(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
Residential Mortgage-Related Net Exposures (excluding U.S. Banks investment securities portfolio):				
U.S. Sub-prime:				
Warehouse lending	$ 734	$ 4	$ (601)	$ 137
Whole loans	2,951	(520)	(1,437)	994
Residuals	1,635	(808)	28	855
Residential mortgage-backed securities	343	(267)	647	723
Total U.S. sub-prime	5,663	(1,591)	(1,363)	2,709
U.S. Alt-A (3)	2,984	(399)	102	2,687
U.S. Prime (3) (4)	28,318	13	(142)	28,189
Non-U.S. (3)	11,824	(507)	(1,735)	9,582
Mortgage servicing rights (5)	436	(56)	9	389
Total residential mortgage-related net exposures (excluding U.S. Banks investment securities portfolio)	**$ 49,225**	**$ (2,540)**	**$ (3,129)**	**$ 43,556**

(1) Primarily represents unrealized losses on net exposures.
(2) Represents purchases, sales, hedges, paydowns, changes in loan commitments and related funding.
(3) Includes warehouse lending, whole loans, residuals and residential mortgage-backed securities.
(4) Includes $9.7 billion of prime loans originated by First Republic Bank, a wholly owned subsidiary, and approximately $12 billion of prime loans originated with GPC clients.
(5) Mortgage servicing rights are reported at the lower of amortized cost or market; management's estimate of fair value is $475 million at December 28, 2007.

	Net Exposures as of Sept. 28, 2007	Gain/(Loss) Reported in Income (1)	Unrealized Gain/(Loss) Included in OCI (pre-tax) (2)	Other Net Changes in Net Exposures (3)	Net Exposures as of Dec. 28, 2007
U.S. Banks Investment Securities Portfolio (4)					
Sub-prime residential mortgage-related net exposures, including securities in Conduits (5):					
Sub-prime residential mortgage-backed securities	$ 4,985	$ (178)	$ (454)	$ (443)	$ 3,910
ABS CDOs	715	(362)	43	(145)	251
Total sub-prime residential mortgage-related securities	5,700	(540)	(411)	(588)	4,161
Other net exposures, including securities in Conduits (5):					
Alt-A residential mortgage-backed securities	7,944	(195)	(511)	(118)	7,120
Commercial mortgage-backed securities	6,831	(81)	(179)	(780)	5,791
Prime residential mortgage-backed securities	5,193	(40)	(139)	(840)	4,174
Non-residential asset-backed securities	1,238	(3)	(20)	(1)	1,214
Non-residential CDOs	979	(10)	(42)	(24)	903
Other	263	-	(8)	(15)	240
Total investment securities portfolio in U.S. Banks (including securities in Conduits)	**$ 28,148**	**$ (869)**	**$ (1,310)**	**$ (2,366)**	**$ 23,603**

(1) Primarily represents unrealized losses on net exposures.
(2) Represents write-downs on SFAS 115 investment securities, which are reported net of taxes in Other Comprehensive (Loss)/Income ("OCI"). The cumulative, pre-tax balance in OCI was approximately negative $2.2 billion as of December 28, 2007.
(3) Primarily represents principal paydowns and sales.
(4) Excludes securities acquired in connection with the acquisition of First Republic Bank, a wholly owned subsidiary. Such securities did not include any sub-prime securities and virtually all have been sold prior to year end resulting in immaterial gains.
(5) Represents securities reported on the balance sheet in the U.S. banks investment securities portfolio, as well as securities recorded off-balance sheet in Conduits, to which a U.S. bank subsidiary has liquidity and credit facilities outstanding. In the event of a disruption in the commercial paper market, the Conduits may draw upon their liquidity facility and sell certain of their assets to Merrill Lynch. The total amount of securities in Conduits was $4.2 billion and $0 at September 28, 2007 and December 28, 2007, respectively.

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