



**Operating Supplement  
December 31, 2006**

**(REVISED)**

# 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 strength and financial enhancement ratings of "AAA" from Standard & Poor's Ratings Services, the highest rating assigned by each rating agency. To obtain additional information, please contact Steve Klein, Managing Director - Head of European Single Risk and Corporate Strategy at +1 212 909 3927 or s.klein@cifg.com; Thomas Collimore, Director - Head of Investor Relations, at +1 212 909 3952 or t.collimore@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](http://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**  
**December 31, 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 <sup>(1)</sup>**  
**Financial Highlights**  
(Unaudited - \$ in 000's)

	Twelve months ended December 31,	
	2006	2005
<b><u>Non U.S. GAAP Production Measures</u></b>		
Gross Par Written	\$ 36,117,142	\$ 21,281,819
Net Par Written	35,634,770	21,082,765
Adjusted Gross Premiums Written <sup>(2)</sup>	232,951	163,352
<b><u>U.S. GAAP <sup>(3)</sup></u></b>		
		(Restated)
Gross Premiums Written	156,626	110,152
Net Investment Income	31,795	17,545
Net Long-term Realized (Losses)Gains	(5)	(4)
Net Short-term Realized Gains <sup>(4)</sup>	354	2,964
Pre-tax income	61,827	14,820
Net Income	31,009	7,496
	<b><u>December 31, 2006</u></b>	<b><u>December 31, 2005</u></b>
Total Assets	\$ 1,037,800	\$ 877,640
Shareholder's Equity	617,103	556,031
<b><u>Adjusted Book Value</u></b>		
Book Value	617,103	556,031
After-tax value of:		
Net Unearned Premium Reserve		
less Deferred Acquisition Costs	126,374	83,702
Present Value of Future Installment Premiums	180,657	120,886
Loss Provision	(21,655)	(15,893)
Adjusted Book Value	<u>\$ 902,479</u>	<u>\$ 744,726</u>
<b><u>Pro-forma Statutory Capital of Insurance Operations <sup>(5)</sup></u></b>		
Capital and Surplus	\$ 565,810	\$ 550,212
Contingency Reserve	102,546	49,618
Qualified Statutory Capital	<u>668,356</u>	<u>599,830</u>
Unearned Premium Reserves	282,291	190,664
Loss and Loss Adjustment Expense Reserves	---	---
Policyholders' Reserves	<u>950,647</u>	<u>790,494</u>
Present Value of Future Installment Premiums <sup>(6)</sup>	277,934	185,978
Capital Support	101,500	101,500
Total Claims Paying Resources	<u>\$ 1,330,081</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 adjusted gross premium ("AGP") and par written that have been converted using historical rates.

