



Operating Supplement
June 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
June 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)

	Six months ended June 30,	
	2006	2005
<u>Non U.S. GAAP Production Measures</u>		
Gross Par Written	\$ 15,840,915	\$ 5,775,234
Net Par Written	\$ 15,230,915	\$ 5,659,244
Adjusted Gross Premiums Written ⁽²⁾	\$ 107,215	\$ 37,949
<u>U.S. GAAP ⁽³⁾</u>		
Gross Premiums Written	\$ 77,002	\$ 30,993
Net Investment Income	\$ 14,566	\$ 4,843
Net Long-term Realized (Losses)Gains	---	---
Net Short-term Realized Gains ⁽⁴⁾	\$ 172	\$ 2,785
Pre-tax income	\$ 25,904	\$ 9,076
Net Income	\$ 15,811	\$(1,200)
	<u>June 30, 2006</u>	<u>December 31, 2005</u>
Total Assets	\$ 948,410	\$ 877,389
Shareholder's Equity	\$ 588,083	\$ 556,031
<u>Adjusted Book Value</u>		
Book Value	\$ 588,083	\$ 556,031
After-tax value of:		
Net Unearned Premium Reserve		
less Deferred Acquisition Costs	104,931	83,702
Present Value of Future Installment Premiums	142,865	120,886
Loss Provision	(18,646)	(15,893)
Adjusted Book Value	<u>\$ 817,233</u>	<u>\$ 744,726</u>
<u>Pro-forma Statutory Capital of Insurance Operations ⁽⁵⁾</u>		
Capital and Surplus	\$ 571,386	\$ 550,212
Contingency Reserve	74,124	49,618
Qualified Statutory Capital	<u>645,510</u>	<u>599,830</u>
Unearned Premium Reserves	239,859	190,664
Loss and Loss Adjustment Expense Reserves	---	---
Policyholders' Reserves	<u>885,369</u>	<u>790,494</u>
Present Value of Future Installment Premiums ⁽⁶⁾	219,792	185,978
Capital Support	101,500	101,500
Total Claims Paying Resources	<u>\$ 1,206,661</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 June 30,		As of December 31,	
	2006		2005	
	€	\$ ⁽¹⁾	€	\$ ⁽²⁾
Assets				
Investments				
Fixed income securities, available for sale, at fair value	€ 567,381	\$ 725,538	€ 595,927	\$ 705,548
Short-term investments, at cost (approximates fair value)	79,450	101,597	58,603	69,383
Total investments	646,831	827,135	654,530	774,931
Cash	12,254	15,670	9,656	11,432
Premium receivable	11,670	14,923	9,876	11,693
Receivable for securities sold	---	---	3,379	4,001
Investment income due and accrued	14,126	18,064	11,350	13,438
Prepaid reinsurance premiums	2,438	3,118	2,538	3,005
Intangible asset	6,515	8,331	7,037	8,331
Property and equipment, net	797	1,019	844	999
Deferred acquisition costs, net	46,400	59,334	41,235	48,820
Other assets	639	816	625	739
Total assets	€ 741,670	\$948,410	€ 741,070	\$877,389
Liabilities and Shareholder's Equity				
Liabilities				
Deferred premium revenue	€ 175,080	\$ 223,884	€ 152,538	\$ 180,597
Loss and loss adjustment reserves	4,502	5,757	3,325	3,937
Ceded reinsurance balances payable	170	217	674	798
Current income taxes	860	1,100	3,897	4,614
Deferred income taxes	9,585	12,256	10,632	12,587
Payable on investments purchased	55	70	59	70
Accounts payable and accrued expenses	13,535	17,308	16,388	19,403
Derivative liabilities	(308)	(394)	277	328
Long-term debt	77,028	98,500	83,196	98,500
Intercompany payable to affiliates	152	194	144	170
Other liabilities	1,122	1,435	299	354
Total liabilities	281,781	360,327	271,429	321,358
Shareholder's Equity				
Common stock	450,078	575,537	450,078	532,870
Additional paid in capital	55,091	70,448	56,652	67,073
Accumulated deficit	7,722	9,874	(4,361)	(5,164)
Reserve legal	1,084	1,386	804	952
Accumulated other comprehensive loss, net ⁽³⁾	(54,086)	(69,162)	(31,306)	(37,065)
Unearned compensation-restricted stock	---	---	(2,226)	(2,635)
Total shareholder's equity	459,889	588,083	469,641	556,031
Total liabilities and shareholder's equity	€ 741,670	\$948,410	€ 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 June 30, 2006, 1.2788

