Mortgage Update - June 07

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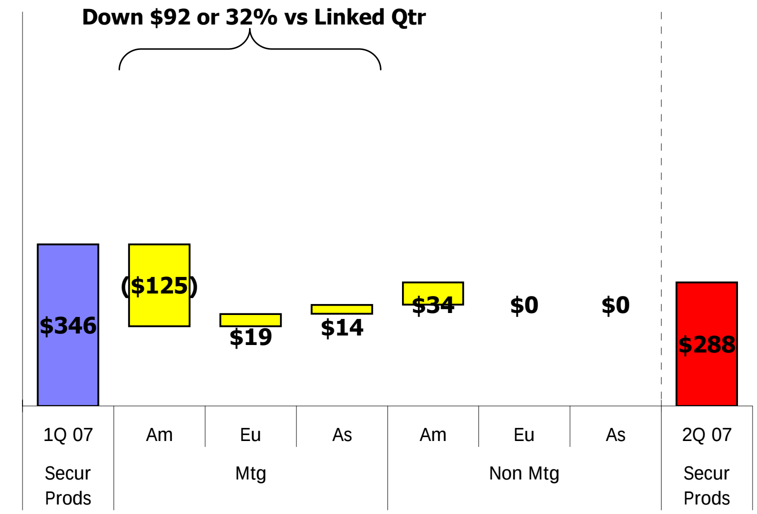
Revenues

Securitized Products
Revenues
Fiscal Year 2007

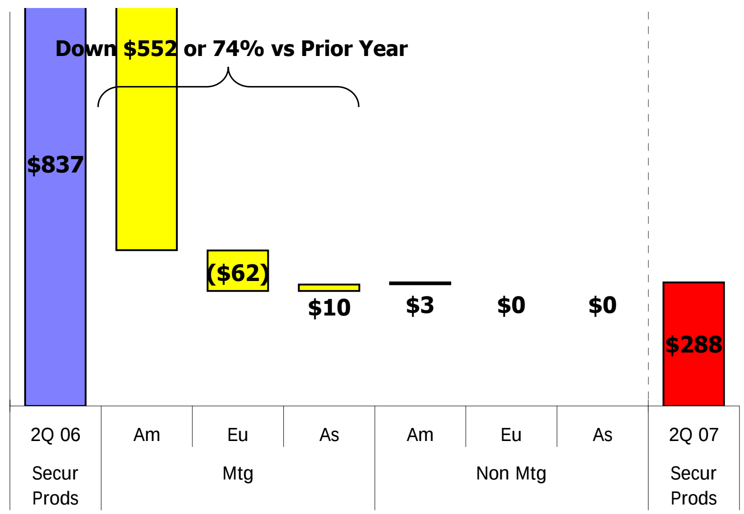
	Aug	July	June	Q3	May	Apr	Mar	Q2	Feb	Jan	Dec	Q1
America												
Agency PT & Options			5.7	17.1	1.9	(1.8)	2.1	2.2	2.5	0.1	3.8	6.3
Agency Remics / Strips			17.1	51.2	5.9	1.0	8.9	15.8	12.3	5.1	0.8	18.2
Mortgage Finance			1.8	5.5	2.0	4.7	1.0	7.7	1.8	3.1	3.4	8.4
Non-Prime			68.3	204.8	59.1	(162.3)	(22.6)	(125.8)	(276.0)	14.3	23.6	(238.1)
Prime			21.9	65.7	14.4	(2.2)	4.2	16.3	74.6	25.9	6.4	106.9
Principle Finance Residential			1.5	4.6	9.6	1.4	2.3	13.3	(26.4)	2.8	1.9	(21.6)
ABS Derivatives			67.1	201.2	24.7	38.9	70.7	134.3	186.3	11.8	8.2	206.3
ABS New Issue			9.3	27.9	10.9	31.9	3.3	46.1	20.8	3.7	10.2	34.7
ABS Secondary			2.8	8.5	8.2	8.0	4.6	20.9	(6.3)	2.2	2.5	(1.5)
Insurance Products			1.2	3.6	1.1	7.1	0.2	8.4	0.1	0.2	2.4	2.6
Non-Residential Trading			(13.8)	(41.5)	0.4	9.3	9.2	18.9	1.1	0.5	0.8	2.5
Special Opportunities Group			2.4	7.1	3.2	8.7	1.1	13.0	2.0	2.0	0.8	4.8
House - Risk			4.5	13.5	(6.2)	(5.1)	(6.8)	(18.1)	61.3	14.1	4.3	79.6
House - Admin			(0.1)	(0.2)	0.2	(0.1)	(0.1)	0.1	(0.1)	(0.1)	(0.1)	(0.2)
Subtotal Americas	**-**	**-**	**189.7**	**569.1**	**135.4**	**(60.5)**	**78.3**	**153.2**	**53.9**	**85.8**	**69.2**	**208.9**
Aurora			26.8	80.5	29.5	30.7	32.9	93.1	27.4	30.7	26.0	84.1
Campus Door			1.0	2.9	1.0	0.2	0.4	1.6	0.6	2.0	0.6	3.2
BNC			10.8	32.3	(11.8)	(47.0)	(40.3)	(99.1)	(51.1)	(12.2)	2.2	(61.1)
SBF			5.8	17.5	5.1	5.0	4.8	14.8	3.8	4.6	5.2	13.6
Subtotal Origination Americas	**-**	**-**	**44.4**	**133.2**	**23.7**	**(11.2)**	**(2.2)**	**10.4**	**(19.3)**	**25.1**	**34.0**	**39.9**
TOTAL AMERICAS	**-**	**-**	**234.1**	**702.3**	**159.1**	**(71.6)**	**76.1**	**163.6**	**34.6**	**110.9**	**103.2**	**248.8**
Europe			22.4	67.1	51.3	12.9	33.8	98.0	56.3	12.5	9.7	78.4
Asia			2.8	8.3	12.0	6.0	7.8	25.8	3.8	4.9	3.2	11.8
TOTAL	**-**	**-**	**259.2**	**777.7**	**222.4**	**(52.7)**	**117.8**	**287.4**	94.7	128.3	116.0	**339.0**

