



RAM Re Group of Companies
Financial Supplement ⁽¹⁾
First Quarter 2006
March 31, 2006

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⁽¹⁾ Information included in this report is unaudited

RAM Re Group of Companies
Combined Balance Sheets
(dollars in thousands)

	March 31, 2006	December 31, 2005
<u>Assets</u>		
Investments: Fixed-maturity securities held as available for sale, at fair value (Amortized Cost: \$484,232,094 and \$474,447,225)	\$ 471,908	\$ 469,908
Cash and cash equivalents	5,040	6,070
Accrued investment income	3,476	4,692
Premiums receivable	2,828	1,988
Recoverable on paid losses	1,254	1,280
Deferred policy acquisition costs	67,191	66,220
Fixed assets	104	124
Deferred expenses	869	849
Prepaid expenses	1,197	114
Other assets	3,113	2,327
Total Assets	\$ 556,980	\$ 553,572
 <u>Liabilities and Shareholders' Equity</u>		
Liabilities:		
Loss and loss expense reserve	\$ 18,983	\$ 16,595
Unearned premiums	169,450	165,580
Accounts payable and accrued liabilities	1,860	3,108
Long-term debt	40,000	40,000
Accrued interest payable	-	693
Share based compensation liability	2,385	2,802
Other liabilities	2,929	2,138
Total Liabilities	235,607	230,916
Shareholders' Equity:		
Common stock: \$0.10 par value; authorized shares - 100,000,000 and 45,000,000; Issued and outstanding shares -25,884,755 shares at March 31, 2006 and 25,884,755 shares at December 31, 2005	2,588	2,588
Additional paid-in capital	210,960	211,057
Accumulated other comprehensive income	(12,338)	(4,540)
Retained earnings	120,163	113,551
Total Shareholders' Equity	321,373	322,656
Total Liabilities and Shareholders' Equity	\$ 556,980	\$ 553,572

RAM Re Group of Companies
Combined Statements of Income

(dollars in thousands)

	Three Months Ended March 31		Three Months Ended March 31	
	2006	2005	2006	2005
Revenues				
Gross premiums written	\$ 14,576	\$ 15,186	\$ 14,576	\$ 15,186
Change in unearned premiums	(3,870)	(6,199)	(3,870)	(6,199)
Premiums earned	10,706	8,987	10,706	8,987
Net investment income	5,395	4,182	5,395	4,182
Net realized gains (losses) on sale of investments	(220)	(333)	(220)	(333)
Net unrealized gains (losses) on credit derivatives	(3)	282	(3)	282
Total revenues	15,878	13,118	15,878	13,118
Expenses				
Losses and loss adjustment expenses	1,099	539	1,099	539
Acquisition expenses	3,945	3,263	3,945	3,263
Operating expenses	3,539	2,372	3,539	2,372
Interest expense	682	682	682	682
Total expenses	9,265	6,856	9,265	6,856
Net Income for year	\$ 6,613	\$ 6,262	\$ 6,613	\$ 6,262
Net income per common share:				
Basic	\$ 0.26	\$ 0.24	\$ 0.26	\$ 0.24
Diluted	0.25	0.24	0.25	0.24
Weighted-average number of common shares outstanding:				
Basic	25,884,755	25,917,295	25,884,755	25,917,295
Diluted	25,943,860	26,043,585	25,943,860	26,043,585
Operating Earnings				
Net income	\$ 6,613	\$ 6,262	\$ 6,613	\$ 6,262
Less: Realized gains (losses) on investments	220	333	220	333
Less: Unrealized gains (losses) on credit derivatives	3	(282)	3	(282)
Operating Earnings	\$ 6,836	\$ 6,313	\$ 6,836	\$ 6,313
Net income per diluted common share	\$ 0.25	\$ 0.24	\$ 0.25	\$ 0.24
Less: Realized gains (losses) on investments	0.01	0.01	0.01	0.01
Less: Unrealized gains (losses) on credit derivatives	0.00	(0.01)	0.00	(0.01)
Operating earnings per diluted share	\$ 0.26	\$ 0.24	\$ 0.26	\$ 0.24