(2) At December 31, 2005, 1.1840

(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)

	Six months ended June 30,			
	2006		2005 (Restated)	
	€	\$⁽¹⁾	€	\$⁽²⁾
Revenues				
Gross premiums written	€ 60,217	\$ 77,002	€ 25,625	\$ 30,993
Ceded premiums written	(246)	(315)	(371)	(449)
Net premiums written	59,971	76,687	25,254	30,544
Change in net deferred premium revenue	(33,935)	(43,394)	(8,511)	(10,294)
Net premium earned	26,036	33,293	16,743	20,250
Net investment income	11,391	14,566	4,004	4,843
Net long term realized capital (loss) gains	---	---	---	---
Net short term realized capital gains	134	172	2,303	2,785
Net realized and unrealized gains on credit derivatives	578	739	(60)	(73)
Foreign exchange (loss) gain	2,912	3,724	(927)	(1,121)
Other income	390	499	1	1
Total revenues	<u>41,441</u>	<u>52,993</u>	<u>22,064</u>	<u>26,685</u>
Expenses				
Losses and loss adjustment expenses	1,015	1,298	588	711
Amortization of deferred acquisition costs	2,888	3,693	1,987	2,403
Operating expenses, net of deferrals	15,322	19,593	10,322	12,484
Interest expense	1,959	2,505	1,663	2,011
Total expenses	<u>21,184</u>	<u>27,089</u>	<u>14,560</u>	<u>17,609</u>
Income before income taxes	20,257	25,904	7,504	9,076
Provision for income taxes:				
Current	2,814	3,598	6,267	7,580
Deferred	5,079	6,495	2,229	2,696
Net income (loss)	<u>€ 12,364</u>	<u>\$ 15,811</u>	<u>€ (992)</u>	<u>\$ (1,200)</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 June 30, 2006, 1.2788

(2) At June 30, 2005, 1.2095

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 June 30, 2006

(\$ in 000's) ⁽¹⁾

	<u>Fair Value</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Amortized Cost</u>
Fixed Income:				
Taxable	\$ 724,637	\$ 6	\$ (30,253)	\$ 754,884
Tax Exempt	901	-	(31)	932
Total Fixed Income	<u>725,538</u>	<u>6</u>	<u>(30,284)</u>	<u>755,816</u>
Short Term Investments	<u>101,597</u>	---	---	<u>101,597</u>
Total Investments	<u><u>\$ 827,135</u></u>	<u><u>\$ 6</u></u>	<u><u>\$ (30,284)</u></u>	<u><u>\$ 857,413</u></u>

Fixed Income:	
Effective duration:	
USD denominated	3.1
Euro denominated	4.5
Effective years to maturity	4.4

Credit Quality of Fixed Income Portfolio ⁽²⁾

Rating ⁽³⁾	Percent of Fixed Income Portfolio
AAA	86.4%
AA	12.4%
A	1.1%
BBB	0.1%
	<u>100.0%</u>

Maturity Distribution

	% of Fair Value	Fair Value
Within one year	18.8%	\$ 155,847
From 1 to 5 years	48.1%	397,777
Between 5 and 10 years	32.5%	268,401
Between 10 and 15 years	0.4%	3,577
Between 15 and 20 years	---	-
Beyond 20 years	0.2%	1,533
Total Investment Portfolio	<u>100.0%</u>	<u>\$ 827,135</u>

