
<b>Total Shareholders' Equity</b>	<b>390,444</b>	<b>379,267</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 789,717</b>	<b>\$ 711,903</b>

**RAM Holdings Ltd.**  
**Statements of Consolidated Operations**  
(unaudited)

**For the three and nine months ended September 30, 2007 and 2006**  
(dollars in thousands except share and per share amounts)

	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Revenues</b>				
Gross premiums written	\$ 28,928	\$ 23,509	\$ 80,925	\$ 55,570
Ceded premiums	-	(423)	-	(423)
Net premiums written	<u>\$ 28,928</u>	<u>\$ 23,086</u>	<u>\$ 80,925</u>	<u>\$ 55,147</u>
Change in unearned premiums	<u>(12,457)</u>	<u>(8,029)</u>	<u>(36,662)</u>	<u>(17,783)</u>
Premiums earned	16,471	15,057	44,263	37,364
Net investment income	8,409	6,143	24,458	17,284
Net realized gains (losses) on sale of investments	-	-	(8)	(764)
Net unrealized gains (losses) on credit derivatives	<u>(28,369)</u>	<u>(9)</u>	<u>(28,408)</u>	<u>(14)</u>
Total revenues	(3,489)	21,191	40,305	53,870
<b>Expenses</b>				
Losses and loss adjustment expenses	1,273	(41)	1,193	(3,112)
Acquisition expenses	6,142	5,401	16,001	13,552
Operating expenses	3,076	2,900	9,465	10,349
Interest expense	<u>682</u>	<u>682</u>	<u>4,869</u>	<u>2,057</u>
Total expenses	<u>11,173</u>	<u>8,942</u>	<u>31,528</u>	<u>22,846</u>
<b>Net Income (Loss)</b>	<u><u>\$ (14,662)</u></u>	<u><u>\$ 12,249</u></u>	<u><u>\$ 8,777</u></u>	<u><u>\$ 31,024</u></u>
Net income (loss) per common share:				
<b>Basic</b>	\$ (0.54)	\$ 0.45	\$ 0.32	\$ 1.16
<b>Diluted</b>	(0.54)	0.45	0.32	1.16
Weighted-average number of common shares outstanding:				
Basic	27,238,847	27,234,755	27,236,977	26,636,403
Diluted	27,238,847	27,301,357	27,328,256	26,691,431
<b>Operating Earnings</b>				
Net income (loss)	\$ (14,662)	\$ 12,249	\$ 8,777	\$ 31,024
Less: Realized (gains) losses on investments	-	-	8	764
Less: Unrealized (gains) losses on credit derivatives	<u>28,369</u>	<u>9</u>	<u>28,408</u>	<u>14</u>
<b>Operating Earnings</b>	<u><u>\$ 13,707</u></u>	<u><u>\$ 12,258</u></u>	<u><u>\$ 37,193</u></u>	<u><u>\$ 31,802</u></u>
Net income (loss) per common share	\$ (0.54)	\$ 0.45	\$ 0.32	\$ 1.16
Less: Realized (gains) losses on investments	0.00	0.00	0.00	0.03
Less: Unrealized (gains) losses on credit derivatives	<u>1.04</u>	<u>0.00</u>	<u>1.04</u>	<u>0.00</u>
Operating earnings per share	<u><u>\$ 0.50</u></u>	<u><u>\$ 0.45</u></u>	<u><u>\$ 1.36</u></u>	<u><u>\$ 1.19</u></u>

**Summary Financial Information**  
(dollars in thousands except share and per share amounts)

GAAP Basis *	3rd Quarter		Year-to-date	
	2007	2006	2007	2006
<u>Financial Ratios</u>				
Loss and LAE Ratio	7.7%	-0.3%	2.7%	-8.3%
Underwriting Expense Ratio	56.0%	55.1%	57.5%	64.0%
Combined Ratio	63.7%	54.9%	60.2%	55.6%
<u>Per Share Data</u>				
Shareholder's Equity (Book Value)	\$14.33	\$13.55	\$14.33	\$13.55
Unearned premiums	8.48	6.75	8.48	6.75
Prepaid Reinsurance Premiums	(0.07)	-	(0.07)	-
Deferred Acquisition Costs	(3.08)	(2.61)	(3.08)	(2.61)
Present Value of Installment Premiums <sup>(1)</sup>	5.06	3.58	5.06	3.58
Unrealized Gains (Losses) on Investments	0.13	0.21	0.13	0.21
Adjusted Book Value	\$24.85	\$21.48	\$24.85	\$21.48
Shares outstanding	27,238,976	27,234,755		

