



CIFG

TRIPLE-A FINANCIAL GUARANTY

**Operating Supplement
September 30, 2006**

Company Profile

CIFG, through its operating companies CIFG Assurance North America, Inc. ("CIFG NA") and CIFG Europe, provides financial guarantees for transactions in the public finance, structured finance, and infrastructure finance markets in the United States, Europe and around the world. CIFG NA, a New York corporation, and CIFG Europe, a French société anonyme, each has received an insurer financial strength rating of "AAA" from Fitch Ratings, an insurer financial strength rating of "Aaa" from Moody's Investors Services Inc., and an insurer financial enhancement rating of "AAA" from Standard & Poor's Ratings Services, the highest rating assigned by each rating agency. To obtain additional information, please contact Thomas Collimore, Director - Head of Investor Relations, at +1 212 909 3952 or t.collimore@cifg.com; Joe Hutchinson, Director - Investor Relations, at +1 212 909 0416 or j.hutchinson@cifg.com; Thierry Dissaux, Managing Director - Head of European Business Development, at +33 158 55 65 13 or t.dissaux@cifg.com; or visit the CIFG website at www.cifg.com.

Forward-Looking Statements

This Operating Supplement contains information, such as projections, reserve and other estimates, and schedules, that may be considered "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. We caution you that our actual results, when known, could differ materially from the information expressed or implied in such forward-looking statements due to factors that are difficult or impossible to predict accurately. Such factors include (1) changes in the economic environment in the United States, Europe and around the world; (2) changes in market conditions, such as interest rates, currency exchange rates, credit trends, and market activity and volatility, in the United States, Europe and elsewhere; (3) competitive conditions and pricing; (4) legislative, regulatory and accounting changes, and changes in market conventions, relating to or affecting us, our industry or our clients and counterparties in the United States, Europe and elsewhere; (5) changes in tax laws in the United States, Europe and elsewhere; (6) the policies and actions of the United States, France and other governments; and (7) other risks and uncertainties that have not been identified at this time. The information in this Operating Supplement, including any forward-looking statements, speaks as of the date of this Operating Supplement, and we undertake no obligation to update, correct or revise any such information or forward-looking statement.

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**CIFG Holding & Subsidiaries
Operating Supplement
September 30, 2006**

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Notes:

Information contained in this supplement is unaudited.

Certain financial measures included in this supplement are not promulgated in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain reclassifications have been made to prior years' amounts to conform to the current year's presentation.

(*) Consists of U.S. Public Finance and European Infrastructure Finance

CIFG Holding & Subsidiaries ⁽¹⁾
Financial Highlights
(Unaudited - \$ in 000's)

	Nine months ended September 30,	
	2006	2005
<u>Non U.S. GAAP Production Measures</u>		
Gross Par Written	\$ 25,121,033	\$ 11,313,192
Net Par Written	\$ 24,511,033	\$ 11,197,202
Adjusted Gross Premiums Written ⁽²⁾	\$ 159,278	\$ 77,172
<u>U.S. GAAP ⁽³⁾</u>		
		(Restated)
Gross Premiums Written	\$ 111,333	\$ 60,547
Net Investment Income	\$ 22,242	\$ 11,434
Net Long-term Realized (Losses)Gains	---	---
Net Short-term Realized Gains ⁽⁴⁾	\$ 196	\$ 2,875
Pre-tax income	\$ 36,483	\$ 16,273
Net Income	\$ 22,026	\$ 7,357
	<u>September 30, 2006</u>	<u>December 31, 2005</u>
Total Assets	\$ 993,152	\$ 877,389
Shareholder's Equity	\$ 598,125	\$ 556,031
<u>Adjusted Book Value</u>		
Book Value	\$ 598,125	\$ 556,031
After-tax value of:		
Net Unearned Premium Reserve		
less Deferred Acquisition Costs	114,187	83,702
Present Value of Future Installment Premiums	150,314	120,886
Loss Provision	(19,098)	(15,893)
Adjusted Book Value	<u>\$ 843,528</u>	<u>\$ 744,726</u>
<u>Pro-forma Statutory Capital of Insurance Operations ⁽⁵⁾</u>		
Capital and Surplus	\$ 559,438	\$ 550,212
Contingency Reserve	87,059	49,618
Qualified Statutory Capital	<u>646,497</u>	<u>599,830</u>
Unearned Premium Reserves	257,270	190,664
Loss and Loss Adjustment Expense Reserves	---	---
Policyholders' Reserves	<u>903,767</u>	<u>790,494</u>
Present Value of Future Installment Premiums ⁽⁶⁾	231,252	185,978
Capital Support	101,500	101,500
Total Claims Paying Resources	<u>\$ 1,236,519</u>	<u>\$ 1,077,972</u>

(1) All non-United States dollar (USD) amounts have been converted to USD using the prevailing end of period rates except for AGP and par written that have been converted using historical rates.