% of fixed income investments by base currency

Other	0.1%
EUR	56.3%
USD	43.6%
Total	<u>100.0%</u>

(1) At June 30, 2006, the prevailing end of period exchange rate of EUR 1 = USD 1.2788

(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)

	Six months ended June 30,			
	2006		2005 (Restated)	
	€	\$ ⁽¹⁾	€	\$ ⁽²⁾
Loss and LAE Incurred	€ 1,015	\$ 1,298	€ 588	\$ 711
Gross Insurance Expenses	25,529	32,645	17,174	20,772
Ceding Commissions Paid/(Received)	267	341	1,121	1,356
Net Insurance Expenses Before Deferrals	<u>25,796</u>	<u>32,986</u>	<u>18,295</u>	<u>22,128</u>
Deferred Policy Acquisition Costs	(10,474)	(13,393)	(7,973)	(9,644)
Net Operating Expenses	<u>15,322</u>	<u>19,593</u>	<u>10,322</u>	<u>12,484</u>
Amortization of Deferred Acquisition Costs	2,888	3,693	1,987	2,403
Total Insurance Expenses	<u>€ 19,225</u>	<u>\$ 24,584</u>	<u>€ 12,897</u>	<u>\$15,598</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 June 30, 2006, 1.2788

(2) At June 30, 2005, 1.2095

CIFG Holding & Subsidiaries
(in USD)

Financial Guarantees Written ⁽¹⁾

	Six months ended June 30, 2006	
	(in millions)	(in thousands)
	Gross	
	Premiums	
	Par	Written
		AGP
Global Single Risk	\$4,611	\$46,657
Global Structured Finance	11,230	30,345
Total	<u>\$15,841</u>	<u>\$107,215</u>

	Six months ended June 30, 2005	
	(in millions)	(in thousands)
	Gross	
	Premiums	
	Par	Written
		AGP
Global Single Risk	\$1,985	\$15,112
Global Structured Finance	3,790	15,881
Total	<u>\$5,775</u>	<u>\$37,949</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⁾