\* Based on U.S. GAAP Income Statement Data

Statutory Basis (estimated)	3rd Quarter		Year-to-date	
	2007	2006	2007	2006
<u>Financial Ratios</u>				
Loss and LAE Ratio	(2.4)%	(0.1)%	(5.0)%	(12.6)%
Underwriting Expense Ratio	41.0%	43.5%	44.4%	53.1%
Combined Ratio	38.6%	43.4%	39.4%	40.5%
<u>Balance Sheet</u>				
	<b>9/30/2007</b>	<b>12/31/2006</b>		
Capital and Surplus	\$345,591	\$332,788		
Contingency Reserve	81,781	70,610		
Capital Base	\$427,372	\$403,398		
Unearned Premium Reserve	264,866	222,558		
Present Value of Installment Premiums <sup>(1)</sup>	137,896	109,303		
Premium Resources	402,762	331,861		
Loss and LAE Reserves	1,803	2,094		
Soft Capital Credit Facilities	180,000	180,000		
Total Claims-Paying Resources	\$1,011,937	\$917,353		
Debt Service Outstanding	\$64,008,864	\$50,944,252		
Capital Ratio <sup>(2)</sup>	150:1	126:1		
Claims-Paying Ratio <sup>(3)</sup>	63:1	56:1		

(1) Present value of future installments, net of ceding commissions, are current estimates and may differ from premium amounts ultimately written and earned. September 30, 2007 and December 31, 2006, the discount rate was 4.90% and 4.56%, respectively.