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

(3) U.S. GAAP basis

(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 CIFG 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 December 31,		As of December 31,	
	2006		2005	
	€	\$ <sup>(1)</sup>	€	\$ <sup>(2)</sup>
<b>Assets</b>				
Investments	Restated			
Fixed income securities, available for sale, at fair value	€ 611,439	\$ 803,645	€ 595,927	\$ 705,548
Short-term investments, at cost (approximates fair value)	83,242	109,409	58,603	69,383
Total investments	694,681	913,054	654,530	774,931
Cash	8,907	11,707	9,656	11,432
Premium receivable	14,479	19,030	9,876	11,693
Receivable for securities sold	---	---	3,379	4,001
Investment income due and accrued	12,316	16,188	11,350	13,438
Prepaid reinsurance premiums	3,149	4,139	2,538	3,005
Reinsurance recoverable on unpaid losses and loss adjustment expense reserves	108	142	87	103
Intangible asset	6,339	8,332	7,037	8,331
Property and equipment, net	1,419	1,865	844	999
Deferred acquisition costs, net	47,313	62,186	41,235	48,820
Derivative assets	749	984	125	148
Other assets	132	173	625	739
Total assets	€ 789,592	\$ 1,037,800	€ 741,282	\$ 877,640
<b>Liabilities and Shareholder's Equity</b>				
<b>Liabilities</b>				
Deferred premium revenue	€ 198,384	\$ 260,746	€ 152,538	\$ 180,597
Loss and loss adjustment reserves	5,938	7,805	3,412	4,040
Ceded reinsurance balances payable	152	200	674	798
Current income taxes	4,540	5,967	3,897	4,614
Deferred income taxes	14,340	18,848	10,632	12,587
Payable on investments purchased	0	0	59	70
Accounts payable and accrued expenses	18,394	24,176	16,388	19,403
Derivative liabilities	469	616	409	484
Long-term debt	74,942	98,500	83,196	98,500
Intercompany payable to affiliates	593	779	144	170
Other liabilities	2,328	3,060	292	346
Total liabilities	320,080	420,697	271,641	321,609
<b>Shareholder's Equity</b>				
Common stock	450,078	591,560	450,078	532,870
Additional paid in capital	56,408	74,140	54,426	64,438
Accumulated deficit	16,562	21,768	(6,752)	(7,995)
Reserve legal	1,084	1,424	804	952
Accumulated other comprehensive loss, net <sup>(3)</sup>	(54,620)	(71,789)	(28,915)	(34,234)
Total shareholder's equity	469,512	617,103	469,641	556,031
Total liabilities and shareholder's equity	€ 789,592	\$ 1,037,800	€ 741,282	\$ 877,640

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

(1) At December 31, 2006, 1.31435

(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)

	Twelve months ended December 31,			
	2006		2005 (Restated)	
	€	\$ <sup>(1)</sup>	€	\$ <sup>(2)</sup>
<b>Revenues</b>				
Gross premiums written	€ 119,166	\$ 156,626	€ 93,038	\$ 110,152
Ceded premiums written	(1,452)	(1,908)	(1,385)	(1,640)
Net premiums written	117,714	154,718	91,653	108,512
Change in net deferred premium revenue	(61,240)	(80,491)	(53,822)	(63,723)
Net premium earned	56,474	74,227	37,831	44,789
Net investment income	24,191	31,795	14,819	17,545
Net long term realized capital (loss)	(4)	(5)	(3)	(4)
Net short term realized capital gain	269	354	2,503	2,964
Net realized and unrealized gains (losses) on credit derivatives	536	704	(210)	(249)
Foreign exchange gain (loss)	11,013	14,475	(9,513)	(11,263)
Other income	529	695	114	135
Total revenues	93,008	122,245	45,541	53,917
<b>Expenses</b>				
Losses and loss adjustment expenses	2,254	2,963	1,569	1,858
Amortization of deferred acquisition costs	9,641	12,672	5,071	6,004
Operating expenses, net of deferrals	30,554	40,159	22,979	27,206
Interest expense	3,518	4,624	3,403	4,029
Total expenses	45,967	60,418	33,022	39,097
Income before income taxes	47,041	61,827	12,519	14,820
Provision for income taxes:	23,447	30,818	6,186	7,324
Net income (loss)	€ 23,594	\$ 31,009	€ 6,333	\$ 7,496

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

(1) At December 31, 2006, 1.31435

(2) At December 31, 2005, 1.18395

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 December 31, 2006 (REVISED)

(\$ in 000's) <sup>(1)</sup>

	<u>Fair Value</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Amortized Cost</u>
Fixed Income:				
Taxable	\$ 802,742	\$ 509	\$ (30,390)	\$ 832,623
Tax Exempt	903	-	(25)	928
Total Fixed Income	<u>803,645</u>	<u>509</u>	<u>(30,415)</u>	<u>833,551</u>
Short Term Investments	<u>109,409</u>	---	---	<u>109,409</u>
Total Investments	<u>\$ 913,054</u>	<u>\$ 509</u>	<u>\$ (30,415)</u>	<u>\$ 942,960</u>

Fixed Income:

Effective duration:	
USD denominated	3.6
Euro denominated	4.1
Effective years to maturity	5.1