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

GAAP Basis *	1st Quarter		Full Year
	2006	2005	2005
Financial Ratios			
Loss and LAE Ratio	10.3%	6.0%	16.9%
Underwriting Expense Ratio	69.9%	62.7%	63.7%
Combined Ratio	80.2%	68.7%	80.6%
Per Share Data			
Shareholder's Equity (Book Value)	\$12.42	\$12.03	\$12.47
Unearned premiums	6.55	5.64	6.40
Deferred Acquisition Costs	(2.60)	(2.34)	(2.56)
Present Value of Installment Premiums ⁽¹⁾	3.51	2.61	3.28
Unrealized Gains (Losses) on Investment Contract Liabilities	0.48	0.12	0.18
Adjusted Book Value	\$20.35	\$18.06	\$19.76
* Based on U.S. GAAP Income Statement Data			

Statutory Basis (estimated)	1st Quarter		Full Year
	2006	2005	2005
Financial Ratios			
Loss and LAE Ratio	0.4%	22.5%	18.3%
Underwriting Expense Ratio	67.3%	55.7%	50.8%
Combined Ratio	67.7%	78.2%	69.1%
Balance Sheet			
	3/31/2006	12/31/2005	
Capital and Surplus	\$224,052	\$221,192	
Contingency Reserve	61,866	63,617	
Capital Base	\$285,918	\$284,809	
Unearned Premium Reserve	196,729	189,135	
Present Value of Installment Premiums ⁽¹⁾	90,741	84,839	
Premium Resources	287,470	273,974	
Loss and LAE Reserves	6,320	4,978	
Soft Capital Credit Facilities	180,000	140,000	
Total Claims-Paying Resources	\$759,708	\$703,761	
Par Outstanding	\$28,216,426	\$27,054,260	
Capital Ratio ⁽²⁾	99:1	95:1	
Claims-Paying Ratio ⁽³⁾	37:1	38:1	

(1) Present value of future installments, net of ceding commissions, are current estimates and may differ. March 31, 2006 and December 31, 2005, the discount rate was 4.30% and 4.36%, respectively.

(2) Par outstanding divided by the capital base.

(3) Par outstanding divided by total claims-paying resources.

RAM Re Group of Companies
Annual Financial and Statistical Data
(dollars in thousands except per share amounts)