(2) Adjusted gross premiums are composed of premiums received upfront plus the present value of anticipated future installment premiums written discounted at 7%.

(3) U.S. GAAP basis, unaudited.

(4) Short-term realized gains consist of sales of short-term investments, primarily money market SICAV funds.

(5) CIFG NA, CIFG Europe and CIFG Guaranty are combined for purposes of calculating claims paying resources. Amounts are considered pro forma since the Group does not file combined U.S. statutory statements.

(6) Discounted at 7%.

CIFG Holding & Subsidiaries
Consolidated Balance Sheets
U.S. GAAP
(Unaudited - in 000's)

	As of September 30,		As of December 31,	
	2006		2005	
	€	\$ ⁽¹⁾	€	\$ ⁽²⁾
Assets				
Investments				
Fixed income securities, available for sale, at fair value	€ 574,482	\$ 727,725	€ 595,927	\$ 705,548
Short-term investments, at cost (approximates fair value)	110,014	139,360	58,603	69,383
Total investments	684,496	867,085	654,530	774,931
Cash	12,183	15,433	9,656	11,432
Premium receivable	12,914	16,359	9,876	11,693
Receivable for securities sold	4,737	6,001	3,379	4,001
Investment income due and accrued	10,776	13,650	11,350	13,438
Prepaid reinsurance premiums	3,233	4,095	2,538	3,005
Intangible asset	6,577	8,331	7,037	8,331
Property and equipment, net	821	1,040	844	999
Deferred acquisition costs, net	47,616	60,318	41,235	48,820
Derivative assets, net	487	617	---	---
Other assets	177	223	625	739
Total assets	€ 784,017	\$993,152	€ 741,070	\$877,389
Liabilities and Shareholder's Equity				
Liabilities				
Deferred premium revenue	€ 189,529	\$ 240,086	€ 152,538	\$ 180,597
Loss and loss adjustment reserves	5,030	6,372	3,325	3,937
Ceded reinsurance balances payable	411	521	674	798
Current income taxes	1,967	2,492	3,897	4,614
Deferred income taxes	13,763	17,433	10,632	12,587
Payable on investments purchased	4,149	5,256	59	70
Accounts payable and accrued expenses	16,559	20,976	16,388	19,403
Derivative liabilities, net	---	---	277	328
Long-term debt	77,758	98,500	83,196	98,500
Intercompany payable to affiliates	194	246	144	170
Other liabilities	2,483	3,145	299	354
Total liabilities	311,843	395,027	271,429	321,358
Shareholder's Equity				
Common stock	450,078	570,136	450,078	532,870
Additional paid in capital	55,490	70,292	56,652	67,073
Accumulated deficit	12,747	16,146	(4,361)	(5,164)
Reserve legal	1,084	1,373	804	952
Accumulated other comprehensive loss, net ⁽³⁾	(47,225)	(59,822)	(31,306)	(37,065)
Unearned compensation-restricted stock	---	---	(2,226)	(2,635)
Total shareholder's equity	472,174	598,125	469,641	556,031
Total liabilities and shareholder's equity	€ 784,017	\$993,152	€ 741,070	\$877,389

For the convenience of the reader, all EUR amounts are translated to USD at the prevailing end of period exchange rate of:

(1) At September 30, 2006, 1.26675

(2) At December 31, 2005, 1.18395

(3) Primarily unrealized foreign exchange gains (losses) on consolidated subsidiaries and net after-tax unrealized losses on fixed income investments in accordance with FAS 115.

