

(Unaudited)

(dollars in billions)

<b>U.S. Super Senior ABS CDO Exposure</b>	<b>Long</b>	<b>Short</b>	<b>Net</b>
<b>June 27, 2008</b> (As Reported In Earnings Release Dated 7/17/08)	\$ 19.9	\$ (15.6)	\$ 4.3
Sale of CDOs:			
Sale Price of CDOs <sup>(1)</sup>	(6.7)	--	(6.7)
Loss on CDOs	(4.4)	--	(4.4)
Total Reduction in Exposure from Sale	(11.1)	--	(11.1)
Tear-up of XL Hedges <sup>(2)</sup>	--	1.2	1.2
Settlement of Monoline Hedges on Long Position Sold <sup>(3)</sup>	--	7.2	7.2
Total Increase in Exposure from Tear-ups	--	8.4	8.4
<b>Total Exposure (As Reported in Press Release Dated 7/28/08)</b>	<b>\$ 8.8</b>	<b>\$ (7.2)</b>	<b>\$ 1.6</b>
3Q Exposure Changes:			
Gains / (Losses)	\$ (1.9)	\$ 1.6	\$ (0.3)
Liquidations / Amortization	(0.5)	0.3	(0.2)
<b>September 26, 2008</b>	<b>\$ 6.4</b>	<b>\$ (5.3)</b>	<b>\$ 1.1</b>

As reported in Merrill Lynch's earnings release dated July 17, 2008, secondary trading exposure was \$227 million for 2Q08.

As of 3Q08, exposure is \$(273) million. Exposure change was driven by liquidations, unwinds, and gains / (losses) recognized

(1) Merrill Lynch provided financing to the purchaser for approximately 75% of the purchase price. The recourse on this loan is limited to the assets of the purchaser, which will consist solely of the CDOs.

(2) Merrill Lynch terminated all of its CDO-related hedges with XL, which had a June 27, 2008 carrying value of \$1,029 million in exchange for an upfront payment of \$500 million. This termination resulted in a net loss of approximately \$529 million.

(3) This includes both settled and potentially settled monoline hedges.

<b>Credit Default Swaps with Financial Guarantors on U.S. Super Senior ABS CDOs</b>	<b>Notional of CDS</b>	<b>Net Exposure</b>	<b>Mark-to-Market Prior to Credit Valuation Adjustments</b>	<b>Life-to-Date Credit Valuation Adjustments</b>	<b>Carrying Value</b>
<b>June 27, 2008</b> (As Reported In Earnings Release Dated 7/17/08)	\$ (18.7)	\$ (9.6)	\$ 9.1	\$ (6.2)	\$ 2.9
Tear-up of XL Hedges <sup>(1)</sup>	3.7	1.2	(2.5)	1.5	(1.0)
Settlement of Monoline Hedges on Long Position Sold <sup>(2)</sup>	12.1	7.2	(4.9)	4.1	(0.8)
<b>Total (As Reported in Press Release Dated 7/28/08)</b>	<b>\$ (2.9)</b>	<b>\$ (1.2)</b>	<b>\$ 1.7</b>	<b>\$ (0.6)</b>	<b>\$ 1.1</b>
3Q Activity	0.0	0.3	0.3	(0.0)	0.3
<b>September 26, 2008</b>	<b>\$ (2.9)</b>	<b>\$ (0.9)</b>	<b>\$ 2.0</b>	<b>\$ (0.6)</b>	<b>\$ 1.4</b>

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(2) This includes both settled and potentially settled monoline hedges.