



RAM Holdings Ltd.
Quarterly Operating Supplement ^{(1) (2)}
June 30, 2008

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⁽¹⁾ Information included in this report is unaudited

⁽²⁾ Par amounts written on pages 7, 12, 13 and 15 of this report were revised on August 18, 2008

RAM Holdings Ltd.
Consolidated Balance Sheets
(unaudited)
As at June 30, 2008 and December 31, 2007
(dollars in thousands)

	June 30, 2008	December 31, 2007
Assets		
Investments:		
Fixed-maturity securities held as available for sale, at fair value (Amortized Cost: \$692,684 and \$685,645)	\$ 694,842	\$ 696,533
Cash and cash equivalents	13,849	12,326
Restricted cash	5,549	8,178
Accrued investment income	6,309	6,465
Premiums receivable	1,134	3,645
Recoverable on paid losses	952	1,808
Deferred policy acquisition costs	87,381	87,304
Prepaid reinsurance premiums	3,406	2,663
Other receivables	4,000	-
Deferred expenses	1,671	1,753
Prepaid expenses	2,031	195
Other financial instruments (at fair value)	40,250	35,330
Other assets	3,362	4,065
Total Assets	\$ 864,736	\$ 860,265
 Liabilities and Shareholders' Equity		
Liabilities:		
Loss and loss expense reserve	\$ 123,002	\$ 63,798
Unearned premiums	224,495	239,957
Reinsurance balances payable	19,385	539
Accounts payable and accrued liabilities	2,515	3,463
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	195,510	180,589
Other liabilities	3,183	3,913
Total Liabilities	683,783	607,952
Shareholders' Equity:		
Common stock: \$0.10 par value; authorized shares - 90,000,000; Issued and outstanding shares - 27,251,404 shares at June 30, 2008 and 27,238,976 at December 31, 2007	2,725	2,724
Additional paid-in capital	229,957	229,379
Accumulated other comprehensive income	2,158	10,888
Retained (deficit)/earnings	(53,887)	9,322
Total Shareholders' Equity	180,953	252,313
Total Liabilities and Shareholders' Equity	\$ 864,736	\$ 860,265

RAM Holdings Ltd.
Consolidated Statements of Operations
(unaudited)

For the three and six months ended June 30, 2008 and 2007

(dollars in thousands except share and per share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Revenues				
Gross premiums written	\$ (161)	\$ 27,797	\$ 17,485	\$ 48,511
Ceded premiums	(22)	-	(1,021)	-
Net premiums written	\$ (183)	\$ 27,797	\$ 16,464	\$ 48,511
Change in unearned premiums	19,654	(15,752)	16,205	(23,957)
Premiums earned	19,471	12,045	32,669	24,554
Change in fair value of credit derivatives				
Realized gains and other settlements	2,712	1,172	5,326	2,181
Unrealized gains (losses)	151,535	(8)	(14,849)	(39)
Net change in fair value of credit derivatives	154,247	1,164	(9,523)	2,142
Net investment income	8,320	8,404	16,532	16,050
Net realized gains (losses) on investments	665	(8)	(247)	(8)
Net unrealized gains on other financial instruments	3,580	-	4,920	-
Total revenues	186,283	21,605	44,351	42,738
Expenses				
Losses and loss adjustment expenses	45,752	935	83,280	(80)
Acquisition expenses	6,768	4,381	11,387	8,802
Operating expenses	3,997	3,668	8,705	6,388
Interest expense	3,506	3,505	4,188	4,188
Total expenses	60,023	12,489	107,560	19,298
Net Income/(Loss)	\$ 126,260	\$ 9,116	\$ (63,209)	\$ 23,440
Net income/(loss) per common share:				
Basic	\$ 4.63	\$ 0.33	\$ (2.32)	\$ 0.86
Diluted	4.63	0.33	(2.32)	0.86
Weighted-average number of common shares outstanding:				
Basic	27,250,453	27,234,284	27,246,885	27,236,027
Diluted	27,250,453	27,391,901	27,246,885	27,372,945
Operating (Loss)/Earnings				
Net income (loss)	\$ 126,260	\$ 9,116	\$ (63,209)	\$ 23,440
Less: Realized (gains) losses on investments	(665)	8	247	8
Less: Unrealized (gains) losses on credit derivatives	(151,535)	8	14,849	39
Add back: credit impairment on derivatives	(86,659)	-	(99,049)	-
Less: Unrealized gains on other financial instruments	(3,580)	-	(4,920)	-
Operating (Loss)/Earnings	\$ (116,179)	\$ 9,132	\$ (152,082)	\$ 23,487
Net income/(loss) per diluted share				
Less: Realized (gains) losses on investments	(0.02)	0.00	0.01	0.00
Less: Unrealized (gains) losses on credit derivatives	(5.56)	0.00	0.55	0.00
Add back: credit impairment on derivatives	(3.18)	-	(3.63)	-
Less: Unrealized gains on other financial instruments	(0.13)	-	(0.18)	-
Operating (loss)/earnings per diluted share	\$ (4.26)	\$ 0.33	\$ (5.58)	\$ 0.86