### Credit Quality of Fixed Income Portfolio <sup>(3)</sup>

Rating <sup>(3)</sup>	Percent of Fixed Income Portfolio
AAA	86.5%
AA	12.1
A	1.3
BBB	0.1
	<u>100.0%</u>

### Maturity Distribution <sup>(2)</sup>

	<u>% of Fair Value</u>	<u>Fair Value</u>
Within one year	5.7%	\$ 46,101
From 1 to 5 years	59.5	478,130
Between 5 and 10 years	28.7	230,354
Between 10 and 15 years	2.7	21,499
Between 15 and 20 years	1.2	9,968
Beyond 20 years	2.2	17,593
Total Investment Portfolio	<u>100.0%</u>	<u>\$ 803,645</u>

### % of fixed income investments by base currency

EUR	52.1%
USD	47.8
Other	0.1
Total	<u>100.0%</u>

(1) At December 31, 2006, the prevailing end of period exchange rate of EUR 1 = USD 1.31435

(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)

	<b>Twelve months ended December 31</b>			
	<b>2006</b>		<b>2005 (Restated)</b>	
	€	\$ <sup>(1)</sup>	€	\$ <sup>(2)</sup>
Loss and LAE Incurred	€ 2,254	\$ 2,963	€ 1,569	\$ 1,858
Gross Insurance Expenses	49,415	64,949	38,904	46,060
Ceding Commissions Paid	185	243	1,782	2,110
Net Insurance Expenses Before Deferrals	49,600	65,192	40,686	48,170
Deferred Policy Acquisition Costs	(19,046)	(25,033)	(17,707)	(20,964)
Net Operating Expenses	30,554	40,159	22,979	27,206
Amortization of Deferred Acquisition Costs	9,641	12,672	5,071	6,004
Total Insurance Expenses	<u>€ 42,449</u>	<u>\$ 55,794</u>	<u>€ 29,619</u>	<u>\$35,068</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 December 31, 2006, 1.31435

(2) At December 31, 2005, 1.18395

**CIFG Holding & Subsidiaries**  
(in USD)

**Financial Guarantees Written** <sup>(1)</sup>

	Twelve months ended December 31, 2006		
	(in millions)	(in thousands)	
	Par	Gross Premiums Written	AGP
Global Public Finance & Infrastructure	\$10,371	\$92,684	\$95,375
Global Structured Finance	25,746	63,942	137,576
Total	<u>\$36,117</u>	<u>\$156,626</u>	<u>\$232,951</u>

	Twelve months ended December 31, 2005		
	(in millions)	(in thousands)	
	Par	Gross Premiums Written	AGP
Global Public Finance & Infrastructure	\$7,596	\$68,643	\$84,987
Global Structured Finance	13,686	41,509	78,365
Total	<u>\$21,282</u>	<u>\$110,152</u>	<u>\$163,352</u>

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

**Net Premiums Earned:** <sup>(1)</sup>

	Twelve months ended (000's)	
	2006	2005
<b>Global Single Risk</b>		
Upfront	\$ 12,452	\$ 6,534
Installments	5,673	3,960
Total	<u>\$ 18,125</u>	<u>\$ 10,494</u>
<b>Global Structured Finance</b>		
Upfront	\$ 2,943	\$ 1,098
Installments	53,159	33,197
Total	<u>\$56,102</u>	<u>\$34,295</u>
<b>Total</b>		
Upfront	\$ 15,394	\$ 7,632
Installments	58,832	37,157
Total	<u>\$74,227</u>	<u>\$44,789</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 <sup>(1)</sup>

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
December 31, 2006		\$ 109,851,533
2007	\$6,457,190	103,394,343
2008	6,725,059	96,669,284
2009	9,168,130	87,501,154
2010	6,780,152	80,721,002
2011	7,409,938	73,311,064
2007-2011	36,540,469	73,311,064
2012-2016	39,403,116	33,907,948
2017-2021	10,791,511	23,116,437
2022-2026	9,619,874	13,496,563
After 2026	13,496,563	---
Total	<u>\$ 109,851,533</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 <sup>(1)</sup>

