



RAM Holdings Ltd.
Quarterly Operating Supplement ⁽¹⁾
December 31, 2007

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⁽¹⁾ Information included in this report is unaudited

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

	December 31, 2007	December 31, 2006
Assets		
Investments:		
Fixed-maturity securities held as available for sale, at fair value (Amortized Cost: \$685,645 and \$574,127)	\$ 696,533	\$ 568,630
Short-term investments	-	9,959
Cash and cash equivalents	20,504	41,989
Accrued investment income	6,465	5,227
Premiums receivable	3,645	3,464
Recoverable on paid losses	1,808	916
Deferred policy acquisition costs	87,304	73,838
Prepaid reinsurance premiums	2,663	2,091
Fixed assets	51	73
Deferred expenses	1,753	1,917
Prepaid expenses	195	185
Derivative assets	-	60
Other financial instruments (at fair value)	35,330	-
Other assets	4,014	3,554
Total Assets	\$ 860,265	\$ 711,903
 Liabilities and Shareholders' Equity		
Liabilities:		
Loss and loss expense reserve	\$ 63,798	\$ 14,506
Unearned premiums	242,829	194,322
Reinsurance balances payable	539	1,211
Accounts payable and accrued liabilities	3,463	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	693
Derivative liabilities	177,717	-
Other liabilities	3,913	3,446
Total Liabilities	607,952	332,636
Shareholders' Equity:		
Common stock: \$0.10 par value; authorized shares - 90,000,000; Issued and outstanding shares -27,238,976 shares at December 31, 2007 and 27,234,755 at December 31, 2006	2,724	2,723
Additional paid-in capital	229,379	227,437
Accumulated other comprehensive income/(loss)	10,888	(5,497)
Retained earnings	9,322	154,604
Total Shareholders' Equity	252,313	379,267
Total Liabilities and Shareholders' Equity	\$ 860,265	\$ 711,903

RAM Holdings Ltd.
Statements of Consolidated Operations
(unaudited)

For the three months and year ended December 31, 2007 and 2006
(dollars in thousands except share and per share amounts)

	Three Months Ended December 31		Year Ended December 31	
	2007	2006	2007	2006
Revenues				
Gross premiums written	\$ 27,825	\$ 22,062	\$ 108,750	\$ 77,632
Ceded premiums	(752)	(1,722)	(752)	(2,146)
Net premiums written	<u>\$ 27,073</u>	<u>\$ 20,340</u>	<u>\$ 107,998</u>	<u>\$ 75,486</u>
Change in unearned premiums	<u>(11,273)</u>	<u>(8,868)</u>	<u>(47,935)</u>	<u>(26,651)</u>
Premiums earned	15,800	11,472	60,063	48,835
Net investment income	8,690	6,952	33,148	24,236
Net realized losses on investments	(3,596)	(238)	(3,604)	(1,002)
Net losses on credit derivatives	(149,369)	(1)	(177,777)	(14)
Net unrealized gains on other financial instruments	<u>35,330</u>	<u>-</u>	<u>35,330</u>	<u>-</u>
Total revenues	(93,145)	18,185	(52,840)	72,055
Expenses				
Losses and loss adjustment expenses	46,833	331	48,026	(2,781)
Acquisition expenses	5,504	4,102	21,505	17,655
Operating expenses	3,909	3,030	13,373	13,379
Interest expense	<u>3,506</u>	<u>694</u>	<u>8,375</u>	<u>2,750</u>
Total expenses	59,752	8,157	91,279	31,003
Net (Loss)/Income	<u><u>\$ (152,897)</u></u>	<u><u>\$ 10,028</u></u>	<u><u>\$ (144,119)</u></u>	<u><u>\$ 41,052</u></u>
Net (loss)/income per common share:				
Basic	\$ (5.61)	\$ 0.37	\$ (5.29)	\$ 1.53
Diluted	(5.61)	0.37	(5.29)	1.53
Weighted-average number of common shares outstanding:				
Basic	27,238,976	27,234,755	27,237,481	26,787,221
Diluted	27,238,976	27,294,495	27,237,481	26,843,583
Operating (Loss)/Earnings				
Net (loss) income	\$ (152,897)	\$ 10,028	\$ (144,119)	\$ 41,052
Less: Realized (gains) losses on investments	3,596	238	3,604	1,002
Less: Losses (gains) on credit derivatives	149,369	1	177,777	14
Add back: credit impairment on derivatives	(44,413)	-	(44,413)	-
Less: Unrealized (gains) losses on other financial instruments	<u>(35,330)</u>	<u>-</u>	<u>(35,330)</u>	<u>-</u>
Operating (Loss)/Earnings	<u><u>\$ (79,675)</u></u>	<u><u>\$ 10,267</u></u>	<u><u>\$ (42,481)</u></u>	<u><u>\$ 42,068</u></u>
Net (loss)/income per common share				
Less: Realized (gains) losses on investments	\$ (5.61)	\$ 0.37	\$ (5.29)	\$ 1.53
Less: Losses (gains) on credit derivatives	0.13	0.01	0.13	0.04
Less: Losses (gains) on credit derivatives	5.48	0.00	6.53	0.00
Add back: credit impairment on derivatives	(1.63)	-	(1.63)	-
Less: Unrealized (gains) losses on other financial instruments	(1.30)	-	(1.30)	-
Operating (loss)/earnings per share	<u><u>\$ (2.93)</u></u>	<u><u>\$ 0.38</u></u>	<u><u>\$ (1.56)</u></u>	<u><u>\$ 1.57</u></u>