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

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

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

	YTD							
	2007	2006	2005	2004	2003	2002	2001	2000
<b>GAAP Summary Income Statement Data</b>								
Insurance								
Gross Premiums Written	\$ 80,925	\$ 77,632	\$ 68,147	\$ 66,057	\$ 67,880	\$ 36,205	\$ 26,544	\$ 21,346
Net Premiums Written	80,925	75,486	68,147	66,057	67,880	36,205	26,544	21,346
Premiums Earned	44,263	48,835	42,609	34,721	25,543	17,561	12,898	9,327
Net Investment Income	24,458	24,236	18,202	16,824	13,373	11,209	11,121	10,021
Realized Gains/(Losses)	(8)	(1,002)	(1,584)	536	1,097	2,927	535	252
Unrealized Gains/(Losses) on								
Credit Derivatives	(28,408)	(14)	(2,526)	2,757	456	(613)	-	-
Loss and Loss Adjustment								
Expenses	1,193	(2,781)	7,204	3,579	3,994	6,110	910	653
Acquisition Expenses	16,001	17,654	15,628	13,387	10,223	7,363	5,688	3,927
Operating Expenses	9,465	13,379	11,531	11,032	5,042	3,360	2,926	3,087
Interest Expense	4,869	2,750	2,750	2,106	-	-	-	-
Net Income	8,777	41,053	19,588	24,734	21,210	14,251	15,030	11,933
ROE <sup>(2)</sup> *	3.04%	11.70%	6.18%	8.23%	8.93%	8.04%	9.41%	8.48%
Operating ROE <sup>(3)</sup> *	12.74%	11.82%	7.45%	7.23%	8.56%	7.04%	9.24%	8.14%
<b>GAAP Summary Balance Sheet Data</b>								
Investments	\$ 682,957	\$ 614,458	\$ 469,908	\$ 404,906	\$ 345,837	\$ 219,330	\$ 188,978	\$ 163,578
Deferred Acquisition Costs	83,958	73,838	66,220	58,653	53,017	38,712	30,387	22,976
Total Assets	789,717	711,903	553,572	511,824	426,260	277,121	234,646	201,253
Unearned Premiums	230,899	194,322	165,580	140,043	120,182	77,845	59,201	45,555
Loss and Loss Expense Reserves	17,607	14,506	16,595	15,493	13,821	10,394	4,382	3,529
Long-term Debt	40,000	40,000	40,000	40,000	-	-	-	-
Preferred Shares	75,000	75,000	-	-	-	-	-	-
Total Liabilities	399,273	332,636	230,916	200,319	137,005	91,530	65,603	50,977
Shares outstanding	27,239	27,235	25,885	25,917	25,891	16,774	17,146	17,146
Shareholders' Equity	390,444	379,267	322,656	311,505	289,255	185,590	169,042	150,276
<b>Statutory Data</b>								
Net Income	\$ 29,111	\$ 30,552	\$ 14,127	\$ 9,035	\$ 5,971	\$ 7,047	\$ 7,456	\$ 3,138
Capital and Surplus	\$345,591	332,788	221,192	171,742	151,757	74,678	87,354	92,072
Contingency Reserve	81,781	70,610	63,617	102,880	78,537	60,587	44,065	30,929
Capital Base	427,372	403,398	284,809	274,622	230,294	135,265	131,419	123,002
Unearned Premium Reserve	264,866	222,558	189,135	160,308	131,429	85,575	64,267	49,535
Present Value of Installment Premiums <sup>(1)</sup>	137,896	109,303	84,839	59,546	55,607	34,541	24,214	14,800
Premium Resources	402,762	331,861	273,974	219,854	187,036	120,116	88,481	64,335
Loss and LAE Reserves	1,803	2,094	4,978	3,982	1,326	601	-	-
Soft Capital Credit Facilities	180,000	180,000	140,000	140,000	90,000	70,000	70,000	70,000
Total Claims-Paying Resources	1,011,936	917,353	703,761	638,458	508,656	325,982	289,900	257,337
<b>Financial Ratios</b>								
<u>GAAP</u>								
Loss and LAE Ratio	2.7%	-5.7%	16.9%	10.3%	15.6%	34.8%	7.1%	7.0%
Underwriting Expense Ratio	57.5%	63.5%	63.7%	70.3%	59.8%	61.1%	66.8%	75.2%
Combined Ratio	60.2%	57.9%	80.6%	80.6%	75.4%	95.9%	73.8%	82.2%
<u>Statutory</u>								
Loss and LAE Ratio	-5.0%	-9.4%	18.3%	15.9%	5.8%	18.1%	0.5%	0.0%
Underwriting Expense Ratio	44.4%	50.7%	50.8%	45.3%	43.7%	53.1%	60.5%	64.9%
Combined Ratio	39.4%	41.3%	69.1%	61.2%	49.6%	71.2%	61.0%	64.9%
<b>Other Financial Information</b>								
Net Par Amount Outstanding	\$ 40,721,035	\$ 31,118,714	\$ 27,054,260	\$ 22,154,050	\$ 19,775,000	\$ 15,860,000	\$ 12,803,180	\$ 9,864,360
<u>Adjusted Book Value</u>								
Book Value Per Share	\$ 14.33	\$ 13.93	\$ 12.47	\$ 12.02	\$ 11.17	\$ 11.06	\$ 9.86	\$ 8.76
Shareholder's Equity (Book Value)	390,444	379,267	322,656	311,505	289,255	185,590	169,042	150,276
Unearned premiums	230,899	194,322	165,580	140,043	120,182	77,845	59,201	45,555
Prepaid reinsurance premiums	2,006	2,091	-	-	-	-	-	-
Deferred Acquisition Costs	83,958	73,838	66,220	58,653	53,017	38,712	30,387	22,976
Present Value of Installment Premiums (1)	137,896	109,303	84,839	59,546	55,607	34,541	24,214	14,800
Unrealized Gains (Losses) on Investments	(3,511)	(5,497)	(4,540)	2,787	4,659	11,002	4,733	998
Adjusted Book Value Per Share	\$ 24.85	\$ 22.49	\$ 19.76	\$ 17.35	\$ 15.73	\$ 14.80	\$ 12.68	\$ 10.89

(1) Present value of future installments, net of ceding commissions, are current estimates and may differ from ultimate actual premiums due to additions of new business, changes in prepayment speeds, early terminations or refundings. At September 30, 2007 and December 31, 2006, the discount rate was 4.90% and 4.56%, respectively.

