

(Unaudited)

(dollars in millions)

	Net Exposures as of Sept. 28, 2007	Gain/(Loss) Reported in Income ⁽¹⁾	Other Net Changes in Net Exposures ⁽²⁾	Net Exposures as of Dec. 28, 2007 ⁽⁵⁾
U.S. ABS CDO net exposures:				
U.S. Super senior ABS CDO net exposures:				
High-grade	\$ 8,925	\$ (5,531)	\$ 986	\$ 4,380
Mezzanine	5,237	(2,912)	(141)	2,184
CDO-squared	630	(280)	(79)	271
Total super senior ABS CDO net exposures ⁽³⁾	14,792	(8,723)	766	6,835
Secondary trading ⁽⁴⁾	1,026	(1,141)	(1,882)	(1,997)
Total U.S. ABS CDO-related net exposures	\$ 15,818	\$ (9,864)	\$ (1,116)	\$ 4,838

- (1) Primarily represents unrealized losses on net exposures. Amounts exclude credit valuation adjustments of negative \$2.6 billion related to financial guarantor exposures on U.S. super senior ABS CDOs. See table regarding financial guarantor exposures
- (2) Primarily consists of principal amortization for U.S. super senior ABS CDO net exposures, as well as changes in hedges and increases due to ineffective hedges.
- (3) For total U.S. super senior ABS CDOs, long exposures (including associated gains and losses reported in income and other net changes in net exposures) were \$46.1 billion and \$30.4 billion at September 28, 2007 and December 28, 2007, respectively. Short exposure (including associated gains and losses reported in income and other net changes in net exposures) were \$31.3 billion and \$23.6 billion at September 28, 2007 and December 28, 2007. Short exposures primarily consist of purchases of credit default swap protection from various third parties, including monoline financial guarantors, insurers and other market participants.
- (4) Previously disclosed as "Other retained and warehouse net exposures."
- (5) Hedges are affected by a variety of factors that impact the degree of their effectiveness. These factors may include differences in attachment point, timing of cash flows, control rights, litigation, limited recourse to counterparties and other basis risks.

U.S. Super Senior ABS CDOs as of Dec. 28, 2007

	Notional ⁽¹⁾	Mark-to-Market Prior to Credit Valuation Adjustments	Notional, net of Mark-to-Market Prior to Credit Valuation Adjustments	Credit Valuation Adjustments	Carrying Value
Credit Default Swaps with Financial Guarantors ⁽²⁾:					
By counterparty credit quality ⁽³⁾ :					
AAA	\$ (13,237)	\$ 4,133	\$ (9,104)	\$ (679)	\$ 3,454
AA	-	-	-	-	-
A	-	-	-	-	-
BBB	-	-	-	-	-
Non-investment grade or unrated	(6,664)	1,929	(4,735)	(1,929)	-
Total financial guarantor exposures for ABS CDOs	\$ (19,901)	\$ 6,062	\$ (13,839)	\$ (2,608)	\$ 3,454

- (1) Represents gross notional amount of credit default swaps purchased as protection for U.S. super senior ABS CDOs. Amounts do not include counterparty exposure with financial guarantors for other asset classes.
- (2) Excludes the benefit of \$2.0 billion (notional) of credit default swaps purchased from unrelated third parties as protection for exposure to financial guarantors, as well as the related positive mark-to-market adjustments.
- (3) Represents rating agency credit ratings.
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