CIFG Holding & Subsidiaries
Consolidated Statements of Income
U.S. GAAP

(Unaudited - in 000's)

	Nine months ended September 30,			
	2006		2005 (Restated)	
	€	\$ ⁽¹⁾	€	\$ ⁽²⁾
Revenues				
Gross premiums written	€ 87,889	\$ 111,333	€ 50,211	\$ 60,547
Ceded premiums written	(1,286)	(1,629)	(422)	(509)
Net premiums written	86,603	109,704	49,789	60,038
Change in net deferred premium revenue	(46,064)	(58,352)	(23,173)	(27,943)
Net premium earned	40,539	51,352	26,616	32,095
Net investment income	17,558	22,242	9,482	11,434
Net long term realized capital (loss) gains	---	---	---	---
Net short term realized capital gains	155	196	2,384	2,875
Net realized and unrealized gains on credit derivatives	761	964	62	75
Foreign exchange (loss) gain	2,553	3,234	(1,333)	(1,607)
Other income	430	545	21	25
Total revenues	<u>61,996</u>	<u>78,533</u>	<u>37,232</u>	<u>44,897</u>
Expenses				
Losses and loss adjustment expenses	1,564	1,981	1,016	1,225
Amortization of deferred acquisition costs	4,262	5,399	2,881	3,474
Operating expenses, net of deferrals	24,517	31,057	17,334	20,902
Interest expense	2,852	3,613	2,507	3,023
Total expenses	<u>33,195</u>	<u>42,050</u>	<u>23,738</u>	<u>28,624</u>
Income before income taxes	28,801	36,483	13,494	16,273
Provision for income taxes:				
Current	5,085	6,441	3,937	4,747
Deferred	6,328	8,016	3,457	4,169
Net income (loss)	<u>€ 17,388</u>	<u>\$ 22,026</u>	<u>€ 6,100</u>	<u>\$ 7,357</u>

For the convenience of the reader, all EUR amounts are translated to USD at the prevailing end of period exchange rate of:

(1) At September 30, 2006, 1.26675

(2) At September 30, 2005, 1.20585

Note: Tax benefits derived from net operating losses of the French subsidiaries of the CIFG Group are utilized by the parent, CNCE, and cannot be recognized in CIFG's financial statements.

CIFG Holding & Subsidiaries

Consolidated Investment Portfolio

As of September 30, 2006

(\$ in 000's)⁽¹⁾

	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Amortized Cost
Fixed Income:				
Taxable	\$ 726,818	\$ 46	\$ (19,621)	\$ 746,393
Tax Exempt	907	-	(24)	931
Total Fixed Income	<u>727,725</u>	<u>46</u>	<u>(19,645)</u>	<u>747,324</u>
Short Term Investments	139,360	---	---	139,360
Total Investments	<u>\$ 867,085</u>	<u>\$ 46</u>	<u>\$ (19,645)</u>	<u>\$ 886,684</u>

Fixed Income:

Effective duration:

 USD denominated 2.9

 Euro denominated 4.4

Effective years to maturity 3.7

Credit Quality of Fixed Income Portfolio⁽²⁾

Rating ⁽³⁾	Percent of Fixed Income Portfolio
AAA	86.3%
AA	12.4
A	1.2
BBB	0.1
	<u>100.0%</u>

Maturity Distribution⁽²⁾

	% of Fair Value	Fair Value
Within one year	7.7%	\$ 55,534
From 1 to 5 years	61.8	449,717
Between 5 and 10 years	29.8	217,167
Between 10 and 15 years	0.5	3,730
Between 15 and 20 years	0	-
Beyond 20 years	0.2	1,577
Total Investment Portfolio	<u>100.0%</u>	<u>\$ 727,725</u>

% of fixed income investments by base currency

Other	0.1%
EUR	56.2
USD	43.7
Total	<u>100.0%</u>

(1) At September 30, 2006, the prevailing end of period exchange rate of EUR 1 = USD 1.2668

(2) Excluding short-term investments, which are composed principally of money-market funds (SICAV)

(3) Based on Standard & Poor's assessment of credit quality.

CIFG Holding & Subsidiaries
Consolidated Expense Analysis
(in 000's)

	Nine months ended September 30,			
	2006		2005 (Restated)	
	€	\$ ⁽¹⁾	€	\$ ⁽²⁾
Loss and LAE Incurred	€ 1,564	\$ 1,981	€ 1,016	\$ 1,225
Gross Insurance Expenses	37,106	47,004	28,217	34,025
Ceding Commissions Paid/(Received)	147	186	1,256	1,515
Net Insurance Expenses Before Deferrals	<u>37,253</u>	<u>47,190</u>	<u>29,473</u>	<u>35,540</u>
Deferred Policy Acquisition Costs	(12,736)	(16,133)	(12,139)	(14,638)
Net Operating Expenses	<u>24,517</u>	<u>31,057</u>	<u>17,334</u>	<u>20,902</u>
Amortization of Deferred Acquisition Costs	4,262	5,399	2,881	3,474
Total Insurance Expenses	<u>€ 30,343</u>	<u>\$ 38,437</u>	<u>€ 21,231</u>	<u>\$25,601</u>