(2) Net income divided by average shareholders' equity

(3) Operating earnings divided by average shareholders' equity, excluding accumulated other comprehensive income

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

**RAM Holdings Ltd.**  
**Estimated Net Debt Service Amortization** <sup>(1)</sup>

(dollars in thousands)

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
2nd Quarter 2007		64,008,864
3rd Quarter 2007	928,189	63,080,675
4th Quarter 2007	1,056,860	62,023,815
2008	3,261,227	58,762,588
2009	3,383,124	55,379,464
2010	3,684,047	51,695,417
2011	3,112,733	48,582,683
2012-2016	15,709,387	32,873,296
2017-2021	11,250,961	21,622,335
2022-2026	8,029,512	13,592,824
2027 and thereafter	<u>13,592,824</u>	-
Total	<u>64,008,864</u>	

**Estimated Net Unearned Premium Amortization and Estimated  
Future Installment Premiums** <sup>(1)</sup>

	Net Unearned Premiums <sup>(2)</sup>	Net Unearned Premium Amortization		Total Premium Earnings <sup>(4)</sup>
		Upfront	Installments <sup>(3)</sup>	
3rd Quarter 2007	\$ 207,349			
4th Quarter 2007	\$ 203,324	\$ 4,025	\$ 8,340	\$ 12,366
2008	\$ 187,841	\$ 15,483	\$ 30,106	\$ 45,589
2009	\$ 173,106	\$ 14,734	\$ 25,049	\$ 39,784
2010	\$ 159,150	\$ 13,956	\$ 21,410	\$ 35,366
2011	\$ 145,838	\$ 13,312	\$ 18,363	\$ 31,675
2012-2016	\$ 90,570	\$ 55,268	\$ 59,901	\$ 115,170
2017-2021	\$ 52,246	\$ 38,324	\$ 31,765	\$ 70,089
2022-2026	\$ 27,300	\$ 24,947	\$ 23,465	\$ 48,411
2027 and thereafter	\$ -	\$ 27,300	\$ 32,749	\$ 60,049
Total		<u>\$ 207,349</u>	<u>\$ 251,149</u>	<u>\$ 458,498</u>

(1) Represents the amortization and future installments from September 30, 2007 based on existing insured issues as of the June 30, 2007.

(2) Equals deferred premium revenue for upfront policies only.

(3) Represents future installment premiums undiscounted.

(4) Actual future premium earnings will differ from the current projection due to the addition of new business, changes in prepayment speeds, early terminations and refundings.

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

2007	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
<b>Public Finance</b>	\$ 6,973	\$ 6,959	\$ 6,923	\$ -	\$ 20,855
<b>Structured Finance</b>	6,981	6,879	9,548	-	23,408
Total	\$ 13,954	\$ 13,838	\$ 16,471	\$ -	\$ 44,263
<b>Refundings included in total</b>	\$ 1,914	\$ 1,607	\$ 1,061	\$ -	\$ 4,582

2006	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
<b>Public Finance</b>	\$ 4,369	\$ 5,403	\$ 8,714	\$ 7,468	\$ 25,954
<b>Structured Finance</b>	6,337	6,199	6,343	4,002	22,881
Total	\$ 10,706	\$ 11,602	\$ 15,057	\$ 11,470	\$ 48,835
<b>Refundings included in total</b>	\$ 621	\$ 1,938	\$ 2,847	\$ 866	\$ 6,272

**Par Value and Adjusted Premiums <sup>(1)</sup>**  
(dollars in thousands)

	3rd Quarter		Year-to-Date	
	2007	2006	2007	2006
<b>Net Par Written</b>	\$ 6,815,649	\$ 2,805,236	\$ 12,638,784	\$ 6,192,172
<b>GAAP Net Premiums Written</b>	\$ 28,928	\$ 23,086	\$ 80,925	\$ 55,147
Less: Net Installment Premiums Written	\$ 12,579	\$ 9,244	\$ 29,224	\$ 23,319
Net Upfront Premiums Written	\$ 16,349	\$ 13,842	\$ 51,701	\$ 31,828
Plus: PV of Installment Net Premiums Written	\$ 34,316	\$ 23,457	\$ 69,421	\$ 39,633
<b>Net Adjusted Premiums Written</b>	\$ 50,665	\$ 37,299	\$ 121,122	\$ 71,461
U.S. Public Finance	\$ 13,439	\$ 10,081	\$ 40,838	\$ 25,367
U.S. Structured Finance	\$ 19,301	\$ 13,256	\$ 34,853	\$ 20,052
U.S. Total	\$ 32,740	\$ 23,337	\$ 75,691	\$ 45,419
International Public Finance	\$ 10,445	\$ 10,612	\$ 29,138	\$ 16,716
International Structured Finance	\$ 7,480	\$ 3,350	\$ 16,293	\$ 9,326
International Total	\$ 17,925	\$ 13,962	\$ 45,431	\$ 26,042
<b>Net Adjusted Premiums Written</b>	\$ 50,665	\$ 37,299	\$ 121,122	\$ 71,461

(1) Adjusted premiums represent upfront premiums in the period and the estimated present value of installment premiums for new policies issued as reported at a quarter lag.