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

Financial Ratios	2nd Quarter		Year-to-date	
	2008	2007	2008	2007
GAAP Basis ⁽¹⁾				
Loss and LAE Ratio	235.0%	7.8%	254.9%	-0.3%
Underwriting Expense Ratio	55.3%	66.8%	61.5%	61.9%
Combined Ratio	290.3%	74.6%	316.4%	61.6%
Non GAAP basis ⁽²⁾				
Loss and LAE Ratio ⁽³⁾	568.7%	6.8%	452.7%	-0.3%
Underwriting Expense Ratio ⁽⁴⁾	51.0%	62.6%	55.6%	58.5%
Combined Ratio	619.7%	69.4%	508.3%	58.2%
Per Share Data				
<u>Shareholder's Equity (Book Value)</u>	\$6.64	\$14.49	\$6.64	\$14.49
Unearned premiums ⁽⁵⁾	8.35	8.02	8.35	\$8.02
Prepaid Reinsurance Premiums	(0.12)	(0.07)	(0.12)	(\$0.07)
Deferred Acquisition Costs	(3.21)	(2.97)	(3.21)	(\$2.97)
Present Value of Installment Premiums ⁽⁶⁾	7.02	4.76	7.02	4.76
Unrealized Gains (Losses) on Investments	(0.08)	0.51	(0.08)	0.51
<u>Adjusted Book Value</u>	\$18.60	\$24.74	\$18.60	\$24.74
Shares outstanding	27,251,404	27,238,785		

Statutory Basis (estimated)	2nd Quarter		Year-to-date	
	2008	2007	2008	2007
Financial Ratios				
Loss and LAE Ratio	638.8%	(5.6)%	480.6%	(7.0)%
Underwriting Expense Ratio	284.5%	42.7%	100.2%	46.2%
Combined Ratio	923.3%	37.1%	580.8%	39.2%
Balance Sheet				
	6/30/2008	12/31/2007		
Capital and Surplus	\$97,020	\$266,707		
Contingency Reserve	98,259	90,096		
Capital Base	\$195,278	\$356,804		
Unearned Premium Reserve	266,178	280,345		
Present Value of Installment Premiums ⁽⁶⁾	191,325	165,644		
Premium Resources	457,503	445,989		
Loss and LAE Reserves (incl. credit impairment)	233,962	73,052		
Soft Capital Credit Facilities	180,000	180,000		
Total Claims-Paying Resources	\$1,066,743	\$1,055,845		
Debt Service Outstanding	\$75,556,651	\$71,911,109		
Capital Ratio ⁽⁷⁾	387:1	202:1		
Claims-Paying Ratio ⁽⁸⁾	71:1	68:1		

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

(2) Non GAAP ratios calculated including amounts relating to credit derivative policies.

(3) Calculated by dividing loss and loss adjustment expenses plus change in credit impairments by net earned premiums (including earned premiums on credit derivatives).

(4) Calculated by dividing acquisition expenses plus operating expenses plus acquisition costs on credit derivatives by net earned premiums (including earned premiums on credit derivative policies).

(5) Including unearned premium amounts relating to credit derivative policies

(6) Present value of future installments, including credit derivative policies, net of ceding commissions, are current estimates and may differ from premium amounts ultimately written and earned. At June 30, 2008 and December 31, 2007, the discount rate was 2.65% and 4.26%, respectively. Includes amounts relating to credit derivative policies.

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

(8) 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)