	Q1						
	2006	2005	2004	2003	2002	2001	2000
GAAP Summary Income Statement Data							
Insurance							
Gross Premiums Written	\$ 14,576	\$ 68,147	\$ 66,057	\$ 67,880	\$ 36,205	\$ 26,544	\$ 21,346
Premiums Earned	10,706	42,609	34,721	25,543	17,561	12,898	9,327
Net Investment Income	5,395	18,202	16,824	13,373	11,209	11,121	10,021
Realized Gains/(Losses)	(220)	(1,584)	536	1,097	2,927	535	252
Unrealized Gains/(Losses) on							
Credit Derivatives	(3)	(2,526)	2,757	456	(613)	-	-
Loss and Loss Adjustment							
Expenses	1,099	7,204	3,579	3,994	6,110	910	653
Acquisition Expenses	3,945	15,628	13,387	10,223	7,363	5,688	3,927
Operating Expenses	3,539	11,531	11,032	5,042	3,360	2,926	3,087
Interest Expense	682	2,750	2,106	-	-	-	-
Net Income	6,613	19,588	24,734	21,210	14,251	15,030	11,933
GAAP Summary Balance Sheet Data							
Total Investments	\$ 471,908	\$ 469,908	\$ 404,906	\$ 345,837	\$ 219,330	\$ 188,978	\$ 163,578
Deferred Acquisition Costs	67,191	66,220	58,653	53,017	38,712	30,387	22,976
Total Assets	556,980	553,572	511,824	426,260	277,121	234,646	201,253
Unearned Premiums	169,450	165,580	140,043	120,182	77,845	59,201	45,555
Loss and Loss Expense Reserves	18,983	16,595	15,493	13,821	10,394	4,382	3,529
Long-term Debt	40,000	40,000	40,000	-	-	-	-
Total Liabilities	235,608	230,916	200,319	137,005	91,530	65,603	50,977
Shares outstanding	25,885	25,885	25,917	25,891	16,774	17,146	17,146
Shareholders' Equity	321,373	322,656	311,505	289,255	185,590	169,042	150,276
Statutory Data							
Net Income	\$ 2,574	\$ 14,127	\$ 9,035	\$ 5,971	\$ 7,047	\$ 7,456	\$ 3,138
Capital and Surplus	224,052	221,192	171,742	151,757	74,678	87,354	92,072
Contingency Reserve	61,866	63,617	102,880	78,537	60,587	44,065	30,929
Capital Base	285,918	284,809	274,622	230,294	135,265	131,419	123,002
Unearned Premium Reserve	196,729	189,135	160,308	131,429	85,575	64,267	49,535
Present Value of							
Installment Premiums ⁽¹⁾	90,741	84,839	59,546	55,607	34,541	24,214	14,800
Premium Resources	287,470	273,974	219,854	187,036	120,116	88,481	64,335
Loss and LAE Reserves	6,320	4,978	3,982	1,326	601	-	-
Soft Capital Credit Facilities	180,000	140,000	140,000	90,000	70,000	70,000	70,000
Total Claims-Paying Resources	759,708	703,761	638,458	508,656	325,982	289,900	257,337
Financial Ratios							
<u>GAAP</u>							
Loss and LAE Ratio	10.3%	16.9%	10.3%	15.6%	34.8%	7.1%	7.0%
Underwriting Expense Ratio	69.9%	63.7%	70.3%	59.8%	61.1%	66.8%	75.2%
Combined Ratio	80.2%	80.6%	80.6%	75.4%	95.9%	73.8%	82.2%
<u>Statutory</u>							
Loss and LAE Ratio	0.4%	18.3%	15.9%	5.8%	18.1%	0.5%	0.0%
Underwriting Expense Ratio	67.3%	50.8%	45.3%	43.7%	53.1%	60.5%	64.9%
Combined Ratio	67.7%	69.1%	61.2%	49.6%	71.2%	61.0%	64.9%
Other Financial Information							
Par Amount Outstanding	\$ 28,216,426	\$ 27,054,260	\$ 22,154,050	\$ 19,775,000	\$ 15,860,000	\$ 12,803,180	\$ 9,864,360
<u>Adjusted Book Value</u>							
Book Value Per Share	\$ 12.42	\$ 12.47	\$ 12.02	\$ 11.17	\$ 11.06	\$ 9.86	\$ 8.76
Shareholder's Equity (Book Value)	321,373	322,656	311,505	289,255	185,590	169,042	150,276
Unearned premiums	169,450	165,580	140,043	120,182	77,845	59,201	45,555
Deferred Acquisition Costs	67,191	66,220	58,653	53,017	38,712	30,387	22,976
Present Value of							
Installment Premiums (1)	90,741	84,839	59,546	55,607	34,541	24,214	14,800
Unrealized Gains (Losses) on Investments	(12,338)	(4,540)	2,787	4,659	11,002	4,733	998
Adjusted Book Value Per Share	\$ 20.35	\$ 19.76	\$ 17.35	\$ 15.73	\$ 14.80	\$ 12.68	\$ 10.89

(1) Present value of future installments, net of ceding commissions, are current estimates and may differ due to additions of new business, changes in prepayment speeds, early terminations or refundings. At March 31, 2006 and December 31, 2005, the discount rate was 4.30% and 4.36%, respectively.

RAM Re Group of Companies
Estimated Net Debt Service Amortization ⁽¹⁾

(dollars in thousands)

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
2005		\$ 37,028,274
2006	\$ 1,577,596	35,450,678
2007	2,581,402	32,869,276
2008	1,945,268	30,924,008
2009	2,053,655	28,870,353
2010	1,795,014	27,075,339
2011-2015	8,600,280	18,475,059
2016-2020	6,768,880	11,706,180
2021-2025	4,898,998	6,807,182
2026 and thereafter	<u>6,807,182</u>	-
Total	<u>\$ 37,028,274</u>	

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

	Net Unearned Premiums ⁽²⁾	Net Unearned Premium Amortization		Total Premium Earnings ⁽⁴⁾
		Upfront	Installments ⁽³⁾	
2005	\$ 163,203			
2006	\$ 149,694	\$ 13,510	\$ 23,643	\$ 37,152
2007	\$ 137,046	\$ 12,647	\$ 21,133	\$ 33,780
2008	\$ 125,134	\$ 11,912	\$ 18,313	\$ 30,225
2009	\$ 113,828	\$ 11,307	\$ 14,425	\$ 25,732
2010	\$ 103,239	\$ 10,588	\$ 11,978	\$ 22,566
2011-2015	\$ 59,379	\$ 43,861	\$ 38,402	\$ 82,262
2016-2020	\$ 30,860	\$ 28,519	\$ 24,406	\$ 52,925
2021-2025	\$ 13,668	\$ 17,192	\$ 18,113	\$ 35,304
2026 and thereafter	\$ -	<u>\$ 13,668</u>	<u>\$ 24,264</u>	<u>\$ 37,933</u>
Total		<u>\$ 163,203</u>	<u>\$ 194,676</u>	<u>\$ 357,879</u>

(1) Represents the existing insured issues portfolio as of the current period only.