**RAM Holdings Ltd**  
**Investment Portfolio**  
As of September 30, 2007  
(dollars in thousands)

**Investments**

Fixed Income Securities

U.S. Treasuries

Agencies

Corporate

Municipal

Mortgage and Asset Backed

Total Investments

	<b><u>Market Value</u></b>	<b>% of Market Value</b>	<b><u>Amortized Cost</u></b>	<b><u>Book Yield</u></b>	<b><u>Annualized Income</u></b>
	\$ 69,992	10.2%	\$ 70,397	4.5%	\$ 3,196
	162,210	23.8%	160,496	5.1%	8,121
	135,509	19.8%	136,806	5.0%	6,772
	11,672	1.7%	10,962	7.1%	773
	303,574	44.4%	307,806	5.5%	17,011
	<u>\$ 682,957</u>	<u>100.0%</u>	<u>\$ 686,467</u>		<u>\$ 35,873</u>

**Maturity**

Within 1 Year

1 to 5 Years

5 to 10 Years

More than 10 Years

Total Investments

	<b><u>Market Value</u></b>	<b>% of Market Value</b>
	\$ 93,328	13.7%
	232,720	34.1%
	277,565	40.6%
	79,344	11.6%
	<u>\$ 682,957</u>	<u>100.0%</u>

*Average life: 7.11 years*

*Duration: 4.61 years*

**Quality Distribution  
of Fixed  
Income Investments**

<b><u>Rating</u></b>	<b>% of Market Value</b>
Aaa	85.3%
Aa	6.8%
A	7.9%
Baa	0.0%
	<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.
<b>2007</b>				
Case Reserves	\$ 2,566	\$ 2,942	\$ 2,975	\$ -
Unallocated Reserves	<u>11,355</u>	<u>12,974</u>	<u>14,632</u>	<u>-</u>
Total Reserves	<u>\$ 13,921</u>	<u>\$ 15,916</u>	<u>\$ 17,607</u>	<u>\$ -</u>
<b>2006</b>				
Case Reserves	\$ 7,574	\$ 2,969	\$ 3,131	\$ 3,010
Unallocated Reserves	<u>11,409</u>	<u>11,419</u>	<u>11,392</u>	<u>11,496</u>
Total Reserves	<u>\$ 18,983</u>	<u>\$ 14,388</u>	<u>\$ 14,523</u>	<u>\$ 14,506</u>

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

2007	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
<b>Acquisition and Operating Expenses:</b>					
Operating expenses	3,327	4,302	3,713	-	11,342
Gross acquisition expenses	<u>6,615</u>	<u>8,935</u>	<u>8,693</u>	<u>-</u>	<u>24,243</u>
Gross acquisition and operating expenses	\$ 9,942	\$ 13,237	\$ 12,406	\$ -	\$ 35,585
<b>Deferred Expenses:</b>					
Acquisition expenses	(6,495)	(8,695)	(8,470)	-	(23,660)
Operating expenses	<u>(608)</u>	<u>(632)</u>	<u>(638)</u>	<u>-</u>	<u>(1,878)</u>
<b>Total deferred expenses</b>	(7,103)	(9,327)	(9,108)	-	(25,538)
Change in deferred acquisition expenses	<u>4,738</u>	<u>4,760</u>	<u>5,920</u>	<u>-</u>	<u>15,418</u>
<b>Total acquisition and operating expense, net of deferred expenses</b>	<u>\$ 7,577</u>	<u>\$ 8,670</u>	<u>\$ 9,218</u>	<u>\$ -</u>	<u>\$ 25,465</u>