	Six months ended (000's)	
	2006	2005
Global Single Risk		
Upfront	\$ 5,463	\$ 3,175
Installments	2,313	1,660
Total	<u>\$ 7,776</u>	<u>\$ 4,835</u>
Global Structured Finance		
Upfront	\$ 1,329	\$ 575
Installments	24,188	14,840
Total	<u>\$25,517</u>	<u>\$15,415</u>
Total		
Upfront	\$ 6,792	\$ 3,750
Installments	26,501	16,500
Total	<u>\$33,293</u>	<u>\$20,250</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
June 30, 2006		\$ 84,316,413
2006	\$ 1,749,834	82,566,579
2007	5,184,166	77,382,413
2008	4,868,516	72,513,896
2009	7,882,824	64,631,072
2010	5,308,267	59,322,806
2011	5,707,575	53,615,230
2006-2011	30,701,183	53,615,230
2012-2016	26,439,341	27,175,889
2017-2021	8,432,099	18,743,790
2022-2026	7,759,082	10,984,708
After 2026	10,984,708	---
Total	<u>\$84,316,413</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 June 30, 2006	
	Amount	%
<i>Global Single Risk</i>		
State General Obligations and Appropriations	\$4,394,913	7.7%
Sovereign/Sub Sovereign	2,075,622	3.6%
City and County General Obligations	1,955,699	3.4%
Airports	1,585,294	2.8%
State Tax Backed	1,483,155	2.6%
Health Care	1,123,642	2.0%
Toll Roads	1,053,410	1.9%
Utility Systems	1,006,045	1.8%
Higher Education	973,113	1.7%
Transportation	916,179	1.6%
Investor-owned Utilities	734,160	1.3%
Special Revenue	699,161	1.2%
Project Finance	683,430	1.2%
Public Power	676,777	1.2%
Municipal Housing	567,770	1.0%
Local Tax-Backed	311,414	0.6%
Total Global Single Risk	<u>20,239,784</u>	<u>35.6%</u>
<i>Global Structured Finance</i>		
CBO/CDO non investment grade bonds or loans	11,124,321	19.5%
CBO/CDO investment grade bonds or loans	7,824,925	13.7%
CBO/CDO investment grade tranches of ABS deals	6,584,184	11.6%
Commercial Mortgage Backed	2,740,310	4.8%
Mortgage Backed	2,502,678	4.3%
Home Equity	2,264,267	4.0%
Student Loans	1,509,960	2.7%
Lease Assets	852,140	1.5%
Commercial Asset Backed	781,301	1.4%
Other Structured Finance	209,710	0.4%
Auto Loans	175,767	0.3%
Credit Cards	101,000	0.2%
Total Global Structured Finance	<u>36,670,563</u>	<u>64.4%</u>
Total	<u>\$56,910,347</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 June 30, 2006	
	Amount	%
United States:		
New York	\$3,523,900	6.2%
Illinois	1,637,529	2.9%
Puerto Rico	1,372,392	2.4%
California	1,217,447	2.1%
New Jersey	990,803	1.7%
Florida	901,917	1.6%
Texas	572,449	1.0%
Colorado	460,139	0.8%
Indiana	431,889	0.8%
Georgia	422,315	0.8%
Other States	3,929,520	6.9%
United States Diversified	19,996,342	35.1%
Total United States	35,456,642	62.3%
Non United States:		
United Kingdom	3,246,965	5.7%
Italy	2,012,779	3.6%
France	638,213	1.1%
Germany	514,178	0.9%
Canada	364,761	0.6%
Portugal	342,032	0.6%
Greece	319,688	0.6%
Australia	311,971	0.5%
Other Country Specific	750,516	1.3%
Europe Diversified	4,881,046	8.6%
Total Non United States	13,382,149	23.5%
Global:		
Global Diversified	8,071,556	14.2%
Grand Total	\$56,910,347	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	2.6%	61.3%	63.9%
AA	11.3%	0.0%	11.3%
A	16.3%	0.4%	16.7%
BBB	5.2%	2.8%	8.0%
BIG	0.0%	0.1%	0.1%
	35.4%	64.6%	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 June 30, 2006		
	Net Par Outstanding		
	Ratings ⁽²⁾	Amount	% of Total Portfolio
Illinois State General State Aid for Public Schools	A+	\$ 623,075	1.1%
New Jersey State General Obligation and Appropriation Credits	AA-	602,911	1.1%
New York City General Obligation and Appropriation Credits	AA-	556,263	1.0%
New York State General Obligation	AA-	462,960	0.8%
Commonwealth of Puerto Rico General Obligation and Appropriation Credits	BBB	459,268	0.8%
Republic of Italy	AA-	451,906	0.8%
Chicago O'Hare International Airport	A-	436,415	0.8%
High Speed Railway Funding, Infrastructure Spa (Italy)	AA-	430,939	0.8%
MTA Transportation Revenue Bonds	A	405,865	0.7%
Puerto Rico Transportation	BBB	395,519	0.7%
City of Rome (Italy)	AA-	379,267	0.7%
Denver International Airport	A	329,450	0.6%
Hellenic Republic	A	319,688	0.6%
Port Authority Consolidated Bond Resolution	AA-	309,725	0.5%
Louisiana Citizen Property Insurance Corporation	A-	300,000	0.4%
		<u>\$6,463,251</u>	<u>11.4%</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 June 30, 2006		
	Net Par Outstanding		
	Ratings ⁽²⁾	Amount	% of Total Portfolio
European Synthetic Leveraged Loan CLO	AAA	\$ 677,738	1.2%
U.S. Synthetic Investment Grade Municipal Bond CDO	AAA	644,925	1.1%
European Cash Leveraged Loan CDO	AAA	433,496	0.7%
U.S. Cash Leveraged Loan CLO	AAA	409,684	0.7%
U.S. Synthetic Investment Grade Corporate CDO	AAA	400,000	0.7%
European Synthetic Investment Grade Corporate CDO	AAA	399,609	0.7%
European Cash Leveraged Loan CLO	AAA	395,965	0.7%
U.S. Mezzanine ABS CDO	AAA	395,000	0.7%
European Investment Grade Cash CDO (diversified collateral)	AAA	391,937	0.7%
European Cash Leveraged Loan CLO	AAA	384,520	0.7%
European Synthetic Investment Grade Corporate CDO	AAA	383,635	0.7%
European Synthetic Investment Grade Corporate CDO	AAA	383,625	0.7%
U.S. Synthetic Investment Grade Corporate CDO	AAA	383,625	0.7%
U.S. High Grade ABS CDO	AAA	381,386	0.7%
U.S. Synthetic Investment Grade Corporate CDO	AAA	375,000	0.6%
		<u>\$6,440,145</u>	<u>11.3%</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.