For the convenience of the reader, all EUR amounts are translated to USD at the prevailing end of period exchange rate of:

(1) At September 30, 2006, 1.26675

(2) At September 30, 2005, 1.20585

CIFG Holding & Subsidiaries
(in USD)

Financial Guarantees Written ⁽¹⁾

	Nine months ended September 30, 2006		
	(in millions)	(in thousands)	
		Gross	
		Premiums	
	Par	Written	AGP
Global Single Risk	\$7,448	\$64,981	\$67,740
Global Structured Finance	17,673	46,351	91,538
Total	<u>\$25,121</u>	<u>\$111,333</u>	<u>\$159,278</u>

	Nine months ended September 30, 2005		
	(in millions)	(in thousands)	
		Gross	
		Premiums	
	Par	Written	AGP
Global Single Risk	\$3,749	\$31,301	\$38,345
Global Structured Finance	7,564	29,246	38,827
Total	<u>\$11,313</u>	<u>\$60,547</u>	<u>\$77,172</u>

(1) All non-United States dollar amounts have been converted to USD using historical or prevailing end of period rates.

Net Premiums Earned: ⁽¹⁾

	Nine months ended (000's)	
	2006	2005
Global Single Risk		
Upfront	\$ 8,422	\$ 5,061
Installments	3,930	2,708
Total	<u>\$ 12,352</u>	<u>\$ 7,769</u>
Global Structured Finance		
Upfront	\$ 2,073	\$ 925
Installments	36,927	23,401
Total	<u>\$39,000</u>	<u>\$24,326</u>
Total		
Upfront	\$ 10,495	\$ 5,986
Installments	40,857	26,109
Total	<u>\$51,352</u>	<u>\$32,095</u>

(1) All non-United States dollar amounts have been converted to USD using prevailing end of period rates.

CIFG Holding & Subsidiaries

(\$ in 000's)

Net Exposure Amortization ⁽¹⁾

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
September 30, 2006		\$ 95,190,346
2006	\$ 1,455,049	93,735,297
2007	5,730,955	88,004,342
2008	5,518,813	82,485,528
2009	8,251,670	74,233,859
2010	5,856,244	68,377,615
2011	6,503,587	61,874,027
2006-2011	33,316,319	61,874,027
2012-2016	32,082,832	29,791,196
2017-2021	9,456,867	20,334,328
2022-2026	8,486,449	11,847,880
After 2026	11,847,880	---
Total	<u>\$95,190,346</u>	

(1) Assumes no bond refundings, terminations or changes in prepayment assumptions. All non USD exposure has been converted to USD using the prevailing end of period rate.

Insured Portfolio Distribution by Bond Type ⁽¹⁾

Bond Type	Net Par Outstanding As of September 30, 2006	
	<u>Amount</u>	<u>%</u>
<i>Global Single Risk</i>		
State General Obligations and Appropriations	\$5,081,821	7.9%
City and County General Obligations	3,287,950	5.1
Sovereign/Sub Sovereign	1,931,653	3.0
Airports	1,583,974	2.5
State Tax Backed	1,483,155	2.3
Health Care	1,421,489	2.2
Toll Roads	1,153,771	1.8
Utility Systems	1,029,176	1.6
Higher Education	1,026,496	1.6
Transportation	914,236	1.4
Investor-owned Utilities	872,592	1.3
Project Finance	741,537	1.1
Special Revenue	710,158	1.1
Public Power	691,703	1.1
Municipal Housing	567,770	0.9
Local Tax-Backed	311,413	0.5
Total Global Single Risk	<u>22,808,894</u>	<u>35.4%</u>
<i>Global Structured Finance</i>		
CBO/CDO non investment grade bonds or loans	14,165,752	22.0%
CBO/CDO investment grade bonds or loans	8,388,744	13.0
CBO/CDO investment grade tranches of ABS deals	7,114,214	11.0
Home Equity	2,995,107	4.6
Commercial Mortgage Backed	2,987,931	4.6
Mortgage Backed	2,417,848	3.8
Student Loans	1,509,960	2.3
Lease Assets	827,723	1.3
Commercial Asset Backed	808,907	1.3
Other Structured Finance	201,746	0.3
Auto Loans	133,517	0.2
Credit Cards	101,000	0.2
Total Global Structured Finance	<u>41,652,449</u>	<u>64.6%</u>
Total	<u>\$64,461,343</u>	<u>100%</u>

(1) All non USD exposure has been converted to USD using the prevailing end of period rate.