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

GAAP Basis *	4th Quarter		Full Year	
	2007	2006	2007	2006
<u>Financial Ratios</u>				
Loss and LAE Ratio ⁽¹⁾	577.5%	2.9%	153.9%	-5.7%
Underwriting Expense Ratio	59.6%	62.2%	58.1%	63.5%
Combined Ratio	637.1%	65.1%	212.0%	57.9%
<u>Per Share Data</u>				
Shareholder's Equity (Book Value)	\$9.26	\$13.93	\$9.26	\$13.93
Unearned premiums	8.91	7.14	8.91	\$7.14
Prepaid Reinsurance Premiums	(0.10)	(0.08)	(0.10)	(\$0.08)
Deferred Acquisition Costs	(3.20)	(2.71)	(3.20)	(\$2.71)
Present Value of Installment Premiums ⁽²⁾	6.08	4.01	6.08	4.01
Unrealized Gains (Losses) on Investments	(0.40)	0.20	(0.40)	0.20
Adjusted Book Value	\$20.56	\$22.49	\$20.56	\$22.49
Shares outstanding	27,238,976	27,234,755		
* Based on U.S. GAAP Income Statement Data				

Statutory Basis (estimated)	4th Quarter		Full Year	
	2007	2006	2007	2006
<u>Financial Ratios</u>				
Loss and LAE Ratio	625.6%	2.6%	140.6%	(9.4)%
Underwriting Expense Ratio	45.4%	44.2%	44.6%	50.7%
Combined Ratio	671.0%	46.8%	185.2%	41.3%
<u>Balance Sheet</u>				
	12/31/2007	12/31/2006		
Capital and Surplus	\$266,707	\$332,788		
Contingency Reserve	90,096	70,610		
Capital Base	\$356,804	\$403,398		
Unearned Premium Reserve	280,345	222,558		
Present Value of Installment Premiums ⁽²⁾	165,644	109,303		
Premium Resources	445,989	331,861		
Loss and LAE Reserves (incl. credit impairment)	73,052	2,094		
Soft Capital Credit Facilities	180,000	180,000		
Total Claims-Paying Resources	\$1,055,846	\$917,353		
Debt Service Outstanding	\$71,911,109	\$50,944,252		
Capital Ratio ⁽³⁾	202:1	126:1		
Claims-Paying Ratio ⁽⁴⁾	68:1	56:1		

(1) Calculated by dividing loss and loss adjustment expenses plus credit impairments by net earned premiums.