NOTE: Q3 = June revenues multiplied by 3

Revenue Comparison: Vs. Linked Qtr



Revenue Comparison: Vs. Prior Year



	Qtrly Revenue			$ Delta	
	2Q 06	1Q 07	2Q 07	Linked Qtr	Prior Year
Mtg-Am	$ 570	$ 195	$ 70	$ (125)	$ (500)
Mtg-Eu	159	78	97	19	(62)
Mtg-As	16	12	26	14	10
Non Mtg-Am	92	61	95	34	3
Non Mtg-Eu	-	-	-	-	-
Non Mtg-As	-	-	-	-	-
Total	$ 837	$ 346	$ 288	$ (58)	$ (549)
Mtg	$ 745	$ 285	$ 193	**$ (92)**	**$ (552)**
Non Mtg	92	61	95	34	3
Total	$ 837	$ 346	$ 288	$ (58)	$ (549)

		Linked Qtr	Lower	Upper	Label
Secur Prods	1Q 07	346	346	0	
Mtg	Am	-125.27006	220.729936	125.270064	-$125
	Eu	18.975	220.729936	18.975	$19
	As	14.061	239.704936	14.061	$14
Non Mtg	Am	34.116	253.765936	34.116	$34
	Eu	0	287.881936	0	$0
	As	0	287.881936	0	$0
Secur Prods	2Q 07	287.881936	287.881936	0	

$ Delta $ (92)
% Delta -32%
Down $92 or 32% vs Linked Qtr

		Prior Year	Lower	Upper	Label
Secur Prods	2Q 06	837	837	0	
Mtg	Am	-500.27006	336.729936	500.270064	-$500
	Eu	-62.025	274.704936	62.025	-$62
	As	10.061	274.704936	10.061	$10
Non Mtg	Am	3.116	284.765936	3.116	$3
	Eu	0	287.881936	0	$0
	As	0	287.881936	0	$0
Secur Prods	2Q 07	287.881936	287.881936	0	