(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.

RAM Re Group of Companies
Premiums Earned Analysis
(dollars in thousands)

2006	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
Public Finance	\$ 4,369				\$ 4,369
Structured Finance	6,337				\$ 6,337
Total	\$ 10,706	\$ 0	\$ 0	\$ 0	\$ 10,706
Refundings included in total	\$ 621				\$ 621

2005	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
Public Finance	\$ 4,615	\$ 4,614	\$ 6,570	5,039	\$ 20,838
Structured Finance	4,372	6,604	4,650	6,145	\$ 21,771
Total	\$ 8,987	\$ 11,218	\$ 11,220	\$ 11,184	\$ 42,609
Refundings included in total	\$ 395	\$ 1,149	\$ 759	\$ 990	\$ 3,293

Par Value and Adjusted Premiums ⁽¹⁾
(dollars in thousands)

	1st Quarter		Year-to-Date	
	2006	2005	2006	2005
Par Written	\$ 2,099,601	\$ 2,900,746	\$ 2,099,601	\$ 2,900,746
GAAP Premiums Written	\$ 14,576	\$ 15,186	\$ 14,576	\$ 15,186
Less: Installment Premiums Written	\$ 6,835	\$ 6,366	\$ 6,835	\$ 6,366
Upfront Premiums Written	\$ 7,741	\$ 8,820	\$ 7,741	\$ 8,820
Plus: PV of Installment Premiums Written	\$ 12,684	\$ 21,289	\$ 12,684	\$ 21,289
Adjusted Premiums Written	\$ 20,425	\$ 30,109	\$ 20,425	\$ 30,109

(1) Adjusted premiums represent upfront premiums and the estimated present value of current and future installment premiums for in-force policies as reported at a one-quarter lag.

RAM Re Group of Companies
Investment Portfolio
As of March 31, 2006
(dollars in thousands)

Investments

Fixed Income Securities

U.S.Treasuries

Agencies

Corporate

Municipal

Mortgage and Asset Backed

Total Investments

<u>Market Value</u>	<u>% of Market Value</u>	<u>Amortized Cost</u>	<u>Yield</u>	<u>Annualized Income</u>
\$ 43,612	9.2%	\$ 45,543	4.4%	\$ 1,995
82,312	17.4%	84,192	4.0%	3,368
113,997	24.2%	117,572	4.5%	5,244
12,314	2.6%	11,724	7.1%	829
219,673	46.5%	225,201	4.4%	9,946
<u>\$ 471,908</u>	<u>100.0%</u>	<u>\$ 484,232</u>		<u>\$ 21,381</u>

Maturity

Within 1 Year

1 to 5 Years

5 to 10 Years

More than 10 Years

Total Investment Income

<u>Market Value</u>	<u>% of Market Value</u>
\$ 41,937	8.9%
117,296	24.9%
91,500	19.4%
<u>221,175</u>	<u>46.9%</u>
<u>\$ 471,908</u>	<u>100.0%</u>

Average life: 6.49 years

Duration: 4.34 years

**Quality Distribution
of Long-Term Fixed
Income Investments**

<u>Rating</u>	<u>% of Market Value</u>
Aaa	75.0%
Aa	11.5%
A	11.5%
Baa	1.0%
Cash	<u>1.0%</u>
	<u>100.0%</u>

RAM Re Group of Companies
Loss and Loss Adjustment Expense (LAE) Reserves
(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2006				
Case Reserves	\$ 7,574			
Unallocated Reserves	<u>11,409</u>			
Total Reserves	<u>\$ 18,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2005				
Case Reserves	\$ 6,427	\$ 2,300	\$ 2,312	\$ 6,257
Unallocated Reserves	<u>9,425</u>	<u>9,672</u>	<u>9,962</u>	<u>10,338</u>
Total Reserves	<u>\$ 15,852</u>	<u>\$ 11,972</u>	<u>\$ 12,274</u>	<u>\$ 16,595</u>