Bond Type	Net Par Outstanding As of December 31, 2006	
	Amount	%
<i>Global Single Risk</i>		
State General Obligations and Appropriations	\$5,606,167	7.5%
City and County General Obligations	3,962,725	5.3
Sovereign/Sub Sovereign	2,181,679	2.9
Airports	1,615,600	2.2
State Tax Backed	1,518,447	2.0
Health Care	1,491,191	2.0
Utility Systems	1,337,646	1.8
Higher Education	1,309,316	1.8
Toll Roads	1,168,894	1.6
Investor Owend Utilities	1,057,503	1.4
Project Finance	873,489	1.1
Transportation	811,518	1.0
Municipal Housing	748,648	1.0
Public Power	739,047	1.0
Special Revenue	725,562	1.0
Local Tax Backed	387,624	0.5
Total Global Single Risk	<u>25,535,056</u>	<u>34.1%</u>
<i>Global Structured Finance</i>		
CBO/CDO High Yield	17,586,395	23.6%
CBO/CDO Investment Grade Tranches of ABS Deals	8,986,542	12.0
CBO/CDO Investment Grade Bonds or Loans	8,920,858	12.0
Commercial Mortgage Backed	3,505,503	4.7
Home Equity	3,253,628	4.4
Mortgage Backed	2,427,762	3.3
Student Loans	1,702,960	2.3
Commercial Asset Backed	806,164	1.1
Leases Assets	804,747	1.1
Other Consumer	460,023	0.6
Other Structured Finance	321,668	0.4
Transportation	131,435	0.2
Auto Loans	101,395	0.1
Credit Cards	101,000	0.1
Total Global Structured Finance	<u>49,110,080</u>	<u>65.9%</u>
(1) Total	<u>\$74,645,136</u>	<u>100.0%</u>

## CIFG Holding & Subsidiaries

(\$ in 000's)

### Insured Portfolio Distribution by Geography <sup>(1)</sup>

	Net Par Outstanding	
	As of	
	December 31, 2006	
	Amount	%
<b>United States:</b>		
New York	\$3,855,542	5.2%
Illinois	1,795,393	2.4
Florida	1,538,190	2.1
Puerto Rico	1,368,371	1.8
New Jersey	1,249,406	1.7
California	1,054,063	1.4
Pennsylvania	1,020,536	1.4
Louisiana	961,475	1.3
Texas	880,098	1.2
Colorado	517,184	0.7
Other States	5,721,201	7.7
United States Diversified	29,400,114	39.4
Total United States	49,361,573	66.3%
<b>Non United States:</b>		
United Kingdom	3,730,928	5.0%
Italy	1,958,110	2.6
France	1,206,476	1.6
Germany	550,254	0.7
Canada	360,913	0.5
Portugal	339,414	0.5
Australia	329,449	0.4
Greece	328,588	0.4
Brazil	316,860	0.4
Turkey	300,000	0.4
Switzerland	245,469	0.3
Other Country Specific	245,279	0.3
Europe Diversified	6,151,878	8.2
Total Non United States	16,063,618	21.3%
<b>Global:</b>		
Global Diversified	9,219,945	12.4%
Grand Total	\$74,645,136	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 <sup>(1)</sup>

Ratings <sup>(2)</sup>	Global Single	Global	Total
	Risk	Structured Finance	
AAA	2.3%	62.2%	64.5%
AA	8.2	0.1	8.3
A	18.1	0.3	18.4
BBB	5.6	3.2	8.8
	34.2%	65.8%	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 <sup>(1)</sup>