	Q2	As Reclassified ⁽¹⁾			
	2008	2007	2006	2005	2004
GAAP Summary Income Statement Data					
Insurance					
Gross Premiums Written	\$ 17,485	\$ 98,501	\$ 73,219	\$ 63,163	\$ 63,732
Net Premiums Written	16,464	97,749	71,073	63,163	63,732
Premiums Earned	32,669	51,005	44,292	39,036	32,375
Net change in fair value of credit derivatives	(9,523)	(171,806)	3,190	(157)	4,350
Net Investment Income	16,532	33,148	24,236	18,202	16,824
Realized Gains/(Losses) on Investments	(247)	(3,604)	(1,002)	(1,584)	536
Unrealized Gain on Other Financial Instruments	4,920	35,330	-	-	-
Loss and Loss Adjustment Expenses	83,280	48,026	(2,781)	7,204	3,579
Acquisition Expenses	11,387	18,418	16,315	14,424	12,634
Operating Expenses	8,705	13,373	13,379	11,531	11,032
Interest Expense	4,188	8,375	2,750	2,750	2,106
Net (Loss)/Income	(63,209)	(144,119)	41,053	19,588	24,734
ROE ⁽³⁾ *	-58.36%	-45.64%	11.70%	6.18%	8.23%
Operating ROE ⁽⁴⁾ *	-144.76%	-13.57%	11.82%	7.45%	7.23%
GAAP Summary Balance Sheet Data					
Investments	\$ 694,842	\$ 696,533	\$ 578,589	\$ 469,908	\$ 404,906
Deferred Acquisition Costs	87,381	87,304	73,838	66,220	58,653
Total Assets	864,736	860,265	711,843	553,498	511,413
Unearned Premiums	224,495	239,957	192,641	163,769	139,632
Loss and Loss Expense Reserves	123,002	63,798	14,506	16,595	15,493
Derivative Liability	195,510	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	-	-
Total Liabilities	683,783	607,952	332,576	230,842	199,908
Shares outstanding	27,251	27,239	27,235	25,885	25,917
Shareholders' Equity	180,953	252,313	379,267	322,656	311,505
Statutory Data					
Net (Loss)/Income	\$ (153,736)	\$ (39,014)	\$ 30,552	\$ 14,127	\$ 9,035
Capital and Surplus	\$97,020	266,707	332,788	221,192	171,742
Contingency Reserve	98,259	90,096	70,610	63,617	102,880
Capital Base	\$195,278	356,804	403,398	284,809	274,622
Unearned Premium Reserve	266,178	280,345	222,558	189,135	160,308
Present Value of Installment Premiums ⁽²⁾	191,325	165,644	109,303	84,839	59,546
Premium Resources	457,503	445,989	331,861	273,974	219,854
Loss and LAE Reserves	233,962	73,052	2,094	4,978	3,982
Soft Capital Credit Facilities	180,000	180,000	180,000	140,000	140,000
Total Claims-Paying Resources	1,066,743	1,055,845	917,353	703,761	638,458
Financial Ratios					
<u>GAAP</u>					
Loss and LAE Ratio	254.9%	94.2%	-6.3%	18.5%	11.1%
Underwriting Expense Ratio	61.5%	62.3%	67.0%	66.5%	73.1%
Combined Ratio	316.4%	156.5%	60.8%	84.9%	84.2%
<u>Statutory</u>					
Loss and LAE Ratio	480.6%	140.6%	-9.4%	18.3%	15.9%
Underwriting Expense Ratio	100.2%	44.6%	50.7%	50.8%	45.3%
Combined Ratio	580.8%	185.2%	41.3%	69.1%	61.2%
Other Financial Information					
Net Par Amount Outstanding	\$ 47,080,585	\$ 45,393,803	\$ 31,118,714	\$ 27,054,260	\$ 22,154,050
Book Value Per Share	\$ 6.64	\$ 9.26	\$ 13.93	\$ 12.47	\$ 12.02
Adjusted Book Value Per Share	\$ 18.60	\$ 20.56	\$ 22.49	\$ 19.76	\$ 17.35
<u>Operating Book Value</u>					
Shareholders' Equity (Book Value)	180,953	252,313	379,267	322,656	311,505
Derivative Liability (Asset) ⁽⁵⁾	192,566	177,717	(60)	(74)	(2,600)
Add back credit impairments on derivatives	143,462	44,413	-	-	-
Fair value of other financial instruments	40,250	35,330	-	-	-
Operating book value per share	6.97	12.86	13.92	12.46	11.92
Unearned premiums ⁽⁶⁾	227,439	242,829	194,322	165,580	140,043
Prepaid reinsurance premiums	3,406	2,663	2,091	-	-
Deferred Acquisition Costs	87,381	87,304	73,838	66,220	58,653
Present Value of Installment Premiums ⁽²⁾	191,325	165,644	109,303	84,839	59,546
Unrealized Gains (Losses) on Investments	2,158	10,888	(5,497)	(4,540)	2,787
Adjusted Operating Book Value Per Share	\$ 18.92	\$ 24.15	\$ 22.49	\$ 19.75	\$ 17.25

- (1) Includes reclassification of balance sheet, income and expense items related to credit derivative contracts reinsured by the Company.
(2) 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 June 30, 2008 and December 31, 2007, the discount rate was 2.65% and 4.26%, respectively. Includes amounts relating to credit derivative policies.
(3) Net income divided by average shareholders' equity.
(4) Operating earnings divided by average shareholders' equity, excluding accumulated other comprehensive income.
(5) Excludes unearned premium balances on credit derivative policies.
(6) Includes unearned premium balances on credit derivative policies.
* ROE and Operating ROE is annualized if period is less than 12 months

RAM Holdings Ltd.
Estimated Net Debt Service Amortization ^{(1) (6)}

(dollars in thousands)

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
1st Quarter 2008		75,556,651
2nd Quarter 2008	891,807	74,664,844
3rd Quarter 2008	1,097,148	73,567,696
4th Quarter 2008	859,697	72,707,999
2009	3,826,033	68,881,966
2010	4,139,054	64,742,912
2011	3,749,497	60,993,415
2012	4,536,013	56,457,403
2013-2017	19,170,867	37,286,535
2018-2022	11,492,546	25,793,989
2023-2027	9,084,846	16,709,143
2028 and thereafter	16,709,143	-
Total	<u>75,556,651</u>	