$ Delta $ (552)
% Delta -74%
Down $552 or 74% vs Prior Year

Securitized Products
Revenues
Fiscal Year 2007

	Q2 2007 vs. Q1 2007				Q2 2007 vs. Q2 2006			
	Q2 2007	**Q1 2007**	**$ CHANGE**	**% CHANGE**	**Q2 2007**	**Q2 2006**	**$ CHANGE**	**% CHANGE**
Americas								
Agency PT & Options	2,220	6,288	(4,068)	-65%	2,220	7,606	(5,386)	-71%
Agency Remics / Strips	15,807	18,182	(2,375)	-13%	15,807	27,527	(11,721)	-43%
Mortgage Finance	7,738	8,380	(642)	-8%	7,738	6,821	916	13%
Non-Prime	(125,770)	(238,148)	112,378	-47%	(125,770)	228,167	(353,937)	-155%
Prime	16,332	106,923	(90,591)	-85%	16,332	127,252	(110,920)	-87%
Principle Finance Residential	13,260	(21,645)	34,905	-161%	13,260	5,241	8,019	153%
ABS Derivatives	134,325	206,326	(72,000)	-35%	134,325	-	134,325	N/A
ABS New Issue	46,070	34,730	11,340	33%	46,070	40,149	5,921	15%
ABS Secondary	20,869	(1,546)	22,415	-1449%	20,869	17,921	2,948	16%
Insurance Products	8,416	2,641	5,776	219%	8,416	19,531	(11,115)	-57%
Non-Residential Trading	18,896	2,464	16,432	667%	18,896	19,585	(689)	-4%
Special Opportunities Group	13,037	4,848	8,189	169%	13,037	4,677	8,360	179%
House - Risk	(18,051)	79,626	(97,677)	-123%	(18,051)	6,477	(24,528)	-379%
House - Admin	66	(180)	246	-137%	66	(127)	193	-152%
Subtotal Americas	**153,216**	**208,888**	**(55,672)**	-27%	**153,216**	**510,827**	**(357,611)**	-70%
Aurora	93,130	84,125	9,005	11%	93,130	89,520	3,610	4%
Campus Door	1,554	3,242	(1,688)	-52%	1,554	-	1,554	N/A
BNC	(99,116)	(61,103)	(38,013)	62%	(99,116)	41,269	(140,385)	-340%
SBF	14,848	13,629	1,219	9%	14,848	13,538	1,310	10%
Subtotal Origination Americas	**10,417**	**39,892**	**(29,476)**	-74%	**10,417**	**144,328**	**(133,911)**	-93%
TOTAL AMERICAS	**163,633**	**248,781**	**(85,148)**	**-34%**	**163,633**	**655,155**	**(491,522)**	**-75%**
Europe	97,994	78,410	19,584	25%	97,994	158,568	(60,574)	-38%

Asia	25,805	11,835	13,970	118%	25,805	16,168	9,637	60%
TOTAL	**287,432**	**339,026**	**(51,594)**	**-15%**	**287,432**	**829,890**	**(542,459)**	**-65%**