	As of December 31, 2006		
	Net Par Outstanding		
	Ratings <sup>(2)</sup>	Amount	% of Total Portfolio
Chicago Board of Education	A	\$ 623,075	.8%
New Jersey State General Obligation and Appropriation Credits	AA-	602,911	0.8
New York City General Obligation and Appropriation Credits	AA-	554,633	0.7
Miami-Dade County, FL	A+	525,860	0.7
Republic of Italy	A	466,189	0.6
New York State General Obligation	AA-	462,960	0.6
Commonwealth of Puerto Rico General Obligation and Appropriation Credits	BBB	459,309	0.6
High Speed Railway Funding, Infrastructure Spa (Italy)	AA-	442,936	0.6
Chicago O'Hare International Airport	A-	436,415	0.6
MTA Transportation Revenue Bonds	A	412,285	0.6
Louisiana State General Obligation	A	394,475	0.5
California State General Obligations	A	349,785	0.5
Hellenic Republic (Greece)	A	328,588	0.4
Puerto Rico Transportation Revenues, Senior & Sub-Lien	BBB	324,155	0.4
Denver International Airport	A	323,800	0.4
		<u>\$6,707,376</u>	<u>8.8%</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 <sup>(1)</sup>

	As of December 31, 2006		
	Net Par Outstanding		
	Ratings <sup>(2)</sup>	Amount	% of Total Portfolio
U.S. Synthetic Investment Grade Municipal Bond CDO	AAA	\$ 644,925	.9%
European Cash Leveraged Loan CDO	AAA	467,944	0.6
European Synthetic Leveraged Loan CLO	AAA	460,059	0.6
European Cash Leveraged Loan CDO	AAA	460,023	0.6
European Synthetic Consumer Loan Securitization	AAA	460,023	0.6
European Cash Leveraged Loan CDO	AAA	445,565	0.6
Greenpoint Mortgage 2006-HE1	BBB	444,118	0.6
SACO I Trust 2006-12	BBB	420,899	0.6
U.S. Cash Leveraged Loan CLO	AAA	413,782	0.6
European Synthetic Investment Grade Corporate CDO	AAA	410,734	0.6
European Cash Leveraged Loan CLO	AAA	406,988	0.5
European Investment Grade Cash CDO (diversified collateral)	AAA	402,848	0.5
U.S. High Grade ABS CDO	AAA	400,000	0.5
U.S. Synthetic Investment Grade Corporate CDO	AAA	400,000	0.5
U.S. High Grade ABS CDO	AAA	400,000	0.5
		<u>\$6,637,908</u>	<u>8.8%</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 <sup>(1)</sup>

	<b>As of December 31, 2006</b>	
	<b>Net Par Outstanding</b>	
	<b>Amount</b>	<b>% of Total Portfolio</b>
Cash Flow CDOs	\$ 25,639,651	34.3%
Synthetic CDOs	9,854,143	13.2
Total	<u>\$35,493,794</u>	<u>47.5%</u>

	<b>As of December 31, 2006</b>	
	<b>Net Par Outstanding</b>	
By Type	<b>Amount</b>	<b>% of Total CDOs</b>
CBO/CDO High Yield	\$ 16,559,604	46.7%
CBO/CDO Investment Grade Bonds or Loans	8,920,858	25.1
CBO/CDO Non Investment Grade Tranches of ABS Deals	1,026,790	2.9
CBO/CDO Investment Grade Tranches of ABS Deals	8,986,542	25.3
Total	<u>\$35,493,794</u>	<u>100.0%</u>

	<b>As of December 31, 2006</b>	
	<b>Net Par Outstanding</b>	
Underlying Ratings <sup>(2)</sup>	<b>Amount</b>	<b>% of Total Portfolio</b>
AAA	\$ 35,493,794	47.5%

(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)