**Estimated Net Unearned Premium Amortization and Estimated
Future Installment Premiums** ^{(1) (6)}

	Net Unearned Premiums ⁽²⁾	Net Unearned Premium Amortization		Total Premium Earnings ⁽⁴⁾
		Upfront	Installments ⁽³⁾	
2nd Quarter 2008	\$ 228,697			
3rd Quarter 2008	\$ 224,218	\$ 4,479	\$ 9,944	\$ 14,423
4th Quarter 2008	\$ 219,804	\$ 4,414	\$ 9,803	\$ 14,217
2009	\$ 202,854	\$ 16,950	\$ 35,958	\$ 52,908
2010	\$ 186,828	\$ 16,025	\$ 32,590	\$ 48,616
2011	\$ 171,521	\$ 15,307	\$ 29,317	\$ 44,624
2012	\$ 156,897	\$ 14,624	\$ 25,019	\$ 39,643
2013-2017	\$ 97,093	\$ 59,804	\$ 74,142	\$ 133,946
2018-2022	\$ 55,428	\$ 41,664	\$ 42,527	\$ 84,191
2023-2027	\$ 27,851	\$ 27,578	\$ 30,037	\$ 57,614
2028 and thereafter	\$ -	\$ 27,851	\$ 47,231	\$ 75,082
Total		<u>\$ 228,697</u>	<u>\$ 336,568</u>	<u>\$ 565,265</u>

(1) Represents the amortization and future installments from June 30, 2008 based on existing insured issues as of the March 31, 2008.

(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.

(5) Includes exposures and earnings relating to credit derivative policies

(6) Figures include the debt service amortization and premium earnings on policies with XL Financial Assurance Ltd which were commuted in July 2008

RAM Holdings Ltd.
Net Premiums Earned Analysis ⁽¹⁾

(dollars in thousands)

2008	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
Public Finance	\$ 6,398	\$ 12,815	\$ -	\$ -	\$ 19,213
Structured Finance	6,800	6,656	-	-	13,456
Total	<u>\$ 13,198</u>	<u>\$ 19,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,669</u>
Refundings included in total	\$ 534	\$ 9,055	\$ -	\$ -	\$ 9,589

2007	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
Public Finance	\$ 6,924	\$ 6,884	\$ 6,821	\$ 6,884	\$ 27,513
Structured Finance	5,585	5,161	6,957	5,788	23,491
Total	<u>\$ 12,509</u>	<u>\$ 12,045</u>	<u>\$ 13,778</u>	<u>\$ 12,672</u>	<u>\$ 51,004</u>
Refundings included in total	\$ 1,914	\$ 1,607	\$ 1,061	\$ 1,119	\$ 5,701

Par Value and Adjusted Premiums ⁽²⁾
(dollars in thousands)

	2nd Quarter		Year-to-Date	
	2008	2007	2008	2007
Net Par Written	\$ 472,761	\$ 3,488,867	\$ 4,756,736	\$ 5,823,135
GAAP Net Premiums Written	\$ (183)	\$ 27,797	\$ 16,464	\$ 48,511
Add: Commutation of premiums ⁽⁴⁾	10,225	-	10,225	-
Add: Net Premiums Written on CDS ⁽³⁾	3,760	2,042	7,681	3,486
Total Net Premiums Written	<u>\$ 13,802</u>	<u>\$ 29,839</u>	<u>\$ 34,370</u>	<u>\$ 51,997</u>
Less: Net Installment Premiums Written	12,449	8,956	23,904	16,645
Net Upfront Premiums Written	1,353	20,883	10,466	35,352
Plus: PV of Installment Net Premiums Written	<u>4,670</u>	<u>22,696</u>	<u>36,790</u>	<u>35,106</u>
Net Adjusted Premiums Written	\$ 6,023	\$ 43,579	\$ 47,256	\$ 70,458
U.S. Public Finance	1,918	17,769	13,057	27,398
U.S. Structured Finance	<u>1,866</u>	<u>10,541</u>	<u>21,014</u>	<u>15,552</u>
U.S. Total	3,784	28,310	34,071	42,950
International Public Finance	25	11,669	5,173	18,694
International Structured Finance	<u>2,214</u>	<u>3,600</u>	<u>8,012</u>	<u>8,814</u>
International Total	2,239	15,269	13,185	27,508
Net Adjusted Premiums Written	<u>\$ 6,023</u>	<u>\$ 43,579</u>	<u>\$ 47,256</u>	<u>\$ 70,458</u>

(1) Excludes premiums relating to credit derivative policies.

(2) 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.

(3) Premiums Written relating to credit derivative policies

(4) Relates to premiums on policies commuted back to our ceding companies during the second quarter of 2008

RAM Holdings Ltd
Investment Portfolio
As of June 30, 2008
(dollars in thousands)

Fixed Income Securities

	<u>Market Value</u>	% of Market Value	<u>Amortized Cost</u>	<u>Book Yield</u>	<u>Annualized Income</u>
U.S.Treasuries	\$ 71,462	10.3%	\$ 68,991	4.4%	\$ 3,022
Agencies	115,667	16.6%	113,002	4.7%	5,277
Corporate	144,592	20.8%	145,752	5.0%	7,251
Municipal	44,751	6.4%	44,314	4.9%	2,149
Mortgage and Asset Backed	318,370	45.8%	320,625	5.1%	16,245
Total Investments	<u>\$ 694,842</u>	<u>100.0%</u>	<u>\$ 692,684</u>	4.9%	<u>\$ 33,944</u>

Maturity

	<u>Market Value</u>	% of Market Value
Within 1 Year	\$ 23,440	3.4%
1 to 5 Years	167,349	24.1%
5 to 10 Years	133,575	19.2%
More than 10 Years	52,108	7.5%
Mortgage and asset-backed securities	318,370	45.8%
Total Investments	<u>\$ 694,842</u>	<u>100.0%</u>

Average life: 6.05 years

Duration: 4.34 years

**Quality Distribution
of Fixed
Income Investments**

<u>Rating</u>	% of Market Value
Aaa	79.9%
Aa	7.2%
A	12.7%
BIG	0.2%
	<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.
2008				
Case Reserves	\$ 51,049	\$ 91,451	\$ -	\$ -
Unallocated Reserves	43,281	31,551	-	-
Total Reserves	<u>\$ 94,330</u>	<u>\$ 123,002</u>	<u>\$ -</u>	<u>\$ -</u>
Credit Impairments ⁽¹⁾	56,804	143,463	-	-
Total Portfolio Losses	<u>\$ 151,134</u>	<u>\$ 266,465</u>	<u>\$ -</u>	<u>\$ -</u>
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>

(1) Represents estimated impairments of reinsured credit derivative contracts

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

2008	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Acquisition and Operating Expenses:					
Operating expenses	5,177	4,405	-	-	9,582
Gross acquisition expenses	5,042	(98)	-	-	4,944
Gross acquisition and operating expenses	\$ 10,219	\$ 4,307	\$ -	\$ -	\$ 14,526
Deferred Expenses:					
Acquisition expenses	(6,034)	(894)	-	-	(6,928)
Operating expenses	(468)	(409)	-	-	(877)
Total deferred expenses	(6,502)	(1,303)	-	-	(7,805)
Change in deferred acquisition expenses	5,611	7,761	-	-	13,372
Total acquisition and operating expense, net of deferred expenses	\$ 9,328	\$ 10,765	\$ -	\$ -	\$ 20,093

2007	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Acquisition and Operating Expenses:					
Operating expenses	3,327	4,302	3,713	4,551	15,893
Gross acquisition expenses	6,179	8,315	7,870	7,001	29,365
Gross acquisition and operating expenses	\$ 9,506	\$ 12,617	\$ 11,583	\$ 11,552	\$ 45,258
Deferred Expenses:					
Acquisition expenses	(6,495)	(8,695)	(8,470)	(7,972)	(31,632)
Operating expenses	(608)	(632)	(638)	(641)	(2,519)
Total deferred expenses	(7,103)	(9,327)	(9,108)	(8,613)	(34,151)
Change in deferred acquisition expenses	4,738	4,760	5,920	5,266	20,684
Total acquisition and operating expense, net of deferred expenses	\$ 7,141	\$ 8,050	\$ 8,395	\$ 8,205	\$ 31,791

Deferred Expenses to Deferred Premiums Ratio
(dollars in thousands)

	2006	2007	1st Qtr. 2008	2nd Qtr. 2008	3rd Qtr. 2008	4th Qtr. 2008
Deferred Acquisition Costs	\$ 73,838	\$ 87,304	\$ 88,196	\$ 87,381	\$ -	\$ -
Unearned Premiums	192,641	239,957	244,360	224,495	-	-
Present Value of Future Installment Premiums	109,303	165,644	192,877	191,325	-	-
Adjusted Deferred Premiums	\$ 301,944	\$ 405,601	\$ 437,237	\$ 415,820	\$ -	\$ -
Ratio	24.5%	21.5%	20.2%	21.0%		

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

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
2008					
Gross Premiums Written	\$ 3,921	\$ 3,760	\$ -	\$ -	\$ 7,681
Change in Unearned Premiums	(126)	54	-	-	(72)
Premiums Earned	<u>\$ 3,795</u>	<u>\$ 3,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,609</u>
Acquisition Expenses	1,181	1,102	-	-	2,283
Losses and Loss Adjustment Expenses	-	-	-	-	-
Net Realized Gains (Losses) on Credit Derivatives	<u>2,614</u>	<u>2,712</u>	<u>-</u>	<u>-</u>	<u>5,326</u>
Net Unrealized Gains (Losses) on Credit Derivatives ⁽¹⁾	<u>(166,384)</u>	<u>151,535</u>	<u>-</u>	<u>-</u>	<u>(14,849)</u>
Net Change in Fair Value of Credit Derivatives	<u>\$ (163,770)</u>	<u>\$ 154,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,523)</u>
2007					
Gross Premiums Written	\$ 1,444	\$ 2,042	\$ 2,734	\$ 4,028	\$ 10,248
Change in Unearned Premiums	1	(250)	(41)	(901)	(1,191)
Premiums Earned	<u>\$ 1,445</u>	<u>\$ 1,792</u>	<u>\$ 2,693</u>	<u>\$ 3,127</u>	<u>\$ 9,057</u>
Acquisition Expenses	436	620	823	1,208	3,087
Losses and Loss Adjustment Expenses	-	-	-	-	-
Net Realized Gains (Losses) on Credit Derivatives	<u>1,009</u>	<u>1,172</u>	<u>1,870</u>	<u>1,919</u>	<u>5,970</u>
Net Unrealized Gains (Losses) on Credit Derivatives ⁽¹⁾	<u>(31)</u>	<u>(8)</u>	<u>(28,369)</u>	<u>(149,369)</u>	<u>(177,777)</u>
Net Change in Fair Value of Credit Derivatives	<u>\$ 978</u>	<u>\$ 1,164</u>	<u>\$ (26,499)</u>	<u>\$ (147,450)</u>	<u>\$ (171,807)</u>

Credit Derivative Liability
(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
2008					
Opening Net Derivative Asset/(Liability)	\$ (180,589)	\$ (347,099)	\$ -	\$ -	\$ (180,589)
Unrealized Loss	(153,994)	238,194	-	-	84,200
Credit impairments ⁽²⁾	(12,390)	(86,659)	-	-	(99,049)
Change in unearned premiums on credit derivatives	(126)	54	-	-	(72)
Net movement in Asset (Liability)	<u>(166,510)</u>	<u>151,589</u>	<u>-</u>	<u>-</u>	<u>(14,921)</u>
Closing Net Derivative Asset/(Liability)	<u>\$ (347,099)</u>	<u>\$ (195,510)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (195,510)</u>
2007					
Opening Net Derivative Asset/(Liability)	\$ (1,621)	\$ (1,651)	\$ (1,909)	\$ (30,319)	\$ (1,621)
Unrealized Loss	(31)	(8)	(28,369)	(104,956)	(133,364)
Credit impairments ⁽²⁾	-	-	-	(44,413)	(44,413)
Change in unearned premiums on credit derivatives	1	(250)	(41)	(901)	(1,191)
Net movement in Asset (Liability)	<u>(30)</u>	<u>(258)</u>	<u>(28,410)</u>	<u>(150,270)</u>	<u>(178,968)</u>
Closing Net Derivative Asset/(Liability)	<u>\$ (1,651)</u>	<u>\$ (1,909)</u>	<u>\$ (30,319)</u>	<u>\$ (180,589)</u>	<u>\$ (180,589)</u>

(1) Includes 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^{1,2}
(dollars in millions)

	Insured YTD, June 30, 2008			Outstanding as of June 30, 2008		
	Before Commutations Net Amount	%	After Commutations Net Amount	Net Amount	%	
US Public Finance						
General Obligation and Lease	\$ 682	14.3%	\$ (29)	\$ 7,748	17.9%	
Tax backed	44	0.9%	(75)	2,449	5.7%	
Transportation	449	9.4%	187	3,223	7.4%	
Healthcare	290	6.1%	190	2,635	6.1%	
Utility	292	6.1%	141	3,697	8.5%	
Investor Owned Utilities	141	3.0%	107	806	1.9%	
Higher Education	88	1.9%	32	833	1.9%	
Housing	64	1.3%	26	370	0.9%	
Other	26	0.6%	15	353	0.8%	
Total US Public Finance	\$ 2,076	43.6%	\$ 594	\$ 22,114	51.1%	
US Structured Finance						
Commercial ABS	\$ 627	13.2%	\$ (936)	\$ 8,022	18.5%	
Home Equity ³	32	0.7%	(150)	1,179	2.7%	
Autos	400	8.4%	313	772	1.8%	
Mortgage Backed Securities ³	135	2.8%	15	951	2.2%	
Banks and Other Corporate	-	0.0%	(54)	87	0.2%	
Other Consumer ABS	338	7.1%	237	789	1.8%	
Total US Structured Finance	\$ 1,531	32.2%	\$ (576)	\$ 11,800	27.3%	
International						
Asset Backed	\$ 754	15.8%	\$ 523	\$ 5,041	11.7%	
Public Finance	340	7.1%	(405)	2,696	6.2%	
Investor Owned Utilities and Other	57	1.2%	(215)	1,614	3.7%	
Total International	\$ 1,150	24.2%	\$ (97)	\$ 9,351	21.6%	
Total	\$ 4,757	100.0%	\$ (79)	\$ 43,264	100.0%	

¹ All net par outstanding reported herein is based on a one-quarter lag.

² On July 25, 2008, RAM entered into a commutation agreement with Syncora Guaranty Re (formerly XL Financial Assurance) ("XLFA") to commute all business assumed by RAM back to XLFA. Accordingly, the outstanding par in the table above excludes all exposures previously assumed by RAM from XLFA. Also excluded are two portfolios commuted to two other primaries on June 30, 2008 totaling approximately \$1 billion.

³ In Q2 2008, RAM reclassified several credits between the bond types Home Equity and Mortgage Backed Securities.