(2) Present value of future installments, net of ceding commissions, are current estimates and may differ from premium amounts ultimately written and earned.
December 31, 2007 and 2006, the discount rate was 4.26% and 4.56%, respectively.

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

(4) 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)

	2007	2006	2005	2004	2003	2002	2001	2000
GAAP Summary Income Statement Data								
Insurance								
Gross Premiums Written	\$ 108,750	\$ 77,632	\$ 68,147	\$ 66,057	\$ 67,880	\$ 36,205	\$ 26,544	\$ 21,346
Net Premiums Written	107,998	75,486	68,147	66,057	67,880	36,205	26,544	21,346
Premiums Earned	60,063	48,835	42,609	34,721	25,543	17,561	12,898	9,327
Net Investment Income	33,148	24,236	18,202	16,824	13,373	11,209	11,121	10,021
Realized Gains/(Losses) on Investments	(3,604)	(1,002)	(1,584)	536	1,097	2,927	535	252
Losses/Gains on Credit Derivatives	(177,777)	(14)	(2,526)	2,757	456	(613)	-	-
Unrealized Gain on Other Financial Instruments	35,330	-	-	-	-	-	-	-
Loss and Loss Adjustment Expenses	48,026	(2,781)	7,204	3,579	3,994	6,110	910	653
Acquisition Expenses	21,505	17,654	15,628	13,387	10,223	7,363	5,688	3,927
Operating Expenses	13,373	13,379	11,531	11,032	5,042	3,360	2,926	3,087
Interest Expense	8,375	2,750	2,750	2,106	-	-	-	-
Net (Loss)/Income	(144,119)	41,053	19,588	24,734	21,210	14,251	15,030	11,933
ROE ⁽²⁾ *	-45.64%	11.70%	6.18%	8.23%	8.93%	8.04%	9.41%	8.48%
Operating ROE ⁽³⁾ *	-13.57%	11.82%	7.45%	7.23%	8.56%	7.04%	9.24%	8.14%
GAAP Summary Balance Sheet Data								
Investments	\$ 696,533	\$ 578,589	\$ 469,908	\$ 404,906	\$ 345,837	\$ 219,330	\$ 188,978	\$ 163,578
Deferred Acquisition Costs	87,304	73,838	66,220	58,653	53,017	38,712	30,387	22,976
Total Assets	860,265	711,903	553,572	511,824	426,260	277,121	234,646	201,253
Unearned Premiums	242,829	194,322	165,580	140,043	120,182	77,845	59,201	45,555
Loss and Loss Expense Reserves	63,798	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	607,952	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	252,313	379,267	322,656	311,505	289,255	185,590	169,042	150,276
Statutory Data								
Net (Loss)/Income	\$ (39,014)	\$ 30,552	\$ 14,127	\$ 9,035	\$ 5,971	\$ 7,047	\$ 7,456	\$ 3,138
Capital and Surplus	\$266,707	332,788	221,192	171,742	151,757	74,678	87,354	92,072
Contingency Reserve	90,096	70,610	63,617	102,880	78,537	60,587	44,065	30,929
Capital Base	356,804	403,398	284,809	274,622	230,294	135,265	131,419	123,002
Unearned Premium Reserve	280,345	222,558	189,135	160,308	131,429	85,575	64,267	49,535
Present Value of Installment Premiums ⁽¹⁾	165,644	109,303	84,839	59,546	55,607	34,541	24,214	14,800
Premium Resources	445,989	331,861	273,974	219,854	187,036	120,116	88,481	64,335
Loss and LAE Reserves	73,052	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	1,055,845	917,353	703,761	638,458	508,656	325,982	289,900	257,337
Financial Ratios								
<u>GAAP</u>								
Loss and LAE Ratio	153.9%	-5.7%	16.9%	10.3%	15.6%	34.8%	7.1%	7.0%
Underwriting Expense Ratio	58.1%	63.5%	63.7%	70.3%	59.8%	61.1%	66.8%	75.2%
Combined Ratio	212.0%	57.9%	80.6%	80.6%	75.4%	95.9%	73.8%	82.2%
<u>Statutory</u>								
Loss and LAE Ratio	140.6%	-9.4%	18.3%	15.9%	5.8%	18.1%	0.5%	0.0%
Underwriting Expense Ratio	44.6%	50.7%	50.8%	45.3%	43.7%	53.1%	60.5%	64.9%
Combined Ratio	185.2%	41.3%	69.1%	61.2%	49.6%	71.2%	61.0%	64.9%
Other Financial Information								
Net Par Amount Outstanding	\$ 45,393,803	\$ 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	\$ 9.26	\$ 13.93	\$ 12.47	\$ 12.02	\$ 11.17	\$ 11.06	\$ 9.86	\$ 8.76
Shareholder's Equity (Book Value)	252,313	379,267	322,656	311,505	289,255	185,590	169,042	150,276
Unearned premiums	242,829	194,322	165,580	140,043	120,182	77,845	59,201	45,555
Prepaid reinsurance premiums	2,663	2,091	-	-	-	-	-	-
Deferred Acquisition Costs	87,304	73,838	66,220	58,653	53,017	38,712	30,387	22,976
Present Value of Installment Premiums (1)	165,644	109,303	84,839	59,546	55,607	34,541	24,214	14,800
Unrealized Gains (Losses) on Investments	10,888	(5,497)	(4,540)	2,787	4,659	11,002	4,733	998
Adjusted Book Value Per Share	\$ 20.56	\$ 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 December 31, 2007 and 2006, the discount rate was 4.26% 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 ⁽¹⁾

