RAM Holdings Ltd.
Quarterly Operating Supplement [1]
September 30, 2008

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[1] Information included in this report is unaudited

RAM Holdings Ltd.

Consolidated Balance Sheets

(unaudited)

As at September 30, 2008 and December 31, 2007

(dollars in thousands)

	September 30, 2008	December 31, 2007
Assets		
Investments:		
Fixed-maturity securities held as available for sale, at fair value (Amortized Cost: $587,955 and $685,645)	$ 580,348	$ 696,533
Cash and cash equivalents	1,859	12,326
Restricted cash	10,417	8,178
Accrued investment income	5,064	6,465
Premiums receivable	967	3,645
Recoverable on paid losses	583	1,808
Deferred policy acquisition costs	97,978	87,304
Prepaid reinsurance premiums	2,402	2,663
Other receivables	4,000	-
Deferred expenses	1,629	1,753
Prepaid expenses	1,170	195
Other financial instruments (at fair value)	41,750	35,330
Other assets	3,096	4,065
Total Assets	$ 751,263	$ 860,265
Liabilities and Shareholders' Equity		
Liabilities:		
Loss and loss expense reserve	$ 135,411	$ 63,798
Unearned premiums	205,437	239,957
Reinsurance balances payable	29,707	539
Accounts payable and accrued liabilities	3,045	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
Derivative liabilities	128,738	180,589
Other liabilities	2,913	3,913
Total Liabilities	620,251	607,952
Shareholders' Equity:		
Common stock: $0.10 par value; authorized shares - 90,000,000;	2,725	2,724
Issued and outstanding shares - 27,251,595 shares at September 30, 2008 and 27,238,976 at December 31, 2007		
Additional paid-in capital	230,211	229,379
Accumulated other comprehensive income	(7,607)	10,888
Retained (deficit)/earnings	(94,317)	9,322
Total Shareholders' Equity	131,012	252,313
Total Liabilities and Shareholders' Equity	$ 751,263	$ 860,265

RAM Holdings Ltd.
Consolidated Statements of Operations
(unaudited)
For the three and nine months ended September 30, 2008 and 2007
(dollars in thousands except share and per share amounts)

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
Revenues				
Gross premiums written	$ 2,673	$ 26,193	$ 20,158	$ 74,704
Ceded premiums	-	-	(1,021)	-
Net premiums written	$ 2,673	$ 26,193	$ 19,137	$ 74,704
Change in unearned premiums	18,054	(12,416)	34,259	(36,372)
Premiums earned	20,727	13,777	53,396	38,332
Change in fair value of credit derivatives				
Realized (losses) gains and other settlements	(67,548)	1,871	(62,222)	4,052
Unrealized gains (losses)	66,299	(28,369)	51,450	(28,408)
Net change in fair value of credit derivatives	(1,249)	(26,498)	(10,772)	(24,356)
Net investment income	7,098	8,409	23,630	24,458
Net realized losses on investments	(4,997)	-	(5,244)	(8)
Net unrealized gains on other financial instruments	1,500	-	6,420	-
Total revenues	23,079	(4,312)	67,430	38,426
Expenses				
Losses and loss adjustment expenses	50,011	1,273	133,291	1,193
Acquisition expenses	8,277	5,319	19,664	14,122
Operating expenses	4,540	3,076	13,246	9,465
Interest expense	682	682	4,869	4,869
Total expenses	63,510	10,350	171,070	29,649
Net Income/(Loss)	$ (40,431)	$ (14,662)	$ (103,640)	$ 8,777
Net income/(loss) per common share:				
Basic	$ (1.48)	$ (0.54)	$ (3.80)	$ 0.32
Diluted	(1.48)	(0.54)	(3.80)	0.32
Weighted-average number of common shares outstanding:				
Basic	27,251,466	27,238,847	27,248,423	27,236,977
Diluted	27,251,466	27,238,847	27,248,423	27,328,256
Operating (Loss)/Earnings				
Net income (loss)	$ (40,431)	$ (14,662)	$ (103,640)	$ 8,777
Less: Realized losses on investments	4,997	-	5,244	8
Less: Unrealized (gains) losses on credit derivatives	(66,299)	28,369	(51,450)	28,408
Add back: credit impairment on derivatives	116,211	-	17,162	-
Less: Unrealized gains on other financial instruments	(1,500)	-	(6,420)	-
Operating (Loss)/Earnings	$ 12,978	$ 13,707	$ (139,104)	$ 37,193
Net income/(loss) per diluted share	$ (1.48)	$ (0.54)	$ (3.80)	$ 0.32
Less: Realized losses on investments	0.18	-	0.19	0.00
Less: Unrealized (gains) losses on credit derivatives	(2.43)	1.04	(1.88)	1.04
Add back: credit impairment on derivatives	4.27	-	0.63	-
Less: Unrealized gains on other financial instruments	(0.06)	-	(0.24)	-
Operating (loss)/earnings per diluted share	$ 0.48	$ 0.50	$ (5.10)	$ 1.36