Securitized Products
Revenues - Rating Agency Format
Includes 100% of Pass-Thrus

	Q2 2007	Q1 2007	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006	FY 2005	FY 2004
AMERICAS									
PRIME	3,199	18,489	23,400	27,400	18,200	23,998	92,998	150,868	217,214
ALT-A	106,295	172,545	107,704	189,371	176,145	139,145	612,365	510,049	499,440
SUB-PRIME	(83,148)	(9,543)	128,358	289,284	140,515	202,869	761,025	1,374,333	1,191,487
WAREHOUSING LINES	13,248	(21,634)	6,730	5,244	4,754	5,415	22,143	37,507	35,650
PASS-THRUS	4,348	12,575	9,274	15,212	10,049	33,554	68,089	50,192	79,252
REMICS	15,794	18,179	13,319	27,488	13,288	16,944	71,039	100,676	138,560
BANKING	7,738	8,380	8,207	7,243	12,521	6,132	34,102	54,023	36,348
OTHER	2,256	(4,359)	11,181	9,022	12,673	17,380	50,256	24,578	(3,136)
TOTAL MORTGAGES AMERICAS	**69,730**	**194,631**	**308,172**	**570,265**	**388,144**	**445,437**	**1,712,018**	**2,302,226**	**2,194,816**
EUROPE	96,975	78,381	89,404	158,502	134,742	100,349	482,996	388,794	318,509
ASIA	26,061	11,847	3,570	16,168	10,125	29,905	59,768	33,452	34,564
INTERNATIONAL MORTGAGES	**123,036**	**90,228**	**92,974**	**174,669**	**144,867**	**130,254**	**542,765**	**422,246**	**353,073**
TOTAL GLOBAL MORTGAGES	**192,766**	**284,860**	**401,146**	**744,934**	**533,011**	**575,691**	**2,254,782**	**2,724,472**	**2,547,890**
INTERNATIONAL PERCENTAGE	**64%**	**32%**	**23%**	**23%**	**27%**	**23%**	**24%**	**15%**	**14%**
NON MORTGAGES AMERICAS									
ABS	54,833	35,495	84,980	54,233	30,362	16,961	186,536	187,539	95,292
SMALL BUSINESS LENDING	14,848	13,629	9,479	13,538	14,362	15,439	52,819	32,043	-
STUDENT LOANS	4,060	4,476	-	-	2,407	1,131	3,538	-	-
PRINCIPAL	12,952	4,897	15,218	4,677	12,623	23,013	55,532	53,031	60,463
INSURANCE	8,416	2,641	10,185	19,531	2,418	9,464	41,598	21,819	21,667
OTHER	7	(53)	(5)	5	(53)	15	(38)	-	(22)
TOTAL NON MORTGAGES AMERICAS	**95,116**	**61,085**	**119,857**	**91,984**	**62,119**	**66,023**	**339,984**	**294,432**	**177,399**
INTERNATIONAL NON MORTGAGES	-	**-**					**-**	**-**	**-**
TOTAL GLOBAL NON MORTGAGES	**95,116**	**61,085**	**119,857**	**91,984**	**62,119**	**66,023**	**339,984**	**294,432**	**177,399**
TOTAL SECURITIZED PRODUCTS	**287,882**	**345,944**	**521,004**	**836,918**	**595,130**	**641,714**	**2,594,766**	**3,018,904**	**2,725,289**

SECURITIZED PRODUCTS Q2 2007 vs Q1 2007 COMMENTARY

ABS Derivatives

Q2 Revenues were 133mm vs. 206mm in Q1 07 as the desk continued to profit in CDS on CDO and ABX, but did not gain from single name CDS positions in Q2 (Q1 profits in single name CDS were 122mm as ABX spreads widened substantially, with the 07-1 BBB- widening 1116bps to 1532bps) . However, the desk continued to gain in CDS on CDO (+98mm), as spreads widened from 268bps to 592bps in A2 rated tranches. The desk was long 1.04B in notional in terms of protection in A2 rated tranches, and long 1.42B overall. Total transacted notional for the quarter was 3.26B. Separately, the desk gained 43mm in ABX flow trading on transacted notional of 32B as ABX 07-1 BBB- spreads tightened 129bps to 1403bps and 06-2 BBB- spreads tightened 255bps to 1197bps.

Non Prime

Q2 Revenues were a loss of -$126mm compared to -$238mm loss in Q1.
Securitization revenues totaling $60mm for Q2 on notional amounts of $7b (Margin of 86 bps) compared to Q107 which had Securitization revenues totaling $11mm for Q1 on notional amounts of $5.1b (Margin of 22 bps). (Major deals: +39mm gain on SASCO 2007-GEL2 May deal (Notional of $478mm; margin of 824 bps) in Q2 vs. +5mm gain on SASCO 2007-GEL1 February deal (Notional of $296mm; margin of 169 bps) in Q1; +5mm gain on SASCO 2007-RM1 May deal (Notional of $701mm; margin of 73 bps) in Q2 vs. no deal in Q1)
ABX P/L down -$91mm in Q2 vs. a gain of $276mm for Q1due to spread tightening in BBB & BBB- vintages.
Residual/NIM/Non-investment grade MTM losses due to deterioration in collateral and market -$112mm vs. losses in Q107 of -$549mm.
Servicing P/L at $15.4mm for Q2 based on monthly cash flows and servicing transfer to counterparties vs. servicing revenues of $16mm in Q107.