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

	<u>Insured YTD, June 30, 2008</u>			<u>Outstanding as of June 30, 2008</u>		
	Before Commutations Net Amount	%	After Commutations Net Amount	Net Amount	%	
Geographic Distribution						
United States						
California	\$ 331	7.0%	\$ 137	\$ 3,643	8.4%	
New York	271	5.7%	(293)	2,255	5.2%	
Florida	87	1.8%	(38)	1,500	3.5%	
Illinois	136	2.9%	44	1,343	3.1%	
Texas	96	2.0%	19	1,274	2.9%	
Massachusetts	(1)	0.0%	(3)	944	2.2%	
Pennsylvania	215	4.5%	131	830	1.9%	
Washington	55	1.2%	43	816	1.9%	
Michigan	51	1.1%	53	796	1.8%	
New Jersey	76	1.6%	(71)	699	1.6%	
Other States	721	15.2%	50	7,867	18.2%	
Multi-State	1,569	33.0%	(56)	11,947	27.6%	
US Sub-total	\$ 3,606	75.8%	\$ 18	\$ 33,913	78.4%	
International						
United Kingdom	\$ 306	6.4%	\$ (269)	\$ 3,451	8.0%	
Australia	208	4.4%	(93)	985	2.3%	
Italy	2	0.0%	2	562	1.3%	
Germany	181	3.8%	181	484	1.1%	
France	211	4.4%	211	340	0.8%	
Japan	-	0.0%	51	201	0.5%	
Canada	51	1.1%	(124)	182	0.4%	
Turkey	-	0.0%	(20)	152	0.4%	
Chile	-	0.0%	-	142	0.3%	
Mexico	-	0.0%	-	103	0.2%	
Other Countries	26	0.6%	(147)	485	1.1%	
Multinational	165	3.5%	111	2,262	5.2%	
Int. Sub-total	\$ 1,150	24.2%	\$ (97)	\$ 9,351	21.6%	
Total Par	\$ 4,757	100.0%	\$ (79)	\$ 43,264	100.0%	

* On July 25, 2008, RAM entered into a commutation agreement with Syncora Guaranty Re (formerly XL Financial Assurance) ("XLFA") to commute all business assumed by RAM back to XLFA. Accordingly, the outstanding par in the table above excludes all exposures previously assumed by RAM from XLFA. Also excluded are two portfolios commuted to two other primaries on June 30, 2008 totaling approximately \$1 billion.

RAM Holdings Ltd.
Largest Exposures
Net Par Outstanding
as of June 30, 2008
(dollars in millions)

Top 10 Largest Public Finance Exposures:	Country	NPO	RAM Re Rating ¹
1 Los Angeles Unified School District	US	\$ 287	AA
2 Chicago, IL	US	284	A+
3 Washington (State of) - GO/Appropriation	US	279	AA
4 Massachusetts (State of) - GO Appropriation	US	262	AA
5 Campania Region - Healthcare Receivable	ITA	253	A-
6 Clark County SD, NV - GO	US	250	AA-
7 Puerto Rico Highway & Transportation Authority	US	244	BBB
8 Port Authority of New York and New Jersey	US	226	AA-
9 New York City, NY	US	222	AA-
10 Kentucky (State of) - GO/Appropriation	US	<u>206</u>	AA-
Total		<u>\$ 2,512</u>	

Top 10 Largest Structured Finance Exposures:	Country	NPO	RAM Re Rating ¹
1 Market Value CLO	US	\$ 163	AAA
2 Super Senior Synthetic Managed CDO of Corporates and ABS	MULTI	150	AAA
3 National Collegiate Student Loan 2007-3	US	150	BBB+
4 National Collegiate Student Loan 2007-4	US	150	BBB+
5 Super Senior Synthetic Pooled IG CMBS	US	150	AAA
6 Synthetic CDO of CLOs, CDOs and RMBS	US	150	C
7 Private Residential Mortgage-Backed Securities	UK	146	AAA
8 Super Senior Synthetic Managed CDO of Corporates and ABS	MULTI	145	AAA
9 Telereal Securitisation plc	UK	135	AA-
10 Synthetic Pooled IG CMBS	DEU	<u>132</u>	AAA
Total		<u>\$ 1,471</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 July 25, 2008.

² On July 25, 2008, RAM entered into a commutation agreement with Syncora Guaranty Re (formerly XL Financial Assurance) ("XLFA") to commute all business assumed by RAM back to XLFA. Accordingly, the par outstanding in the table above excludes all exposures previously assumed by RAM from XLFA. Also excluded are two portfolios commuted to two other primaries on June 30, 2008 totaling approximately \$1 billion.

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

	Insured YTD, June 30, 2008 ¹			Outstanding as of June 30, 2008 ²		
	Before Commutations Net Amount	%	After Commutations Net Amount	Net Amount	%	
Public Finance						
AAA	\$ 253	10.2%	\$ (78)	\$ 485	1.8%	
AA	792	32.0%	257	10,563	40.0%	
A	925	37.4%	116	10,665	40.4%	
BBB	502	20.3%	(320)	4,413	16.7%	
Below Investment Grade	(0)	0.0%	(0)	292	1.1%	
Total	<u>\$ 2,472</u>	<u>100.0%</u>	<u>\$ (26)</u>	<u>\$ 26,417</u>	<u>100.0%</u>	

	Insured YTD, June 30, 2008 ¹			Outstanding as of June 30, 2008 ²		
	Before Commutations Net Amount	%	After Commutations Net Amount	Net Amount	%	
Structured Finance						
AAA	\$ 1,058	46.3%	\$ (90)	\$ 9,982	59.3%	
AA	9	0.4%	6	975	5.8%	
A	184	8.1%	50	1,569	9.3%	
BBB	1,033	45.2%	822	3,128	18.6%	
Below Investment Grade	-	0.0%	(842)	1,193	7.1%	
Total	<u>\$ 2,285</u>	<u>100.0%</u>	<u>\$ (54)</u>	<u>\$ 16,847</u>	<u>100.0%</u>	

	Insured YTD, June 30, 2008 ¹			Outstanding as of June 30, 2008 ²		
	Before Commutations Net Amount	%	After Commutations Net Amount	Net Amount	%	
Total						
AAA	\$ 1,312	27.6%	\$ (169)	\$ 10,467	24.2%	
AA	801	16.8%	263	11,538	26.7%	
A	1,109	23.3%	166	12,233	28.3%	
BBB	1,535	32.3%	502	7,541	17.4%	
Below Investment Grade	(0)	0.0%	(842)	1,485	3.4%	
Total	<u>\$ 4,757</u>	<u>100.0%</u>	<u>\$ (79)</u>	<u>\$ 43,264</u>	<u>100.0%</u>	

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.

³. On July 25, 2008, RAM entered into a commutation agreement with Syncora Guaranty Re (formerly XL Financial Assurance) ("XLFA") to commute all business assumed by RAM back to XLFA. Accordingly, the par outstanding in table above excludes all exposures previously assumed by RAM from XLFA. Also excluded are two portfolios commuted to two other primaries on June 30, 2008 totaling approximately \$1 billion.

RAM Holdings Ltd.
Non-Investment Grade Exposures
Net Par Outstanding
as of June 30, 2008
(dollars in millions)

Non-Investment Grade Exposures by:	<u>Net Par Outstanding</u>	<u>Average RAM Re Rating^{1*}</u>
<u>Asset Type</u>		
US Public Finance		
General Obligation and Lease	\$ 5	BB
Tax backed	4	BB
Transportation	31	CCC
Healthcare	6	BB
Utility	85	CCC-
Investor Owned Utilities	-	
Higher Education	2	BB+
Housing	1	B
Other	1	BB-
Total US Public Finance	\$ 136	
US Structured Finance		
Commercial ABS	\$ 333	CCC
Home Equity	687	CC-
Autos	-	
Mortgage Backed Securities	173	B
Banks and Other Corporate	-	
Other Consumer ABS	-	
Total US Structured Finance	\$ 1,193	
International		
Public Finance	156	B
Asset Backed	0	BB-
Total International	\$ 156	
Total	\$ 1,485	

Top Ten Non-Investment Grade Exposures as of	June 30, 2008	<u>Net Par Outstanding</u>
<u>Name or Description</u>		
1 Synthetic CDO of CLOs, CDOs and RMBS		\$ 150
2 Pooled Actuarial Risk		\$ 108
3 Lane Cove Tunnel Finance Company Pty Limited		\$ 98
4 MSAC 2007-NC4		\$ 92
5 Jefferson County, AL Sewer		\$ 84
6 Metronet Rail SSL Finance plc		\$ 52
7 Countrywide Home Equity Trust 2007-D		\$ 43
8 Countrywide Home Equity Trust 2006-E		\$ 42
9 Countrywide Home Equity Trust 2006-I		\$ 37
10 First Franklin Mtg 2007-FFC		\$ 36
Total Top Ten Non-Investment Grade Exposures		\$ 742

* 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 July 25, 2008.

² On July 25, 2008, RAM entered into a commutation agreement with Syncora Guaranty Re (formerly XL Financial Assurance) ("XLFA") to commute all business assumed by RAM back to XLFA. Accordingly, the par outstanding in the table above excludes all exposures previously assumed by RAM from XLFA. Also excluded are two portfolios commuted to two other primaries on June 30, 2008 totaling approximately \$1 billion.

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 2.65% at June 30, 2008 and 4.26% at December 31, 2007).

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. 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 3.45%). APW

as defined by RAM Re may differ from definitions used by other financial guaranty companies.

4. 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.
5. Non GAAP ratios are reported because management considers our credit derivative policies as a normal extension of our financial guarantee business and reinsurance in substance. Management considers these ratios to be useful to analysts, rating agencies and investors to review the results of our entire portfolio of policies. Non GAAP ratios are calculated by adding amounts relating to credit derivative policies into the GAAP balances of (i) net premiums earned, (ii) loss and loss adjustment expenses, and (iii) acquisition expenses when calculating loss and expense ratios.

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.