RAM Re Group of Companies
Insurance Expense Analysis
(dollars in thousands)

2006	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
Acquisition and Operating Expenses:					
Operating expenses	4,208	-	-	-	\$ 4,208
Gross acquisition expenses	<u>4,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 4,247</u>
Gross acquisition and operating expenses	\$ 8,455	\$ -	\$ -	\$ -	\$ 8,455
Deferred Expenses:					
Acquisition expenses	(4,135)	-	-	-	(4,135)
Operating expenses	<u>(669)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (669)</u>
Total deferred expenses	(4,804)	-	-	-	(4,804)
Change in deferred acquisition expenses	<u>3,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 3,833</u>
Total acquisition and operating expense, net of deferred expenses	<u>\$ 7,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,484</u>

2005	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
Acquisition and Operating Expenses:					
Operating expenses	2,978	5,574	2,758	2,777	\$ 14,087
Gross acquisition expenses	<u>4,589</u>	<u>4,597</u>	<u>7,591</u>	<u>3,863</u>	<u>\$ 20,640</u>
Gross acquisition and operating expenses	\$ 7,567	\$ 10,171	\$ 10,349	\$ 6,640	\$ 34,727
Deferred Expenses:					
Acquisition expenses	(4,506)	(4,465)	(7,383)	(3,755)	(20,109)
Operating expenses	<u>(607)</u>	<u>(661)</u>	<u>(651)</u>	<u>(637)</u>	<u>\$ (2,556)</u>
Total deferred expenses	(5,113)	(5,126)	(8,034)	(4,392)	(22,665)
Change in deferred acquisition expenses	<u>3,181</u>	<u>3,935</u>	<u>4,032</u>	<u>3,949</u>	<u>\$ 15,097</u>
Total acquisition and operating expense, net of deferred expenses	<u>\$ 5,635</u>	<u>\$ 8,980</u>	<u>\$ 6,347</u>	<u>\$ 6,197</u>	<u>\$ 27,159</u>

Deferred Expenses to Deferred Premiums Ratio
(dollars in thousands)

	2004	2005	1st Qtr. 2006	2nd Qtr. 2006	3rd Qtr. 2006	4th Qtr. 2006
Deferred Acquisition Costs	\$ 58,653	\$ 66,220	\$ 67,191			
Unearned Premiums	140,043	165,580	169,450			
Present Value of Future Installment Premiums	<u>59,546</u>	<u>84,839</u>	<u>90,741</u>			
Adjusted Deferred Premiums	<u>\$ 199,589</u>	<u>\$ 249,419</u>	<u>\$ 260,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ratio	29.4%	26.5%	25.8%			

RAM Holdings Ltd.
Insured Portfolio Profile by Bond Type
Net Par Outstanding*
(dollars in millions)

	Insured YTD, March 31, 2006		Outstanding as of March 31, 2006	
	Net Amount	%	Net Amount	%
US Public Finance				
General Obligation and Lease	\$ 187	8.9%	\$ 5,383	19.1%
Tax backed	159	7.6%	2,082	7.4%
Transportation	17	0.8%	2,353	8.3%
Healthcare	144	6.8%	1,956	6.9%
Utility	120	5.7%	2,740	9.7%
Investor Owned Utilities	15	0.7%	539	1.9%
Higher Education	43	2.0%	366	1.3%
Housing	6	0.3%	339	1.2%
Other	-	0.0%	83	0.3%
Total Public Finance	\$ 691	32.9%	\$ 15,840	56.1%
US Structured Finance				
Commercial ABS	\$ 423	20.2%	\$ 3,525	12.5%
Home Equity	122	5.8%	1,433	5.1%
Autos	58	2.7%	605	2.1%
Mortgage Backed Securities	27	1.3%	420	1.5%
Banks and Other Corporate	-	0.0%	100	0.4%
Other Consumer ABS	30	1.4%	473	1.7%
Total Structured Finance	\$ 660	31.4%	\$ 6,557	23.2%
International				
Asset Backed	\$ 463	22.1%	\$ 3,481	12.3%
Public Finance	116	5.5%	1,635	5.8%
Investor Owned Utilities and Other	170	8.1%	703	2.5%
Total International	\$ 749	35.7%	\$ 5,819	20.6%
Total	\$ 2,100	100.0%	\$ 28,216	100.0%

* All net par outstanding reported herein is based on a one-quarter lag.