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

	3rd Quarter		Year-to-date	
Financial Ratios	**2008**	**2007**	**2008**	**2007**
GAAP Basis [1]				
Loss and LAE Ratio	241.3%	9.2%	249.6%	3.1%
Underwriting Expense Ratio	61.8%	60.9%	61.6%	61.5%
Combined Ratio	303.1%	70.1%	311.2%	64.6%
Non GAAP basis [2]				
Loss and LAE Ratio [3]	14.8%	7.7%	290.8%	2.7%
Underwriting Expense Ratio [4]	57.4%	56.0%	56.2%	57.5%
Combined Ratio	72.2%	63.7%	347.0%	60.2%
Per Share Data				
Shareholder's Equity (Book Value)	$4.81	$14.33	$4.81	$14.33
Unearned premiums [5]	7.63	8.48	7.63	$8.48
Prepaid Reinsurance Premiums	(0.09)	(0.07)	(0.09)	($0.07)
Deferred Acquisition Costs	(3.60)	(3.08)	(3.60)	($3.08)
Present Value of Installment Premiums [6]	5.89	5.06	5.89	5.06
Unrealized Gains (Losses) on Investments	0.28	0.13	0.28	0.13
Adjusted Book Value	$14.92	$24.85	$14.92	$24.85
Shares outstanding	27,251,595	27,238,976		

Statutory Basis (estimated)	3rd Quarter		Year-to-date	
Financial Ratios	**2008**	**2007**	**2008**	**2007**
Loss and LAE Ratio	(3.1)%	(2.4)%	303.7%	(5.0)%
Underwriting Expense Ratio	456.3%	41.0%	162.3%	44.4%
Combined Ratio	453.2%	38.6%	466.0%	39.4%

Balance Sheet	**9/30/2008**	**12/31/2007**
Capital and Surplus	$90,964	$266,707
Contingency Reserve	106,196	90,096
Capital Base	$197,159	$356,804
Unearned Premium Reserve [5]	249,179	280,345
Present Value of Installment Premiums [6]	160,407	165,644
Premium Resources	409,586	445,989
Loss and LAE Reserves (incl.credit impairment)	126,334	73,052
Soft Capital Credit Facilities	180,000	180,000
Total Claims-Paying Resources	$913,080	$1,055,845
Debt Service Outstanding	$68,531,393	$71,911,109
Capital Ratio [7]	348:1	202:1
Claims-Paying Ratio [8]	75:1	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 acquistion 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, net of ceding commissions, are current estimates and may differ from premium amounts ultimately written and earned. At September 30, 2008 and December 31, 2007, the discount rate was 3.33% 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)