CIFG Holding & Subsidiaries

(\$ in 000's)

Insured Portfolio Distribution by Geography ⁽¹⁾

	Net Par Outstanding As of September 30, 2006	
	Amount	%
United States:		
New York	\$3,709,909	5.7%
Illinois	1,678,849	2.6
Florida	1,540,781	2.4
Puerto Rico	1,368,371	2.1
New Jersey	1,201,476	1.9
California	897,803	1.4
Louisiana	769,225	1.2
Texas	751,310	1.2
Pennsylvania	690,709	1.1
Colorado	476,708	0.7
Other States	4,855,674	7.5
United States Diversified	23,767,035	36.9
Total United States	41,707,850	64.7%
Non United States:		
United Kingdom	3,379,339	5.2
Italy	1,869,015	2.9
France	721,032	1.1
Germany	535,469	0.8
Canada	363,716	0.6
Portugal	333,411	0.5
Greece	316,688	0.5
Australia	312,767	0.5
Other Country Specific	748,143	1.2
Europe Diversified	4,899,881	7.6
Total Non United States	13,479,461	20.9%
Global:		
Global Diversified	9,274,032	14.4%
Grand Total	\$64,461,343	100.0%

(1) All non USD exposure has been converted to USD using the prevailing end of period rate.

Insured Portfolio Distribution by Credit Quality ⁽¹⁾

Ratings ⁽²⁾	Global Single	Global	Total
	Risk	Structured Finance	
AAA	2.3%	61.1%	63.4%
AA	10.5	0.2	10.7
A	17.2	0.2	17.4
BBB	5.2	3.2	8.4
BIG	0	0.1	0.1
	35.2%	64.8%	100.0%

(1) Based upon par outstanding.

(2) Based on Standard & Poor's assessment of underlying credit quality. If unrated by Standard & Poor's, an internal assessment of underlying credit quality is used. For policies rated BIG it is the lesser of Standard & Poor's or the internal rating.

CIFG Holding & Subsidiaries

(\$ in 000's)

Insured Portfolio 15 Largest Global Single Risk Credits ⁽¹⁾

	As of September 30, 2006		
	Net Par Outstanding		
	Ratings ⁽²⁾	Amount	% of Total Portfolio
Chicago Board of Education	A+	\$ 623,075	1.0%
New Jersey State General Obligation and Appropriation Credits	AA-	602,911	0.9
New York City General Obligation and Appropriation Credits	AA-	554,633	0.9
Miami-Dade County, FL	A+	525,860	0.8
New York State General Obligation	AA-	462,960	0.7
Commonwealth of Puerto Rico General Obligation and Appropriation Credits	BBB	459,308	0.7
Republic of Italy	AA-	449,305	0.7
Chicago O'Hare International Airport	A-	436,415	0.7
High Speed Railway Funding, Infrastructure Spa (Italy)	AA-	426,895	0.7
MTA Transportation Revenue Bonds	A	416,920	0.6
Louisiana State General Obligation	A	394,475	0.6
Denver International Airport	A	329,450	0.5
Puerto Rico Transportation Revenues, Senior & Sub-Lien	BBB	324,155	0.5
Hellenic Republic (Greece)	A	316,687	0.5
Port Authority of New York and New Jersey Consolidated Bond Resolution	AA-	309,725	0.5
		<u>\$6,632,774</u>	<u>10.3%</u>

(1) All non USD exposure has been converted to USD using the prevailing end of period rate.

(2) Based on Standard & Poor's assessment of underlying credit quality if available. If unavailable, then Moodys' and then CIFG rating

Insured Portfolio 15 Largest Global Structured Finance Credits ⁽¹⁾

	As of September 30, 2006		
	Net Par Outstanding		
	Ratings ⁽²⁾	Amount	% of Total Portfolio
U.S. Synthetic Investment Grade Municipal Bond CDO	AAA	\$ 644,925	1.0%
Greenpoint Mortgage Funding Trust 2006-HE1	BBB	488,680	0.8
European Cash Leveraged Loan CDO	AAA	450,997	0.7
European Synthetic Leveraged Loan CLO	AAA	443,398	0.7
European Cash Leveraged Loan CDO	AAA	429,428	0.7
U.S. Cash Leveraged Loan CLO	AAA	408,303	0.6
U.S. High Grade ABS CDO	AAA	400,000	0.6
U.S. Cash Leveraged Loan CDO	AAA	400,000	0.6
U.S. Synthetic Investment Grade Corporate CDO	AAA	400,000	0.6
U.S. Mezzanine ABS CDO	AAA	396,000	0.6
European Synthetic Investment Grade Corporate CDO	AAA	395,859	0.6
U.S. Mezzanine ABS CDO	AAA	394,599	0.6
European Cash Leveraged Loan CLO	AAA	392,249	0.6
European Investment Grade Cash CDO (diversified collateral)	AAA	388,259	0.6
European Cash Leveraged Loan CLO	AAA	380,912	0.6
		<u>\$6,413,609</u>	<u>9.9%</u>

(1) All non USD exposure has been converted to USD using the prevailing end of period rate.

