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FINAL
GE INSURANCE TO SELL FINANCIAL GUARANTY INSURANCE COMPANY
TO A GROUP OF INVESTORS LED BY THE PMI GROUP, INC.

RICHMOND, Virginia (August 4, 2003) – GE Insurance today announced it has reached a definitive agreement to sell Financial Guaranty Insurance Company (FGIC) to a group of investors led by The PMI Group, Inc. (PMI). GE will realize total value from the transaction of approximately \$2.16 billion. This transaction is consistent with GE Insurance’s strategy to focus its global operations on key segments, while allowing GE to selectively re-deploy capital in new business lines it intends to grow rapidly. Importantly for FGIC’s customers, the proposed deal positions the company to maintain its triple-A ratings. The transaction is subject to normal regulatory approvals, which are expected within 90 to 120 days.

For GE Insurance, with \$23 billion in 2002 revenues, today’s announcement demonstrates its ongoing commitment to concentrate on business lines and markets where it has the greatest competitive advantage and sees the most attractive growth and return prospects.

FGIC provides financial guarantee policies for public finance and structured finance obligations issued by clients in both the public and private sectors. With the new ownership structure, FGIC is better positioned to grow under the buyer group’s domestic and international expansion strategies.

“FGIC has a world-class team of people and an excellent platform that can be used to grow more broadly in the credit enhancement markets,” said Michael D. Fraizer, President & CEO of GE Insurance. “At the same time, we like this deal very much from a GE Insurance perspective. We gain clear benefit from a transaction that supports both

our global realignment strategy and our parent's desire to reallocate capital to faster-growth segments of the Company.”

In addition to PMI, three other companies comprise the consortium of investors purchasing FGIC. They include The Blackstone Group, The Cypress Group, and CIVC Partners.

At closing, ownership of FGIC's municipal reinvestment and liquidity product (FGIC SPI) will continue under GE's treasury operations. The value of the transaction will be realized in the form of cash proceeds of \$1.86 billion, including a pre-closing dividend of \$260 million. GE will retain preferred stock of \$235 million and less than 5% of the common stock.

GE Insurance is a global family of insurance and reinsurance businesses with \$13.6 billion in premiums and \$188 billion in assets. It provides life insurance, retirement income products, property and casualty insurance, risk prevention services, mortgage insurance, and selective financial guarantee insurance. GE Insurance is part of General Electric Company, a diversified services, technology and manufacturing company with operations worldwide.

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