	Q3	As Reclassified[1]			
	2008	2007	2006	2005	2004
GAAP Summary Income Statement Data					
Insurance					
Gross Premiums Written	$ 20,158	$ 98,501	$ 73,219	$ 63,163	$ 63,732
Net Premiums Written	19,137	97,749	71,073	63,163	63,732
Premiums Earned	53,396	51,005	44,292	39,036	32,375
Net change in fair value of credit derivatives	(10,772)	(171,806)	3,190	(157)	4,350
Net Investment Income	23,630	33,148	24,236	18,202	16,824
Realized Gains/(Losses) on Investments	(5,244)	(3,604)	(1,002)	(1,584)	536
Unrealized Gain on Other Financial Instruments	6,420	35,330	-	-	-
Loss and Loss Adjustment Expenses	133,291	48,026	(2,781)	7,204	3,579
Acquisiton Expenses	19,664	18,418	16,315	14,424	12,634
Operating Expenses	13,246	13,373	13,379	11,531	11,032
Interest Expense	4,869	8,375	2,750	2,750	2,106
Net (Loss)/Income	(103,640)	(144,119)	41,053	19,588	24,734
ROE[(3) *]	-72.10%	-45.64%	11.70%	6.18%	8.23%
Operating ROE[(4) *]	-97.61%	-13.57%	11.82%	7.45%	7.23%
GAAP Summary Balance Sheet Data					
Investments	$ 580,348	$ 696,533	$ 578,589	$ 469,908	$ 404,906
Deferred Acquisition Costs	97,978	87,304	73,838	66,220	58,653
Total Assets	751,263	860,265	711,843	553,498	511,413
Unearned Premiums	205,437	239,957	192,641	163,769	139,632
Loss and Loss Expense Reserves	135,411	63,798	14,506	16,595	15,493
Derivative Liabiltiy	128,738	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	620,251	607,952	332,576	230,842	199,908
Shares outstanding	27,252	27,239	27,235	25,885	25,917
Shareholders' Equity	131,012	252,313	379,267	322,656	311,505
Statutory Data					
Net (Loss)/Income	$ (152,098)	$ (39,014)	$ 30,552	$ 14,127	$ 9,035
Capital and Surplus	$90,964	266,707	332,788	221,192	171,742
Contingency Reserve	106,196	90,096	70,610	63,617	102,880
Capital Base	$197,159	356,804	403,398	284,809	274,622
Unearned Premium Reserve	249,179	280,345	222,558	189,135	160,308
Present Value of Installment Premiums[(2)]	160,407	165,644	109,303	84,839	59,546
Premium Resources	409,586	445,989	331,861	273,974	219,854
Loss and LAE Reserves	126,334	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	913,080	1,055,845	917,353	703,761	638,458
Financial Ratios					
GAAP					
Loss and LAE Ratio	249.6%	94.2%	-6.3%	18.5%	11.1%
Underwriting Expense Ratio	61.6%	62.3%	67.0%	66.5%	73.1%
Combined Ratio	311.3%	156.5%	60.8%	84.9%	84.2%
Statutory					
Loss and LAE Ratio	303.7%	140.6%	-9.4%	18.3%	15.9%
Underwriting Expense Ratio	162.3%	44.6%	50.7%	50.8%	45.3%
Combined Ratio	466.0%	185.2%	41.3%	69.1%	61.2%
Other Financial Information					
Net Par Amount Outstanding	$ 42,323,963	$ 45,393,803	$ 31,118,714	$ 27,054,260	$ 22,154,050
Book Value Per Share	$ 4.81	$ 9.26	$ 13.93	$ 12.47	$ 12.02
Adjusted Book Value Per Share	$ 14.92	$ 20.56	$ 22.49	$ 19.76	$ 17.35
Operating Book Value					
Shareholders' Equity (Book Value)	131,012	252,313	379,267	322,656	311,505
Derivative Liability (Asset)[(5)]	126,267	177,717	(60)	(74)	(2,600)
Add back credit impairments on derivatives	27,251	44,413	-	-	-
Fair value of other financial instruments	41,750	35,330	-	-	-
Operating book value per share	6.91	12.86	13.92	12.46	11.92
Unearned premiums[(6)]	207,908	242,829	194,322	165,580	140,043
Prepaid reinsurance premiums	2,402	2,663	2,091	-	-
Deferred Acquisition Costs	97,978	87,304	73,838	66,220	58,653
Present Value of Installment Premiums[(2)]	160,407	165,644	109,303	84,839	59,546
Unrealized Gains (Losses) on Investments	(7,607)	10,888	(5,497)	(4,540)	2,787
Adjusted Operating Book Value Per Share	$ 17.02	$ 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 September 30, 2008 and December 31, 2007, the discount rate was 3.33% 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) (5)

(dollars in thousands)

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
2nd Quarter 2008		68,531,393
3rd Quarter 2008	928,418	67,602,975
4th Quarter 2008	758,732	66,844,243
2009	3,358,347	63,485,896
2010	3,249,088	60,236,808
2011	3,087,500	57,149,308
2012	3,563,089	53,586,219
2013-2017	16,255,171	37,331,047
2018-2022	11,186,488	26,144,559
2023-2027	8,647,278	17,497,282
2028 and thereafter	17,497,282	-
Total	68,531,393	

Estimated Net Unearned Premium Amortization and Estimated Future Installment Premiums (1) (5)

	Net Unearned Premiums (2)	Net Unearned Premium Amortization: Upfront	Net Unearned Premium Amortization: Installments (3)	Total Premium Earnings (4)
3rd Quarter 2008	$ 208,635			
4th Quarter 2008	$ 204,682	$ 3,953	$ 8,908	$ 12,860
2009	$ 189,510	$ 15,172	$ 33,726	$ 48,898
2010	$ 175,181	$ 14,330	$ 30,447	$ 44,776
2011	$ 161,484	$ 13,697	$ 27,197	$ 40,894
2012	$ 148,388	$ 13,096	$ 23,316	$ 36,412
2013-2017	$ 94,903	$ 53,485	$ 68,129	$ 121,614
2018-2022	$ 57,210	$ 37,693	$ 38,669	$ 76,362
2023-2027	$ 32,201	$ 25,009	$ 27,190	$ 52,199
2028 and thereafter	$ -	$ 32,201	$ 39,664	$ 71,865
Total		$ 208,635	$ 297,245	$ 505,880

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

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	$ 14,537	$ -	$ 33,750
Structured Finance	6,800	6,656	6,190	-	19,646
Total	$ 13,198	$ 19,471	$ 20,727	$ -	$ 53,396
Refundings included in total	$ 534	$ 9,055	$ 8,172	$ -	$ 17,761

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	6,956	5,788	23,490
Total	$ 12,509	$ 12,045	$ 13,777	$ 12,672	$ 51,003
Refundings included in total	$ 1,914	$ 1,607	$ 1,061	$ 1,119	$ 5,701

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

	3rd Quarter		Year-to-Date	
	2008	2007	2008	2007
Net Par Written	$ 550,712	$ 6,815,649	$ 5,357,448	$ 12,638,784
GAAP Net Premiums Written	$ 2,673	$ 26,193	$ 19,137	$ 74,704
Add: Commutation of premiums (4)	11,425	-	21,650	-
Add: Net Premiums Written on CDS (3)	2,423	2,735	10,104	6,221
Total Net Premiums Written	$ 16,521	$ 28,928	$ 50,891	$ 80,925
Less: Net Installment Premiums Written	11,757	12,579	35,661	29,224
Net Upfront Premiums Written	4,764	16,349	15,230	51,701
Plus: PV of Installment Net Premiums Written	3,213	34,316	40,003	69,421
Net Adjusted Premiums Written	$ 7,977	$ 50,665	$ 55,233	$ 121,122
U.S. Public Finance	7,093	13,439	20,150	40,838
U.S. Structured Finance	635	19,301	21,648	34,853
U.S. Total	7,728	32,740	41,798	75,691
International Public Finance	63	10,445	5,236	29,138
International Structured Finance	186	7,480	8,199	16,293
International Total	249	17,925	13,435	45,431
Net Adjusted Premiums Written	**$ 7,977**	**$ 50,665**	**$ 55,233**	**$ 121,122**

(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 third quarter and year-to-date 2008.

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

Fixed Income Securities	Market Value	% of Market Value	Amortized Cost	Book Yield	Annualized Income
U.S.Treasuries	$ 110,813	19.1%	$ 108,580	4.0%	$ 4,387
Agencies	53,996	9.3%	53,089	4.4%	2,320
Corporate	104,893	18.1%	111,667	4.8%	5,399
Municipal	40,622	7.0%	40,069	4.8%	1,939
Mortgage and Asset Backed	270,024	46.5%	274,550	5.1%	14,094
Total Investments	$ 580,348	100.0%	$ 587,955	4.7%	$ 28,139

Maturity	Market Value	% of Market Value
Within 1 Year	$ 25,291	4.3%
1 to 5 Years	122,240	21.1%
5 to 10 Years	85,207	14.7%
More than 10 Years	77,586	13.4%
Mortgage and asset-backed securities	270,024	46.5%
Total Investments	$ 580,348	100.0%

Average life: 6.40 years
Duration: 4.48 years

Quality Distribution of Fixed Income Investments

Rating	% of Market Value
Aaa	81.3%
Aa	4.7%
A	13.7%
BIG	0.3%
	100.0%

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	$ 99,666	$ -
Unallocated Reserves	43,281	31,551	35,745	-
Total Reserves	$ 94,330	$ 123,002	$ 135,411	$ -
Credit Impairments (1)	56,804	143,463	27,251	-
Total Portfolio Losses	$ 151,134	$ 266,465	$ 162,662	$ -
2007				
Case Reserves	$ 2,566	$ 2,942	$ 2,975	$ 30,447
Unallocated Reserves	11,355	12,974	14,632	33,351
Total Reserves	$ 13,921	$ 15,916	$ 17,607	$ 63,798
Credit Impairments (1)	-	-	-	44,413
Total Portfolio Losses	$ 13,921	$ 15,916	$ 17,607	$ 108,211

(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	4,720	-	14,302
Gross acquisition expenses	5,042	(98)	1,116	-	6,060
Gross acquisition and operating expenses	$ 10,219	$ 4,307	$ 5,836	$ -	$ 20,362
Deferred Expenses:					
Acquisition expenses	(6,034)	(894)	1,189	-	(5,739)
Operating expenses	(468)	(409)	(179)	-	(1,056)
Total deferred expenses	(6,502)	(1,303)	1,010	-	(6,795)
Change in deferred acquisition expenses	5,611	7,761	5,971	-	19,343
Total acquisition and operating expense, net of deferred expenses	$ 9,328	$ 10,765	$ 12,817	$ -	$ 32,910

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	$ 97,978	$ -
Unearned Premiums	192,641	239,957	244,360	224,495	205,437	-
Present Value of Future Installment Premiums	109,303	165,644	192,877	191,325	160,407	-
Adjusted Deferred Premiums	$ 301,944	$ 405,601	$ 437,237	$ 415,820	$ 365,844	$ -
Ratio	24.5%	21.5%	20.2%	21.0%	26.8%	

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	$ 2,423	$ -	$ 10,104
Change in Unearned Premiums	(126)	54	472	-	400
Premiums Earned	$ 3,795	$ 3,814	$ 2,895	$ -	$ 10,504
Acquisition Expenses	1,181	1,102	742	-	3,025
Losses and Loss Adjustment Expenses	-	-	69,701	-	69,701
Net Realized Gains (Losses) on Credit Derivatives	2,614	2,712	(67,548)	-	(62,222)
Net Unrealized Gains (Losses) on Credit Derivatives (1)	(166,384)	151,535	66,299	-	51,450
Net Change in Fair Value of Credit Derivatives	$ (163,770)	$ 154,247	$ (1,249)	$ -	$ (10,772)
2007					
Gross Premiums Written	$ 1,444	$ 2,042	$ 2,735	$ 4,028	$ 10,249
Change in Unearned Premiums	1	(250)	(41)	(901)	(1,191)
Premiums Earned	$ 1,445	$ 1,792	$ 2,694	$ 3,127	$ 9,058
Acquisition Expenses	436	620	823	1,208	3,087
Losses and Loss Adjustment Expenses	-	-	-	-	-
Net Realized Gains (Losses) on Credit Derivatives	1,009	1,172	1,871	1,919	5,971
Net Unrealized Gains (Losses) on Credit Derivatives (1)	(31)	(8)	(28,369)	(149,369)	(177,777)
Net Change in Fair Value of Credit Derivatives	$ 978	$ 1,164	$ (26,498)	$ (147,450)	$ (171,806)

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)	$ (195,510)	$ -	$ (180,589)
Unrealized Loss	(153,994)	238,194	(49,911)	-	34,289
Credit impairments (2)	(12,390)	(86,659)	116,211	-	17,162
Change in unearned premiums on credit derivatives	(126)	54	472		400
Net movement in Asset (Liability)	(166,510)	151,589	66,772	-	51,851
Closing Net Derivative Asset/(Liability)	$ (347,099)	$ (195,510)	$ (128,738)	$ -	$ (128,738)
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)	(30)	(258)	(28,410)	(150,270)	(178,968)
Closing Net Derivative Asset/(Liability)	$ (1,651)	$ (1,909)	$ (30,319)	$ (180,589)	$ (180,589)

(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, September 30, 2008					Outstanding as of September 30, 2008		
		Before Commutations Net Amount	%		After Commutations Net Amount		Net Amount	%
US Public Finance								
General Obligation and Lease	$	794	14.8%	$	84	$	7,615	18.0%
Tax backed		89	1.7%		(30)		2,450	5.8%
Transportation		587	11.0%		325		3,301	7.8%
Healthcare		346	6.5%		247		2,337	5.5%
Utility		432	8.1%		282		3,745	8.8%
Investor Owned Utilities		142	2.6%		108		746	1.8%
Higher Education		93	1.7%		37		813	1.9%
Housing		64	1.2%		26		365	0.9%
Other		31	0.6%		20		328	0.8%
Total US Public Finance	$	2,579	48.1%	$	1,098	$	21,700	51.3%
US Structured Finance								
Commercial ABS	$	644	12.0%	$	(919)	$	7,884	18.6%
Home Equity[3]		32	0.6%		(150)		1,115	2.6%
Autos		402	7.5%		314		675	1.6%
Mortgage Backed Securities[3]		147	2.7%		27		930	2.2%
Banks and Other Corporate		-	0.0%		(54)		43	0.1%
Other Consumer ABS		338	6.3%		237		765	1.8%
Total US Structured Finance	$	1,563	29.2%	$	(544)	$	11,412	27.0%
International								
Asset Backed	$	828	15.5%	$	597	$	4,902	11.6%
Public Finance		330	6.2%		(464)		2,647	6.3%
Investor Owned Utilities and Other		57	1.1%		(215)		1,664	3.9%
Total International	$	1,215	22.7%	$	(82)	$	9,213	21.8%
Total	$	5,357	100.0%	$	471	$	42,324	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)

	Insured YTD, September 30, 2008				Outstanding as of September 30, 2008	
	Before Commutations Net Amount	%		After Commutations Net Amount	Net Amount	%
Geographic Distribution						
United States						
CALIFORNIA	$ 493	9.2%		$ 299	$ 3,735	8.8%
NEW YORK	302	5.6%		(262)	2,178	5.1%
FLORIDA	127	2.4%		2	1,394	3.3%
ILLINOIS	162	3.0%		71	1,331	3.1%
TEXAS	140	2.6%		64	1,251	3.0%
MASSACHUSETTS	3	0.1%		2	873	2.1%
WASHINGTON	56	1.0%		43	790	1.9%
MICHIGAN	86	1.6%		63	747	1.8%
PENNSYLVANIA	219	4.1%		136	746	1.8%
NEW JERSEY	59	1.1%		(63)	734	1.7%
OTHER STATES	894	16.7%		223	7,830	18.5%
MULTI-STATE	1,601	29.9%		(24)	11,504	27.2%
US Sub-total	$ 4,142	77.3%		$ 553	$ 33,111	78.2%
International						
United Kingdom	$ 311	5.8%		$ (264)	$ 3,351	7.9%
Australia	208	3.9%		(93)	1,058	2.5%
Italy	2	0.0%		2	539	1.3%
Germany	181	3.4%		181	390	0.9%
France	261	4.9%		211	320	0.8%
Canada	-	0.0%		(124)	193	0.5%
Japan	51	0.9%		51	189	0.4%
Turkey	-	0.0%		(20)	156	0.4%
Chile	-	0.0%		-	125	0.3%
Mexico	-	0.0%		-	102	0.2%
Other Countries	28	0.5%		(145)	459	1.1%
Multinational	175	3.3%		120	2,331	5.5%
Int. Sub-total	$ 1,215	22.7%		$ (82)	$ 9,213	21.8%
Total Par	$ 5,357	100.0%		$ 471	$ 42,324	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 September 30, 2008

(dollars in millions)

	Top 10 Largest Public Finance Exposures:	Country		NPO	RAM Re Rating[1]
1	Los Angeles, CA - SD	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 - Health Care Receivable	ITA		251	A-
6	Clark County SD, NV - GO	US		246	AA-
7	Puerto Rico Highway & Transportation Authority	US		244	BBB
8	Port Authority of New York and New Jersey	US		226	AA-
9	Kentucky (State of) - GO/Appropriation	US		223	AA-
10	New York, NY Muni Water Finance Authority	US		206	AA
	Total		**$**	**2,507**	

	Top 10 Largest Structured Finance Exposures:	Country		NPO	RAM Re Rating[1]
1	Market Value CLO	US	$	163	AAA
2	National Collegiate Student Loan 2007-3	US		150	BBB+
3	National Collegiate Student Loan 2007-4	US		150	BBB+
4	Super Senior Synthetic Pooled IG CMBS	US		150	AAA
5	Synthetic CDO of CLOs, CDOs and RMBS	US		150	BIG
6	Super Senior Synthetic Managed CDO of Corporates and ABS	MULTI		150	AAA
7	Super Senior Synthetic Managed CDO of Corporates and ABS	MULTI		144	AAA
8	Telereal Securitisation plc	GBR		137	AA-
9	Market Value CLO	US		136	AA
10	Super Senior Synthetic Managed CDO of Corporates and ABS	MULTI		131	AAA
	Total		**$**	**1,461**	

1. Rating assigned by RAM Re, which takes into consideration ratings assigned by the primaries and the rating agencies. Ratings are assigned as of October 27, 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, September 30, 2008[1]			Outstanding as of September 30, 2008[2]	
	Before Commutations Net Amount	%	After Commutations Net Amount	**Net Amount**	%
Public Finance					
AAA	$ 193	6.5%	$ (139)	$ 431	1.7%
AA	925	31.2%	390	10,238	39.4%
A	1,331	44.9%	472	10,649	40.9%
BBB	518	17.4%	(305)	4,383	16.9%
Below Investment Grade	(0)	0.0%	(0)	304	1.2%
Total	$ 2,967	100.0%	$ 419	$ 26,005	100.0%

	Insured YTD, September 30, 2008[1]			Outstanding as of September 30, 2008[2]	
	Before Commutations Net Amount	%	After Commutations Net Amount	**Net Amount**	**%**
Structured Finance					
AAA	$ 1,162	48.6%	$ 13	$ 9,445	57.9%
AA	9	0.4%	6	1,013	6.2%
A	187	7.8%	52	1,589	9.7%
BBB	1,033	43.2%	823	2,892	17.7%
Below Investment Grade	-	0.0%	(842)	1,381	8.5%
Total	$ 2,391	100.0%	$ 52	$ 16,319	100.0%

	Insured YTD, September 30, 2008[1]			Outstanding as of September 30, 2008[2]	
	Before Commutations Net Amount	%	After Commutations Net Amount	**Net Amount**	**%**
Total					
AAA	$ 1,355	25.3%	$ (125)	$ 9,876	23.3%
AA	934	17.4%	396	11,251	26.6%
A	1,518	28.3%	524	12,238	28.9%
BBB	1,551	29.0%	518	7,275	17.2%
Below Investment Grade	(0)	0.0%	(842)	1,685	4.0%
Total	$ 5,357	100.0%	$ 471	$ 42,324	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 October 27, 2008.

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 September 30, 2008
(dollars in millions)

		Net Par Outstanding	Average RAM Re Rating [1] *
Non-Investment Grade Exposures by:			
Asset Type			
US Public Finance			
General Obligation and Lease	$	13	BB
Tax backed		4	BB
Transportation		31	CCC
Healthcare		6	BB-
Utility		85	CCC
Investor Owned Utilities		-	
Higher Education		2	BB+
Housing		0	B-
Other		1	BB-
Total US Public Finance	$	143	
US Structured Finance			
Commercial ABS	$	350	CCC
Home Equity		791	CC
Autos		-	
Mortgage Backed Securities		239	B-
Banks and Other Corporate		-	
Other Consumer ABS		-	
Total US Structured Finance	$	1,380	
International			
Public Finance		162	CCC-
Asset Backed		0	BB-
Total International	$	162	
Total	**$**	**1,685**	

Top Ten Non-Investment Grade Exposures as of September 30, 2008

	Name or Description		Net Par Outstanding
1	Synthetic CDO of CLOs, CDOs and RMBS	$	150
2	Pooled Actuarial Risk	$	108
3	Lane Cove Tunnel Finance Company Pty Limited	$	103
4	MSAC 2007-NC4	$	88
5	Jefferson County, AL Sewer	$	84
6	GMACM 2007-HE2	$	63
7	Countrywide Home Equity Loan Trust 2007-D	$	40
8	Metronet Rail SSL Finance plc	$	38
9	Countrywide Home Equity Loan Trust 2006-E	$	38
10	First Franklin Mtg 2007-FFC	$	35
	Total Top Ten Non-Investment Grade Exposures	**$**	**747**

* 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 October 27, 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 3.33% at September 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.