RAM Re Group of Companies
Insured Portfolio Profile by Geographic Distribution
Net Par Outstanding
(dollars in millions)

	Insured YTD, March 31, 2006		Outstanding as of March 31, 2006	
	Net Amount	%	Net Amount	%
Geographic Distribution				
United States				
California	\$ 151	7.2%	\$ 2,053	7.3%
New York	34	1.6%	1,592	5.6%
Florida	25	1.2%	1,115	4.0%
Texas	36	1.7%	1,015	3.6%
Illinois	13	0.6%	933	3.3%
Washington	0	0.0%	628	2.2%
Pennsylvania	18	0.9%	619	2.2%
New Jersey	50	2.4%	613	2.2%
Michigan	16	0.8%	611	2.2%
Puerto Rico	119	5.7%	586	2.1%
Other States	200	9.5%	5,649	20.0%
Multi-State	687	32.7%	6,985	24.8%
US Sub-total	\$ 1,351	64.3%	\$ 22,397	79.4%
International				
United Kingdom	\$ 198	9.4%	\$ 1,657	5.9%
Australia	22	1.1%	466	1.7%
Germany	-	0.0%	419	1.5%
Italy	79	3.8%	259	0.9%
Canada	-	0.0%	158	0.6%
Korea	13	0.6%	147	0.5%
Mexico	-	0.0%	117	0.4%
Chile	-	0.0%	116	0.4%
Turkey	-	0.0%	98	0.3%
Japan	80	3.8%	90	0.3%
Other Countries	50	2.4%	346	1.2%
Multinational	306	14.6%	1,947	6.9%
Int. Sub-total	\$ 749	35.7%	\$ 5,820	20.6%
Total Par	\$ 2,100	100.0%	\$ 28,216	100.0%

RAM Re Group of Companies

Largest Exposures

Net Par Outstanding

as of March 31, 2006

(dollars in millions)

Top 10 Largest Public Finance Exposures:	Country	NPO	RAM Re Rating ¹
1 New Jersey (State) GO/Appropriation	US	\$ 222	AA-
2 California (State) GO/Appropriation	US	187	A-
3 New York, NY	US	186	A
4 Detroit (City), MI GO	US	175	BBB
5 New York St Thruway Authority, NY - Gasoline Tax Statewide	US	166	AA-
6 Massachusetts (State) GO/Appropriation	US	160	AA-
7 Washington (State) GO/Appropriation	US	155	AA
8 Puerto Rico Electric Power Authority	PRT	145	A-
9 Puerto Rico Highway & Transportation Authority	PRT	140	BBB
10 Energy Northwest, WA	US	<u>129</u>	AA-
Total		\$ 1,666	

Top 10 Largest Structured Finance Exposures:	Country	NPO	RAM Re Rating ¹
1 Super Senior Synthetic Pan European Res and Comm RE	GLB	\$ 138	AAA
2 Fortress Credit Opportunities I LP	US	134	AA
3 Hertz Vehicle Financing LLC	US	131	BBB
4 Super Senior Synthetic Static CDO of IG CMBS	US	125	AAA
5 Super Senior Synthetic CDO of IG Corporates	GLB	120	AAA
6 ARG Funding Corp 2005-1 (Vanguard Car Rental)	US	119	BBB
7 GMACM HEL 2004-HE4	US	116	BBB
8 Pooled Actuarial Life Insurance Securitization - Reg XXX	US	113	A-
9 German Residential and Commercial Mortgage CDS	DEU	110	AAA
10 Super Senior Synthetic Static CDO of High Grade CDOs	US	<u>106</u>	AAA
Total		\$ 1,213	

1. Rating assigned by RAM Re, which takes into consideration ratings assigned by the primaries and the rating agencies.

RAM Re Group of Companies
Insured Portfolio Profile by Credit Quality Distribution
Net Par Outstanding
(dollars in millions)

	Insured YTD, March 31, 2006		Outstanding as of March 31, 2006	
	Net Amount	%	Net Amount	%
Public Finance¹				
AAA	\$ 1	0.1%	\$ 194	1.1%
AA	300	30.7%	6,236	34.3%
A	356	36.5%	8,483	46.7%
BBB	319	32.8%	3,155	17.4%
Below Investment Grade	-	0.0%	111	0.6%
Total	\$ 975	100.0%	\$ 18,178	100.0%