Prime

Q2 Revenues were a gain of +$16mm compared to +$107mm gain in Q1.
Securitization revenues totaled $21mm for Q2 on notional amounts of $17b (Margin of 12 bps) compared to Q107 which had Securitization revenues totaling $34mm on notional amounts of $10b (Margin of 34 bps).
Whole Loan Delivery And Sale revenues totaled $13mm for Q2 on notional amounts of $5b (Margin of 26 bps) compared to Q107 which had revenues totaling $19mm on notional amounts of $5b (Margin of 38 bps).
ABX net P&L down -$5mm in Q2(46mm in MTM losses offset primarily by 27mm in residual sales) vs. a net gain of $39mm(152mm mtm gains offset by 113mm in position markdowns) for Q1due to spread tightening in BBB & BBB- vintages.
Secondary Trading P&L down -3mm in Q2 vs. a gain of 13mm in Q1

House

The primary driver of the P&L was a long 200mm ABX 06-2 BBB- position, along with 146mm of single name CDS on various bonds. In Q1 ABX 06-2 BBB- spreads had widened 1146bps to 1452bps, but in Q2 2007 06-2 BBB- spreads tightened 255bps to 1197bps. The desk has closed the ABX position. P&L in Q2 was (19mm) versus +80mm in Q1.

Origination

Origination revenues in Q2 07 were 10mm compared to 40mm Q1 07; decrease primarily due to BNC reserves for EPD and FPD.

Agency PT & Options

MTM and trading profits were 2.2mm, down from 6.29mm due to less favorable market conditions.

Remics

The Q2 2007 profits of 16mm were primarily from securitizations, with 3.628mm from FHR, FNR, and GNR deal P&L, and 6.1mm from Sasco reremic deals. Q1 revenue would have been higher, but there were hedge losses from decreased volaitility. Q1 profits were 18mm.

Principal Finance Residential

Q2 revenues were up $35mm compared to Q1 due to the -$21mm counterparty credit losses that were recognized as the subprime mortgage market was deteriorating during Q1 and the revaluation of the Business's Credit Reserve during Q2 for +$7mm

ABS Secondary

Q2 revenues were up +$24mm compared to Q1 2007 due to -$10mm in writedowns taken in Q1 2007 related to Subprime Secondary positions related to the deterioration of the subprime market in early 2007. In addition there was also increased Secondary trading activity on Catastrophe ABS positions during Q2.

ABS New Issue

America

Mortgage Finance

No significant change in revenues Quarter over Quarter

Insurance Solutions

Q2 revenues up $6mm over Q1 related to the +$6mm in fees recognized for the $540mm Genworth RiverLake IV securitization

Special Opportunities Group

Q2 revenues up $8mm over Q1 related to the driven by +$5mm in MTM gains on the re-valuation of the existing PRIP position. In addition during Q2 2007 there was +$2mm recognized associated with a true up of the Prospective Deal Reserve.

Non-Residential Trading

Q2 Revenues were a gain of $19mm compared to 2mm in Q1.
Securitization P&L of $11mm related to the LBSBC 2007-1 deal ($327mm notional, margin of 306 bps) along with $5mm of Capital Crossing production revenue drove the variance quarter over quarter.

SECURITIZED PRODUCTS EUROPE

Net revenue in Europe increased by +$19mm or +24% from Q1 2007 to Q2 2007
Q2 revenues highlighted by the second securitisation of 2007 for Eurosail which contributed +$18m and the Region of Campania Bridge loan deal (JV with Interest Rate Products) generated +$10m.

SECURITIZED PRODUCTS ASIA

Net revenue in Asia increased by +$14mm or +120% from Q1 2007 to Q2 2007
Q2 2007 drivers included +$14mm in fees and interest from Japan Principal Positions in ABS NI & $6mm in MTM on Thai Residental NPL Portfolio in PFG. However in Q1 2007 there were no PFG Asia revenues and no CMBS allocations.