(2) Based on Standard & Poor's assessment of underlying credit quality.

CIFG Holding & Subsidiaries

(\$ in 000's)

Collateralized Debt Obligations (CDO) Exposure ⁽¹⁾

	As of September 30, 2006	
	Net Par Outstanding	
	Amount	% of Total Portfolio
Cash Flow CDOs	\$ 20,350,099	31.6%
Synthetic CDOs	9,318,611	14.4
Total	<u>\$29,668,710</u>	<u>46.0%</u>

	As of September 30, 2006	
	Net Par Outstanding	
By Type	Amount	% of Total CDOs
CBO/CDO non investment grade bonds or loans	\$ 13,494,672	45.5%
CBO/CDO investment grade bonds or loans	8,388,744	28.3
CBO/CDO investment grade tranches of ABS deals	7,785,294	26.2
Total	<u>\$29,668,710</u>	<u>100.0%</u>

	As of September 30, 2006	
	Net Par Outstanding	
Underlying Ratings ⁽²⁾	Amount	% of Total Portfolio
AAA	\$ 29,668,710	46.0%

(1) All non USD exposure has been converted to USD using the prevailing end of period rate.

(2) Based on Standard & Poor's assessment of underlying credit quality before consideration of CIFG's financial guaranty

CIFG Holding & Subsidiaries
Reconciliation of French GAAP to U.S. GAAP - Unaudited
(in 000's)

	As of September 30, 2006		As of December 31, 2005	
	€	\$⁽¹⁾	€	\$⁽²⁾
French GAAP Shareholder's Equity	€ 492,049	\$ 623,303	€ 485,873	\$ 575,249
Adjustments:				
Goodwill	1,206	1,528	1,026	1,215
Fair value of fixed income investments ⁽³⁾	(10,053)	(12,735)	(5,602)	(6,632)
Fair value of credit derivatives ⁽³⁾	312	395	(177)	(210)
Net deferred premium revenue ⁽³⁾	789	999	(450)	(533)
Effect of stock options ⁽³⁾	1,206	1,528	2,222	2,631
Loss and loss adjustment reserves ⁽³⁾	5,472	6,932	4,724	5,593
Deferred acquisition cost, net ⁽³⁾	(10,853)	(13,748)	(10,811)	(12,800)
Deferred taxes, net operating losses	(7,506)	(9,508)	(7,233)	(8,564)
Other	(448)	(569)	69	82
U.S. GAAP Shareholder's Equity	€ 472,174	\$ 598,125	€ 469,641	\$ 556,031

	Nine months ended September 30,			
	2006		2005⁽⁴⁾	
	€	\$⁽¹⁾	€	\$⁽⁵⁾
French GAAP Net Income	€ 18,122	\$ 22,956	€ 8,813	\$ 10,627
Adjustments:				
Goodwill amortization	251	318	247	298
Fair value of credit derivatives ⁽³⁾	493	625	42	51
Net deferred premium revenue ⁽³⁾	1,235	1,564	(1,343)	(1,618)
Loss and loss adjustment reserves	2,490	3,154	1,646	1,985
Amortization of deferred acquisition costs	2,194	2,779	1,531	1,846
Deferred acquisition cost, net	(5,994)	(7,593)	(2,524)	(3,044)
Effect of stock options ⁽³⁾	(2,121)	(2,687)	(384)	(463)
Deferred taxes	709	898	(1,928)	(2,325)
Other	9	12	---	---
U.S. GAAP Net Income	€ 17,388	\$ 22,026	€ 6,100	\$ 7,357

For the convenience of the reader, all EUR amounts are translated to USD at the prevailing end of period exchange rate of:

(1) At September 30, 2006, 1.26675

(2) At December 31, 2005, 1.18395

(3) Net of taxes

(4) U.S. GAAP 2005 net income for the nine months ended September 30, has been restated.

(5) At September 30, 2005, 1.20585