2006	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
<b>Acquisition and Operating Expenses:</b>					
Operating expenses	4,208	4,447	3,450	3,325	15,429
Gross acquisition expenses	<u>4,247</u>	<u>5,379</u>	<u>7,092</u>	<u>6,094</u>	<u>22,812</u>
Gross acquisition and operating expenses	\$ 8,455	\$ 9,826	\$ 10,542	\$ 9,419	\$ 38,241
<b>Deferred Expenses:</b>					
Acquisition expenses	(4,135)	(5,251)	(6,919)	(5,975)	(22,280)
Operating expenses	<u>(669)</u>	<u>(557)</u>	<u>(530)</u>	<u>(708)</u>	<u>(2,464)</u>
<b>Total deferred expenses</b>	(4,804)	(5,808)	(7,449)	(6,683)	(24,744)
Change in deferred acquisition expenses	<u>3,833</u>	<u>4,098</u>	<u>5,208</u>	<u>3,984</u>	<u>17,124</u>
<b>Total acquisition and operating expense, net of deferred expenses</b>	<u>\$ 7,484</u>	<u>\$ 8,116</u>	<u>\$ 8,301</u>	<u>\$ 6,720</u>	<u>\$ 30,621</u>

**Deferred Expenses to Deferred Premiums Ratio**  
(dollars in thousands)

	2005	2006	1st Qtr. 2007	2nd Qtr. 2007	3rd Qtr. 2007	4th Qtr. 2007
Deferred Acquisition Costs	\$ 66,220	\$ 73,838	\$ 76,203	\$ 80,769	\$ 83,958	\$ -
Unearned Premiums	165,580	194,322	202,498	218,471	230,899	-
Present Value of Future Installment Premiums	<u>84,839</u>	<u>109,303</u>	<u>112,673</u>	<u>129,717</u>	<u>137,896</u>	<u>-</u>
Adjusted Deferred Premiums	<u>\$ 250,419</u>	<u>\$ 303,625</u>	<u>\$ 315,171</u>	<u>\$ 348,188</u>	<u>\$ 368,795</u>	<u>\$ -</u>
Ratio	26.4%	24.3%	24.2%	23.2%	22.8%	

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

	<b>Insured YTD, September 30, 2007</b>		<b>Outstanding as of September 30, 2007</b>	
	Net Amount	%	Net Amount	%
<b>US Public Finance</b>				
General Obligation and Lease	\$ 2,147	17.0%	\$ 7,459	18.3%
Tax backed	362	2.9%	2,496	6.1%
Transportation	472	3.7%	2,740	6.7%
Healthcare	230	1.8%	2,352	5.8%
Utility	843	6.7%	3,545	8.7%
Investor Owned Utilities	183	1.4%	709	1.7%
Higher Education	403	3.2%	759	1.9%
Housing	40	0.3%	388	1.0%
Other	27	0.2%	168	0.4%
<b>Total US Public Finance</b>	<b>\$ 4,707</b>	<b>37.2%</b>	<b>\$ 20,617</b>	<b>50.6%</b>
<b>US Structured Finance</b>				
Commercial ABS	\$ 3,251	25.7%	\$ 7,344	18.0%
Home Equity	859	6.8%	1,745	4.3%
Autos	300	2.4%	629	1.5%
Mortgage Backed Securities	314	2.5%	467	1.1%
Banks and Other Corporate	127	1.0%	247	0.6%
Other Consumer ABS	255	2.0%	569	1.4%
<b>Total US Structured Finance</b>	<b>\$ 5,104</b>	<b>40.4%</b>	<b>\$ 11,001</b>	<b>27.0%</b>
<b>International</b>				
Asset Backed	\$ 1,462	11.6%	\$ 4,479	11.0%
Public Finance	560	4.4%	2,740	6.7%
Investor Owned Utilities and Other	805	6.4%	1,884	4.6%
<b>Total International</b>	<b>\$ 2,827</b>	<b>22.4%</b>	<b>\$ 9,103</b>	<b>22.4%</b>
<b>Total</b>	<b>\$ 12,639</b>	<b>100.0%</b>	<b>\$ 40,721</b>	<b>100.0%</b>