	Insured YTD, March 31, 2006		Outstanding as of March 31, 2006	
	Net Amount	%	Net Amount	%
Structured Finance¹				
AAA	\$ 572	50.9%	\$ 4,796	47.8%
AA	56	5.0%	934	9.3%
A	119	10.5%	1,376	13.7%
BBB	378	33.6%	2,726	27.2%
Below Investment Grade	-	0.0%	206	2.1%
Total	\$ 1,125	100.0%	\$ 10,038	100.0%

	Insured YTD, March 31, 2006		Outstanding as of March 31, 2006	
	Net Amount	%	Net Amount	%
Total¹				
AAA	\$ 573	27.3%	\$ 4,989	17.7%
AA	356	16.9%	7,170	25.4%
A	474	22.6%	9,859	34.9%
BBB	697	33.2%	5,881	20.8%
Below Investment Grade	-	0.0%	317	1.1%
Total	\$ 2,100	100.0%	\$ 28,216	100.0%

1. Rating assigned by RAM Re, which takes into consideration ratings assigned by the primaries and the rating agencies.

RAM Re Group of Companies
Non-Investment Grade Exposures
Net Par Outstanding
as of March 31, 2006
(dollars in millions)

	<u>Net Par Outstanding</u>	<u>Average RAM Re Rating ^{1*}</u>
Non-Investment Grade Exposures by:		
<u>Asset Type</u>		
Public Finance		
General Obligation and Lease	\$ 4	BB-
Tax backed	5	BB
Transportation	33	BB+
Healthcare	2	B+
Utility	0	B
Investor Owned Utilities	2	BB+
Higher Education	1	BB-
Housing	1	B+
Other	1	BB-
Total Public Finance	\$ 48	NA
Structured Finance		
Commercial ABS	\$ 133	BB-
Home Equity	35	CCC+
Autos	2	BB
Mortgage Backed Securities	34	B-
Banks and Other Corporate	-	NA
Other Consumer ABS	2	B
Total Structured Finance	\$ 205	NA
International		
Public Finance	\$ 63	BB-
Asset Backed	1	BB-
Total International	\$ 64	NA
Total	\$ 317	NA

Top Ten Non-Investment Grade Exposures as of March 31, 2006¹:

<u>Name or Description</u>	<u>Net Par Outstanding</u>
1 Fixed-Link Finance B.V. (Eurotunnel)	\$ 32
2 Fixed-Link Finance 2 BV Eurotunnel Jr Debt	31
3 US Airways Pass-through Certificates, Series 2001-G1	28
4 Delta Airlines 2002-1 G-1 Pass Through Trust	20
5 San Joaquin Hills 1997A Refunding Toll Road Rev Bonds	18
6 Northwest Airlines Inc. Pass-Through Trust 2000-1	14
7 America West Airlines 1999-1	14
8 GreenPoint Mfg'd Hsg 1999-3 1A1-7 2A1-2	11
9 US Airways Pass-Through Trust, Series 2000-2	11
10 GreenPoint Mfg'd Hsg 1999-1 Class A1-5	10
Total Top Ten Non-Investment Grade Exposures	\$ 188

* 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.

RAM Re Group of Companies Quarterly Operating Supplement

This operating supplement presents financial information for RAM Re Group of Companies and its combined 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 S-1, 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 4.30% at March 31, 2006 and 4.36% at December 31, 2005).

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. Adjusted gross premiums (AGP) are reported because it is used by management, analysts, rating agencies and investors as a measure of new business production. AGP 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 4.30%). AGP as defined by RAM Re may differ from definitions used by other financial guaranty companies.
3. 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.

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.

Safe Harbor Statement

Any forward-looking statements made in this supplement reflect the Company's current views and assumptions with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. For example, the Company's forward-looking statements regarding future installment premiums and present value of future installment premiums could be affected by a significant reduction in the amount of reinsurance ceded by ceding companies, rating agency action such as a ratings downgrade, general economic conditions, losses in excess of amounts anticipated in the Company's loss reserving, changes in accounting policies or practices, developments in the financial guaranty industry, as well as management's responses to these factors, and other risk factors identified in the Company's filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made or on which estimates were prepared. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise.