

The PMI Group, Inc.



NEWS RELEASE

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## The PMI Group, Inc. Completes Acquisition of R&SA's UK Lenders' Mortgage Insurance Business

*Walnut Creek, CA, April 5, 2004* – The PMI Group, Inc. (NYSE:PMI) announced today that its wholly owned subsidiary, PMI Mortgage Insurance Company Limited (PMI Europe), has completed the acquisition of the UK Lenders' Mortgage Indemnity (LMI) business of Royal & Sun Alliance Insurance Group plc (R&SA).

PMI Europe's acquisition of R&SA's LMI business aligns with the Company's strategic plan to establish itself as a global provider of credit enhancement products. This acquisition better positions PMI Europe to take advantage of projected European mortgage insurance growth.

The LMI portfolio consists of UK residential mortgage loans originated in 1993 and subsequent years. R&SA has agreed to discontinue writing or renewing LMI business, though R&SA will continue to manage the existing portfolio of pre-1993 contracts and the excess of loss contracts.

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PMI Mortgage Insurance Company Limited, or PMI Europe, is a mortgage insurance and credit enhancement company incorporated and located in Dublin, Ireland, with an affiliated sales company incorporated in England and located in London. PMI Europe is authorized to provide credit, suretyship and miscellaneous financial loss insurance by the Irish Financial Services Regulatory Authority. PMI Europe's claims-paying ability is rated "AA" by S&P and Fitch, and "Aa3" by Moody's. These ratings are based upon PMI Europe's initial capitalization, its management expertise, a capital support agreement provided by PMI, and a guarantee by The PMI Group, Inc. of PMI's obligation under the capital support agreement.

The PMI Group, Inc., headquartered in Walnut Creek, California, is a global provider of credit enhancement products that promote homeownership and facilitate mortgage transactions in the capital markets. Through its wholly-owned subsidiaries and unconsolidated strategic investments, the company offers residential mortgage insurance and credit enhancement products domestically and internationally, financial guaranty insurance and financial guaranty reinsurance.

**FORWARD-LOOKING STATEMENTS:** Statements in this press release that are not historical facts or that relate to future plans, events or performance are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Many factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Risks and uncertainties that could affect PMI are discussed in its various Securities and Exchange

Commission filings, including its report on Form 10-K for the year ended December 31, 2003. PMI undertakes no obligation to update forward-looking statements.