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

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

	<u>Insured YTD, September 30, 2007</u>		<u>Outstanding as of September 30, 2007</u>	
	Net Amount	%	Net Amount	%
<b>Geographic Distribution</b>				
<b>United States</b>				
CALIFORNIA	\$ 1,165	9.2%	\$ 3,291	8.1%
NEW YORK	464	3.7%	2,236	5.5%
FLORIDA	265	2.1%	1,444	3.5%
ILLINOIS	194	1.5%	1,203	3.0%
TEXAS	155	1.2%	1,166	2.9%
MASSACHUSETTS	336	2.7%	932	2.3%
WASHINGTON	151	1.2%	823	2.0%
PENNSYLVANIA	135	1.1%	706	1.7%
NEW JERSEY	108	0.9%	681	1.7%
PUERTO RICO	151	1.2%	671	1.6%
OTHER STATES	1,662	13.2%	7,496	18.4%
MULTI-STATE	5,024	39.8%	10,968	26.9%
<b>US Sub-total</b>	<b>\$ 9,812</b>	<b>77.6%</b>	<b>\$ 31,618</b>	<b>77.6%</b>
<b>International</b>				
United Kingdom	\$ 1,328	10.5%	\$ 3,473	8.5%
Australia	274	2.2%	927	2.3%
Italy	19	0.2%	417	1.0%
Germany	37	0.3%	382	0.9%
Canada	11	0.1%	198	0.5%
Japan	94	0.7%	176	0.4%
Turkey	83	0.7%	174	0.4%
France	-	0.0%	122	0.3%
Chile	-	0.0%	116	0.3%
Mexico	25	0.2%	106	0.3%
Other Countries	373	3.0%	634	1.6%
Multinational	583	4.6%	2,379	5.8%
<b>Int. Sub-total</b>	<b>\$ 2,827</b>	<b>22.4%</b>	<b>\$ 9,103</b>	<b>22.4%</b>
<b>Total Par</b>	<b>\$ 12,639</b>	<b>100.0%</b>	<b>\$ 40,721</b>	<b>100.0%</b>

**RAM Holdings Ltd.**  
**Largest Exposures**  
**Net Par Outstanding**  
**as of September 30, 2007**  
*(dollars in millions)*

<b>Top 10 Largest Public Finance Exposures:</b>	Country	NPO	RAM Re Rating <sup>1</sup>
1 Chicago, IL	US	\$ 287	A+
2 WASHINGTON (State of) - GO/Appropriation	US	283	AA
3 MASSACHUSETTS (State of) - GO Appropriation	US	267	AA-
4 California (State of) - GO/Appropriation	US	258	A+
5 Clark County SD, NV - GO	US	250	AA-
6 Puerto Rico Highway & Transportation Authority	US	247	BBB
7 Port Authority of New York and New Jersey	US	226	AA-
8 New York City, NY	US	218	A+
9 New Jersey (State of) GO / Appropriation	US	208	AA-
10 Indiana (State of) - GO/Appropriation	US	<u>204</u>	AA-
<b>Total</b>		<b>\$ 2,449</b>	

<b>Top 10 Largest Structured Finance Exposures:</b>	Country	NPO	RAM Re Rating <sup>1</sup>
1 Private Residential Mortgage-Backed Securities	UK	\$ 177	AAA
2 Market Value CLO	US	163	AAA
3 Telereal Securitisation plc	UK	145	AA-
4 Super Senior Synthetic Managed CDO of Corporates and ABS	MULTI	128	AAA
5 Static Synthetic Super Senior Pooled IG CMBS	US	125	AAA
6 Super Senior Synthetic Managed CDO of Corporates and ABS	MULTI	123	AAA
7 Static Synthetic Super Senior Pooled IG CMBS	US	120	AAA
8 Emerging Market Principal Protection	MULTI	120	AAA
9 Static Synthetic Super Senior Pooled IG CMBS	US	120	AAA
10 Super Senior Synthetic CDO of IG Corporates	MULTI	<u>120</u>	AAA
<b>Total</b>		<b>\$ 1,341</b>	

1. Rating assigned by RAM Re, which takes into consideration ratings assigned by the primaries and the rating agencies.

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

	<b>Insured YTD, September 30, 2007</b>		<b>Outstanding as of September 30, 2007</b>	
	<b>Net Amount</b>	<b>%</b>	<b>Net Amount</b>	<b>%</b>
<b>Public Finance<sup>1</sup></b>				
AAA	\$ 477	7.9%	\$ 774	3.1%
AA	2,786	45.9%	9,649	38.2%
A	1,956	32.2%	10,044	39.8%
BBB	854	14.1%	4,687	18.6%
Below Investment Grade	-	0.0%	86	0.3%
<b>Total</b>	<b>\$ 6,073</b>	<b>100.0%</b>	<b>\$ 25,240</b>	<b>100.0%</b>