	<b>As of December 31, 2006</b>		<b>As of December 31, 2005</b>	
	<b>€</b>	<b>\$<sup>(1)</sup></b>	<b>€</b>	<b>\$<sup>(2)</sup></b>
<b>French GAAP Shareholder's Equity</b>	€ 488,830	\$ 642,494	€ 485,873	\$ 575,249
Adjustments:				
Goodwill	1,241	1,632	1,026	1,215
Fair value of fixed income investments <sup>(3)</sup>	(14,844)	(19,510)	3,590	4,250
Fair value of credit derivatives <sup>(3)</sup>	184	242	(177)	(210)
Net deferred premium revenue <sup>(3)</sup>	1,347	1,770	(450)	(533)
Effect of long-term incentives <sup>(3)</sup>	1,567	2,060	2,222	2,631
Loss and loss adjustment reserves <sup>(3)</sup>	7,842	10,307	4,724	5,593
Accumulated other comprehensive loss, net <sup>(3)</sup>	2,648	3,480	(9,192)	(10,883)
Deferred acquisition cost, net <sup>(3)</sup>	(12,786)	(16,805)	(10,811)	(12,800)
Deferred taxes, net operating losses	(6,548)	(8,608)	(7,233)	(8,564)
Other	31	41	69	83
<b>U.S. GAAP Shareholder's Equity</b>	<b>€ 469,512</b>	<b>\$ 617,103</b>	<b>€ 469,641</b>	<b>\$ 556,031</b>

	<b>Twelve months ended December 31,</b>			
	<b>2006</b>		<b>2005<sup>(4)</sup></b>	
	<b>€</b>	<b>\$<sup>(1)</sup></b>	<b>€</b>	<b>\$<sup>(2)</sup></b>
<b>French GAAP Net Income</b>	€ 21,758	\$ 28,598	€ 15,966	\$ 18,903
Adjustments:				
Goodwill amortization	332	436	335	397
Fair value of credit derivatives <sup>(3)</sup>	353	464	(131)	(155)
Net deferred premium revenue <sup>(3)</sup>	1,874	2,463	(1,811)	(2,144)
Loss and loss adjustment reserves	3,393	4,460	1,892	2,240
Amortization of deferred acquisition costs	2,905	3,818	1,650	1,954
Deferred acquisition cost, net	(5,307)	(6,975)	(2,792)	(3,306)
Effect of long-term incentives <sup>(3)</sup>	(2,679)	(3,521)	(1,188)	(1,407)
Foreign exchange, net <sup>(3)</sup>	1,089	1,431	(2,939)	(3,480)
Deferred taxes	(130)	(171)	(4,345)	(5,144)
Other	6	6	(304)	(362)
<b>U.S. GAAP Net Income</b>	<b>€ 23,594</b>	<b>\$ 31,009</b>	<b>€ 6,333</b>	<b>\$ 7,496</b>

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

(1) At December 31, 2006, 1.31435

(2) At December 31, 2005, 1.18395

(3) Net of taxes

(4) U.S. GAAP 2005 net income for the twelve months ended December 31, has been restated.

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

	<b>As of December 31, 2006</b>	
	<b>€</b>	<b>\$ <sup>(1)</sup></b>
<b>U.S. GAAP Shareholder's Equity</b>	€ 469,512	\$ 617,103
Adjustments:		
Goodwill	(608)	(799)
Net deferred premium revenue <sup>(3)</sup>	(1,347)	(1,770)
Effect of long-term incentives <sup>(3)</sup>	(3,912)	(5,142)
Deferred taxes, net operating losses	7,264	9,547
Other	1,070	1,405
<b>IFRS Shareholder's Equity</b>	<b>€ 471,979</b>	<b>\$ 620,345</b>
	<b>Twelve months ended December 31,</b>	
	<b>2006</b>	
	<b>€</b>	<b>\$ <sup>(2)</sup></b>
<b>U.S. GAAP Net Income</b>	€ 23,594	\$ 29,622
Adjustments:		
UPR historical costs	(1,874)	(2,353)
Fair value of credit derivatives <sup>(3)</sup>	256	321
Effect of long-term incentives <sup>(3)</sup>	1,292	1,622
Foreign exchange, net <sup>(3)</sup>	(1,088)	(1,366)
Other	(227)	(286)
<b>IFRS Net Income</b>	<b>€ 21,953</b>	<b>\$ 27,561</b>

For the convenience of the reader, all EUR amounts are translated to USD using:

(1) FX rate at December 31, 2006, 1.31435

(2) FX rate average for 2006, 1.25551

(3) Net of taxes