(dollars in thousands)

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
3rd Quarter 2007		71,911,109
4th Quarter 2007	1,128,555	70,782,554
2008	3,526,250	67,256,304
2009	3,643,739	63,612,565
2010	3,921,114	59,691,451
2011	3,308,892	56,382,559
2012-2016	18,315,449	38,067,110
2017-2021	12,611,718	25,455,392
2022-2026	8,934,076	16,521,316
2027 and thereafter	<u>16,521,316</u>	-
Total	<u>71,911,109</u>	

**Estimated Net Unearned Premium Amortization and Estimated
Future Installment Premiums** ⁽¹⁾

	Net Unearned Premiums ⁽²⁾	Net Unearned Premium Amortization		Total Premium Earnings ⁽⁴⁾
		Upfront	Installments ⁽³⁾	
4th Quarter 2007	\$ 216,993			
2008	\$ 200,862	\$ 16,131	\$ 35,471	\$ 51,602
2009	\$ 185,527	\$ 15,335	\$ 30,055	\$ 45,389
2010	\$ 170,991	\$ 14,536	\$ 26,025	\$ 40,561
2011	\$ 157,114	\$ 13,877	\$ 22,771	\$ 36,648
2012-2016	\$ 99,264	\$ 57,850	\$ 75,806	\$ 133,656
2017-2021	\$ 58,590	\$ 40,675	\$ 41,486	\$ 82,160
2022-2026	\$ 31,571	\$ 27,019	\$ 31,509	\$ 58,528
2027 and thereafter	\$ -	\$ 31,571	\$ 45,800	\$ 77,370
Total		<u>\$ 216,993</u>	<u>\$ 308,922</u>	<u>\$ 525,916</u>

(1) Represents the amortization and future installments from December 31, 2007 based on existing insured issues as of the September 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.	Full Year
Public Finance	\$ 6,973	\$ 6,959	\$ 6,923	\$ 7,034	\$ 27,889
Structured Finance	6,981	6,879	9,548	8,765	32,173
Total	\$ 13,954	\$ 13,838	\$ 16,471	\$ 15,799	\$ 60,062
Refundings included in total	\$ 1,914	\$ 1,607	\$ 1,061	\$ 1,119	\$ 5,701

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

Par Value and Adjusted Premiums ⁽¹⁾
(dollars in thousands)

	4th Quarter		Full Year	
	2007	2006	2007	2006
Net Par Written	\$ 5,537,417	\$ 2,104,746	\$ 18,176,201	\$ 8,245,584
GAAP Net Premiums Written	\$ 27,073	\$ 20,340	\$ 107,998	\$ 75,486
Less: Net Installment Premiums Written	\$ 15,461	\$ 8,365	\$ 44,685	\$ 30,658
Net Upfront Premiums Written	\$ 11,612	\$ 11,975	\$ 63,313	\$ 44,828
Plus: PV of Installment Net Premiums Written	\$ 47,877	\$ 11,959	\$ 117,298	\$ 50,567
Net Adjusted Premiums Written	\$ 59,489	\$ 23,934	\$ 180,611	\$ 95,395
U.S. Public Finance	\$ 17,468	\$ 4,318	\$ 58,306	\$ 29,686
U.S. Structured Finance	\$ 21,189	\$ 12,446	\$ 56,042	\$ 32,498
U.S. Total	\$ 38,657	\$ 16,764	\$ 114,348	\$ 62,184
International Public Finance	\$ 16,084	\$ 5,624	\$ 45,222	\$ 22,340
International Structured Finance	\$ 4,748	\$ 1,546	\$ 21,041	\$ 10,871
International Total	\$ 20,832	\$ 7,170	\$ 66,263	\$ 33,211
Net Adjusted Premiums Written	\$ 59,489	\$ 23,934	\$ 180,611	\$ 95,395

(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 December 31, 2007
(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	\$ 73,270	10.5%	\$ 70,393	4.5%	\$ 3,196
Agencies	175,625	25.2%	169,874	4.9%	8,307
Corporate	123,992	17.8%	123,559	4.9%	6,110
Municipal	17,727	2.5%	16,704	6.6%	1,107
Mortgage and Asset Backed	305,919	43.9%	305,115	5.2%	15,937
Total Investments	<u>\$ 696,533</u>	<u>100.0%</u>	<u>\$ 685,645</u>	5.0%	<u>\$ 34,657</u>

Maturity

	<u>Market Value</u>	<u>% of Market Value</u>
Within 1 Year	\$ 18,034	2.6%
1 to 5 Years	145,201	20.8%
5 to 10 Years	142,540	20.5%
More than 10 Years	84,839	12.2%
Mortgage and asset-backed securities	305,919	43.9%
Total Investments	<u>\$ 696,533</u>	<u>100.0%</u>

Average life: 7.02 years

Duration: 4.83 years

**Quality Distribution
of Fixed
Income Investments**

<u>Rating</u>	<u>% of Market Value</u>
Aaa	84.4%
Aa	6.4%
A	9.2%
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.
2007				
Case Reserves	\$ 2,566	\$ 2,942	\$ 2,975	\$ 30,447
Unallocated Reserves	11,355	12,974	14,632	33,351
Total Reserves	<u>\$ 13,921</u>	<u>\$ 15,916</u>	<u>\$ 17,607</u>	<u>\$ 63,798</u>
Credit Impairments ⁽¹⁾	-	-	-	44,413
Total Portfolio Losses	<u>\$ 13,921</u>	<u>\$ 15,916</u>	<u>\$ 17,607</u>	<u>\$ 108,211</u>
2006				
Case Reserves	\$ 7,574	\$ 2,969	\$ 3,131	\$ 3,010
Unallocated Reserves	11,409	11,419	11,392	11,496
Total Reserves	<u>\$ 18,983</u>	<u>\$ 14,388</u>	<u>\$ 14,523</u>	<u>\$ 14,506</u>
Credit Impairments ⁽¹⁾	-	-	-	-
Total Portfolio Losses	<u>\$ 18,983</u>	<u>\$ 14,388</u>	<u>\$ 14,523</u>	<u>\$ 14,506</u>

Credit Derivative Mark-to-Market
(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
2007					
Opening Net Derivative Asset/(Liability)	\$ 60	\$ 29	\$ 21	\$ (28,348)	\$ 60
Unrealized Loss	(31)	(8)	(28,369)	(104,956)	(133,364)
Credit impairments ⁽¹⁾	-	-	-	(44,413)	(44,413)
Income statement Mark-to-Market	(31)	(8)	(28,369)	(149,369)	(177,777)
Closing Net Derivative Asset/(Liability)	<u>\$ 29</u>	<u>\$ 21</u>	<u>\$ (28,348)</u>	<u>\$ (177,717)</u>	<u>\$ (177,717)</u>
2006					
Opening Net Derivative Asset/(Liability)	\$ 74	\$ 71	\$ 68	\$ 60	\$ 74
Unrealized Loss	(3)	(3)	(8)	-	(14)
Credit impairments ⁽¹⁾	-	-	-	-	-
Income statement Mark-to-Market	(3)	(3)	(8)	-	(14)
Closing Net Derivative Asset/(Liability)	<u>\$ 71</u>	<u>\$ 68</u>	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ 60</u>

(1) Represents estimated impairments of reinsured credit default swap contracts

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

2007	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Acquisition and Operating Expenses:					
Operating expenses	3,327	4,302	3,713	4,551	15,893
Gross acquisition expenses	<u>6,615</u>	<u>8,935</u>	<u>8,693</u>	<u>8,209</u>	<u>32,452</u>
Gross acquisition and operating expenses	\$ 9,942	\$ 13,237	\$ 12,406	\$ 12,760	\$ 48,345
Deferred Expenses:					
Acquisition expenses	(6,495)	(8,695)	(8,470)	(7,972)	(31,632)
Operating expenses	<u>(608)</u>	<u>(632)</u>	<u>(638)</u>	<u>(641)</u>	<u>(2,519)</u>
Total deferred expenses	(7,103)	(9,327)	(9,108)	(8,613)	(34,151)
Change in deferred acquisition expenses	<u>4,738</u>	<u>4,760</u>	<u>5,920</u>	<u>5,266</u>	<u>20,684</u>
Total acquisition and operating expense, net of deferred expenses	<u>\$ 7,577</u>	<u>\$ 8,670</u>	<u>\$ 9,218</u>	<u>\$ 9,413</u>	<u>\$ 34,878</u>

2006	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Acquisition and Operating Expenses:					
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
Deferred Expenses:					
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>
Total deferred expenses	(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>
Total acquisition and operating expense, net of deferred expenses	<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	\$ 87,304
Unearned Premiums	165,580	194,322	202,498	218,471	230,899	242,829
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>165,644</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>\$ 408,473</u>
Ratio	26.4%	24.3%	24.2%	23.2%	22.8%	21.4%

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

	Insured YTD, December 31, 2007		Outstanding as of December 31, 2007	
	Net Amount	%	Net Amount	%
US Public Finance				
General Obligation and Lease	\$ 2,761	15.2%	\$ 7,964	17.5%
Tax backed	483	2.7%	2,571	5.7%
Transportation	838	4.6%	3,078	6.8%
Healthcare	459	2.5%	2,570	5.7%
Utility	1,109	6.1%	3,723	8.2%
Investor Owned Utilities	249	1.4%	769	1.7%
Higher Education	459	2.5%	813	1.8%
Housing	41	0.2%	383	0.8%
Other	210	1.2%	349	0.8%
Total US Public Finance	\$ 6,608	36.4%	\$ 22,219	48.9%
US Structured Finance				
Commercial ABS	\$ 5,254	28.9%	\$ 9,221	20.3%
Home Equity	1,063	5.8%	1,815	4.0%
Autos	381	2.1%	608	1.3%
Mortgage Backed Securities	555	3.1%	673	1.5%
Banks and Other Corporate	127	0.7%	242	0.5%
Other Consumer ABS	283	1.6%	572	1.3%
Total US Structured Finance	\$ 7,663	42.2%	\$ 13,131	28.9%
International				
Asset Backed	\$ 2,113	11.6%	\$ 5,052	11.1%
Public Finance	1,026	5.6%	3,119	6.9%
Investor Owned Utilities and Other	767	4.2%	1,873	4.1%
Total International	\$ 3,905	21.5%	\$ 10,044	22.1%
Total	\$ 18,176	100.0%	\$ 45,394	100.0%

* 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)

	Insured YTD, December 31, 2007		Outstanding as of December 31, 2007	
	Net Amount	%	Net Amount	%
Geographic Distribution				
United States				
CALIFORNIA	\$ 1,540	8.5%	\$ 3,618	8.0%
NEW YORK	915	5.0%	2,652	5.8%
FLORIDA	404	2.2%	1,559	3.4%
ILLINOIS	361	2.0%	1,358	3.0%
TEXAS	318	1.7%	1,291	2.8%
MASSACHUSETTS	366	2.0%	957	2.1%
NEW JERSEY	227	1.2%	794	1.7%
WASHINGTON	151	0.8%	785	1.7%
PENNSYLVANIA	173	1.0%	730	1.6%
PUERTO RICO	227	1.2%	717	1.6%
OTHER STATES	2,275	12.5%	8,031	17.7%
MULTI-STATE	7,314	40.2%	12,859	28.3%
US Sub-total	\$ 14,271	78.5%	\$ 35,350	77.9%
International				
United Kingdom	\$ 1,686	9.3%	\$ 3,872	8.5%
Australia	382	2.1%	1,084	2.4%
Italy	150	0.8%	660	1.5%
Germany	73	0.4%	413	0.9%
Canada	111	0.6%	310	0.7%
Japan	95	0.5%	181	0.4%
Turkey	83	0.5%	175	0.4%
France	178	1.0%	159	0.3%
Chile	-	0.0%	122	0.3%
Mexico	41	0.2%	119	0.3%
Other Countries	325	1.8%	597	1.3%
Multinational	783	4.3%	2,351	5.2%
Int. Sub-total	\$ 3,905	21.5%	\$ 10,044	22.1%
Total Par	\$ 18,176	100.0%	\$ 45,394	100.0%

RAM Holdings Ltd.
Largest Exposures
Net Par Outstanding
as of December 31, 2007
(dollars in millions)

Top 10 Largest Public Finance Exposures:	Country	NPO	RAM Re Rating ¹
1 Chicago, IL	US	\$ 287	A+
2 Washington (State of) - GO/Appropriation	US	281	AA
3 Massachusetts (State of) - GO Appropriation	US	267	AA
4 California (State of) - GO/Appropriation	US	256	A+
5 Clark County SD, NV - GO	US	250	AA-
6 Puerto Rico Highway & Transportation Authority	US	244	BBB
7 Region of Campania	ITA	232	A-
8 Port Authority of New York and New Jersey	US	226	AA-
9 New Jersey (State of) GO / Appropriation	US	224	AA-
10 New York City, NY	US	<u>222</u>	AA-
Total		<u>\$ 2,488</u>	

Top 10 Largest Structured Finance Exposures:	Country	NPO	RAM Re Rating ¹
1 Super Senior Synthetic Pooled IG CMBS	US	\$ 175	AAA
2 Private Residential Mortgage-Backed Securities	GBR	172	AAA
3 Market Value CLO	US	163	AAA
4 Synthetic CDO of CLOs, CDOs and RMBS	US	150	BIG
5 Super Senior Synthetic Pooled IG CMBS	US	150	AAA
6 Telereal Securitisation plc	GBR	148	AA-
7 Super Senior Synthetic Managed CDO of Corporates and ABS	MULTI	135	AAA
8 Super Senior Synthetic Managed CDO of Corporates and ABS	MULTI	130	AAA
9 Market Value CLO	US	128	AAA
10 First Lien Adjustable-Rate Residential Mortgage-Backed Securities	US	<u>128</u>	AAA
Total		<u>\$ 1,479</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 January 19, 2008.

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

	Insured YTD, December 31, 2007 ¹		Outstanding as of December 31, 2007 ²	
	Net Amount	%	Net Amount	%
Public Finance				
AAA	\$ 363	4.3%	\$ 680	2.5%
AA	3,499	41.7%	10,399	38.2%
A	3,058	36.4%	10,836	39.8%
BBB	1,475	17.6%	5,203	19.1%
Below Investment Grade	-	0.0%	87	0.3%
Total	\$ 8,394	100.0%	\$ 27,205	100.0%

	Insured YTD, December 31, 2007 ¹		Outstanding as of December 31, 2007 ²	
	Net Amount	%	Net Amount	%
Structured Finance				
AAA	\$ 7,216	73.8%	\$ 10,817	59.5%
AA	314	3.2%	1,202	6.6%
A	619	6.3%	1,939	10.7%
BBB	1,633	16.7%	3,127	17.2%
Below Investment Grade	-	0.0%	1,105	6.1%
Total	\$ 9,782	100.0%	\$ 18,189	100.0%

	Insured YTD, December 31, 2007 ¹		Outstanding as of December 31, 2007 ²	
	Net Amount	%	Net Amount	%
Total				
AAA	\$ 7,579	41.7%	\$ 11,497	25.3%
AA	3,812	21.0%	11,600	25.6%
A	3,677	20.2%	12,775	28.1%
BBB	3,108	17.1%	8,329	18.3%
Below Investment Grade	-	0.0%	1,192	2.6%
Total	\$ 18,176	100.0%	\$ 45,394	100.0%

1. Original ratings assigned at initial underwriting.

2. Rating assigned by RAM Re, which takes into consideration ratings assigned by the primaries and the rating agencies. Ratings are assigned as of January 19, 2008

RAM Holdings Ltd.
Non-Investment Grade Exposures
Net Par Outstanding
as of December 31, 2007
(dollars in millions)

Non-Investment Grade Exposures by:	Net Par Outstanding	Average RAM Re Rating^{1*}
<u>Asset Type</u>		
US Public Finance		
General Obligation and Lease	\$ 5	BB
Tax backed	5	BB
Transportation	32	CCC
Healthcare	2	B+
Utility	0	BB
Investor Owned Utilities	-	
Higher Education	2	BB+
Housing	1	B
Other	1	BB-
Total US Public Finance	\$ 47	NA
US Structured Finance		
Commercial ABS	\$ 617	B-
Home Equity	444	CC+
Autos	-	
Mortgage Backed Securities	21	B
Banks and Other Corporate	-	
Other Consumer ABS	-	
Total US Structured Finance	\$ 1,081	NA
International		
Public Finance	\$ 40	CCC
Asset Backed	24	CCC
Total International	\$ 64	NA
Total	\$ 1,192	NA

Top Ten Non-Investment Grade Exposures as of	December 31, 2007
<u>Name or Description</u>	<u>Net Par Outstanding</u>
1 Synthetic CDO of CLOs, CDOs and RMBS	\$ 150
2 High Grade ABS CDO	\$ 100
3 High Grade ABS CDO	\$ 59
4 Greenpoint Mortgage Funding Trust 2006-HE1	\$ 50
5 High Grade ABS CDO	\$ 48
6 CWHEQ Revolving Home Equity Loan Trust, 2006-E	\$ 47
7 High Grade ABS CDO	\$ 40
8 Metronet Rail SSL & BCV Finance Plc	\$ 39
9 High Grade ABS CDO	\$ 37
10 High Grade ABS CDO	\$ 32
Total Top Ten Non-Investment Grade Exposures	\$ 604

* 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 January 19, 2008.

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. 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 4.26% at December 31, 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.