	<b>Insured YTD, September 30, 2007</b>		<b>Outstanding as of September 30, 2007</b>	
	<b>Net Amount</b>	<b>%</b>	<b>Net Amount</b>	<b>%</b>
<b>Structured Finance<sup>1</sup></b>				
AAA	\$ 4,379	66.7%	\$ 9,050	58.5%
AA	368	5.6%	1,109	7.2%
A	427	6.5%	1,737	11.2%
BBB	1,392	21.2%	3,455	22.3%
Below Investment Grade	-	0.0%	130	0.8%
<b>Total</b>	<b>\$ 6,566</b>	<b>100.0%</b>	<b>\$ 15,481</b>	<b>100.0%</b>

	<b>Insured YTD, September 30, 2007</b>		<b>Outstanding as of September 30, 2007</b>	
	<b>Net Amount</b>	<b>%</b>	<b>Net Amount</b>	<b>%</b>
<b>Total<sup>1</sup></b>				
AAA	\$ 4,857	38.4%	\$ 9,824	24.1%
AA	3,153	25.0%	10,759	26.4%
A	2,383	18.9%	11,781	28.9%
BBB	2,246	17.8%	8,142	20.0%
Below Investment Grade	-	0.0%	216	0.5%
<b>Total</b>	<b>\$ 12,639</b>	<b>100.0%</b>	<b>\$ 40,721</b>	<b>100.0%</b>

1. Rating assigned by RAM Re, which takes into consideration ratings assigned by the primaries and the rating agencies.

**RAM Holdings Ltd.**  
**Non-Investment Grade Exposures**  
**Net Par Outstanding**  
**as of September 30, 2007**  
*(dollars in millions)*

<b>Non-Investment Grade Exposures by:</b>	<u>Net Par Outstanding</u>	<u>Average RAM Re Rating <sup>1*</sup></u>
<b><u>Asset Type</u></b>		
<b>US Public Finance</b>		
General Obligation and Lease	\$ 5	BB
Tax backed	5	BB
Transportation	32	CCC
Healthcare	2	B+
Utility	0	BB
Investor Owned Utilities	-	N/A
Higher Education	2	BB+
Housing	1	B
Other	1	BB-
<b>Total US Public Finance</b>	<b>\$ 47</b>	<b>NA</b>
<b>US Structured Finance</b>		
Commercial ABS	\$ 58	BB
Home Equity	61	CCC-
Autos	0	BB
Mortgage Backed Securities	10	BB
Banks and Other Corporate	-	N/A
Other Consumer ABS	-	N/A
<b>Total US Structured Finance</b>	<b>\$ 129</b>	<b>NA</b>
<b>International</b>		
Public Finance	\$ 39	BB
Asset Backed	1	BB
<b>Total International</b>	<b>\$ 40</b>	<b>NA</b>
<b>Total</b>	<b>\$ 216</b>	<b>NA</b>

**Top Ten Non-Investment Grade Exposures as of September 30, 2007:**

<b><u>Name or Description</u></b>	<b><u>Net Par Outstanding</u></b>
1 METRONET RAIL SSL FINANCE PLC	\$ 38
2 Delta Airlines Inc (2002-1)	19
3 Countrywide HELOC 2006	19
4 San Joaquin Hills Transportation Corridor Agency, CA	17
5 Massport Delta Logan Term A	15
6 Countrywide HELOC 2005	14
7 AMERICA WEST AIRLINES 1999-1	12
8 Northwest Airlines Inc. Pass-Through Trust 2000-1	8
9 IMC HOME EQUITY 1998-3	7
10 AMERICA WEST AIRLINES 2000-1	7
<b>Total Top Ten Non-Investment Grade Exposures</b>	<b>\$ 156</b>

\* RAM Re ratings are current. 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.

**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 documents filed by RAM Holdings Ltd. with the Securities and Exchange Commission, including our 10Q's and 10K's, and financial information posted on our website at [www.ramre.com](http://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. Net unearned premium reserve;
  - b. Deferred acquisition costs; and
  - c. The present value of estimated future installment premiums net of ceding commissions (discounted at 4.90% at September 30, 2007 and 4.56% at December 31, 2006).

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. Adjusted premiums written (APW) are reported because it is used by management, analysts, rating agencies and investors as a measure of new business production. APW is defined as the gross up-front premiums plus the present value of estimated installment premiums from business written during the current period (discounted at 4.70%). APW as defined by RAM Re may differ from definitions used by other financial guaranty companies.
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.

Due to the timing of receipt of reports prepared by our ceding companies, par written, 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.

#### 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.