CIFG Holding & Subsidiaries

(\$ in 000's)

Collateralized Debt Obligations (CDO) Exposure ⁽¹⁾

	As of June 30, 2006	
	Net Par Outstanding	
	Amount	% of Total Portfolio
Cash Flow CDOs	\$ 16,879,159	29.6%
Synthetic CDOs	8,654,271	15.2%
Total	<u>\$25,533,430</u>	<u>44.8%</u>

	As of June 30, 2006	
	Net Par Outstanding	
<u>By Type</u>	Amount	% of Total CDOs
CBO/CDO non investment grade bonds or loans	\$ 11,124,321	43.6%
CBO/CDO investment grade bonds or loans	7,824,925	30.6%
CBO/CDO investment grade tranches of ABS deals	6,584,184	25.8%
Total	<u>\$25,533,430</u>	<u>100.0%</u>

	As of June 30, 2006	
	Net Par Outstanding	
<u>Underlying Ratings ⁽²⁾</u>	Amount	% of Total Portfolio
AAA	\$ 25,533,430	44.8%

(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 June 30, 2006		As of December 31, 2005	
	€	\$⁽¹⁾	€	\$⁽²⁾
French GAAP Shareholder's Equity	€ 483,956	\$ 618,859	€ 485,873	\$ 575,249
Adjustments:				
Goodwill	1,113	1,423	1,026	1,215
Fair value of fixed income investments ⁽³⁾	(15,388)	(19,677)	(5,602)	(6,632)
Fair value of credit derivatives ⁽³⁾	196	251	(177)	(210)
Net deferred premium revenue ⁽³⁾	773	988	(450)	(533)
Effect of stock options ⁽³⁾	982	1,256	2,222	2,631
Loss and loss adjustment reserves	6,070	7,762	4,724	5,593
Deferred acquisition cost, net	(10,870)	(13,900)	(10,811)	(12,800)
Deferred taxes, net operating losses	(6,521)	(8,339)	(7,233)	(8,564)
Other	(422)	(540)	69	82
U.S. GAAP Shareholder's Equity	€ 459,889	\$ 588,083	€ 469,641	\$ 556,031

	Six months ended June 30,			
	2006		2005	
	€	\$⁽¹⁾	€	\$⁽⁴⁾
French GAAP Net Income	€ 11,634	\$ 14,877	€ 991	\$ 1,199
Adjustments:				
Goodwill amortization	169	216	162	196
Fair value of credit derivatives	374	478	(36)	(44)
Net deferred premium revenue	1,253	1,602	(1,236)	(1,494)
Loss and loss adjustment reserves	1,589	2,032	1,086	1,314
Amortization of deferred acquisition costs	1,649	2,109	1,013	1,225
Deferred acquisition cost, net	(1,948)	(2,491)	(1,669)	(2,019)
Effect of stock options	(1,905)	(2,436)	(462)	(559)
Deferred taxes	(452)	(578)	(841)	(1,018)
Other	1	2	---	---
U.S. GAAP Net Income	€ 12,364	\$ 15,811	€ (992)	\$(1,200)

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

(1) At June 30, 2006, 1.2788

(2) At December 31, 2005, 1.1840

(3) Net of taxes

(4) At June 30, 2005, 1.2095