SECURITIZED PRODUCTS Q2 2007 vs Q2 2006 COMMENTARY

ABS Derivatives

Q2 Revenues were 133mm vs. 0 in Q2 06 as the desk continued to profit in CDS on CDO and ABX and did not trade ABS derivatives in Q2 06. The desk gained 98mm in CDS on CDO, as spreads widened from 268bps to 592bps in A2 rated tranches. The desk was long 1.04B in notional in terms of protection in A2 rated tranches, and long 1.42B overall. Total transacted notional for the quarter was 3.26B. Separately, the desk gained 43mm in ABX flow trading on transacted notional of 32B as ABX 07-1 BBB- spreads tightened 129bps to 1403bps and 06-2 BBB- spreads tightened 255bps to 1197bps.

Non Prime

Q207 Revenues were a loss of -$126mm compared to Q106 gains of +$251mm.
Securitization revenues totaling $60mm for Q207 on notional amounts of $7b (Margin of 86 bps) compared to Q206 which had Securitization revenues totaling $176mm on notional amounts of $10.5b (Margin of 168 bps). (Major deals: +39mm gain on SASCO 2007-GEL2 May deal (Notional of $478mm; margin of 824 bps) in Q2 vs. +5mm gain on SASCO 2007-GEL1 February deal (Notional of $296mm; margin of 169 bps) in Q1; +5mm gain on SASCO 2007-RM1 May deal (Notional of $701mm; margin of 73 bps) in Q2 vs. no deal in Q1)
ABX P/L down -$91mm in Q207 vs. a gain of $164k for Q206
Residual/NIM/Non-investment grade MTM losses due to deterioration in collateral and market -$112mm for Q207 vs. $0 MTM losses in Q206
Servicing P/L at $15.4mm for Q207 based on monthly cash flows and servicing transfer to counterparties vs. servicing revenues of $14.1mm in Q206.

Prime

Q2 Revenues were a gain of +$16mm compared to +$127mm gain in Q206.
Securitization revenues totaled $21mm for Q2 on notional amounts of $17b (Margin of 12 bps) compared to Q206 which had Securitization revenues totaling $99mm on notional amounts of $14b (Margin of 71 bps).
Whole Loan Delivery and Sale revenues totaled $13mm for Q2 on notional amounts of $5b (Margin of 26 bps) compared to Q206 which had revenues totaling $33mm on notional amounts of $6b (Margin of 55 bps).

House

The primary driver of the P&L was a long 200mm ABX 06-2 BBB- position, along with 146mm of single name CDS on various bonds. These positions were not on the books in Q2 2006. Total losses from these positions was 16mm in Q1 2007as ABX 06-2 BBB- spreads tightened 255bps to 1197bps. The desk has closed the ABX position. The P&L in Q2 2006 was +6.5mm.

Origination

Origination revenues in Q2 07 were 10mm compared to 144mm Q2 06; decrease primarily due to BNC reserves for EPD and FPD.

Agency PT & Options

MTM and trading profits were 2.2mm, down from 7.6mm due to less favorable market conditions.

Remics

The Q2 2007 profits of 16mm were primarily from securitizations, with 3.628mm from FHR, FNR, and GNR deal P&L, and 6.1mm from Sasco reremic deals. For Q2 2006, profits were 28mm, from higher deal P&L. The variance is mainly attributable to hedge losses from decreased volatility.

Principal Finance Residential

Q2 2007 revenues were up $8mm compared to Q2 2006 due to the revaluation of the Business's Credit Reserve during Q2 2007 for +$7mm

ABS Secondary

Q2 revenues were up +$4mm compared to Q2 2007 due to increased Secondary trading, MTM and carry across various asset classes

ABS New Issue

Q2 2007 revenues were up $6mm compared to Q2 2006 as the business recognized +$29mm related to the Domino's Whole Business Securitization in and +$6.3mm on the AMERCO/U-HAUL: $303mm Securitization 2007-LTD during Q2 2007 while the only significant deal Q2 2006 was +27mm related to the Dunkin Brands $1.6bln Securitization 2006-1 Term ABS deal.

Mortgage Finance

No significant change in revenues Quarter over Quarter

Insurance Solutions

Q2 2007 revenues were down $11mm compared to Q2 2006 due to the fact that the business recognized $18mm in Q2 2006 related to the Ballantyne Re (Scottish Re) $1.5bln Securitization & $400mm Money Market Sec transaction.

Special Opportunities Group

Q2 207 revenues up $8mm over Q2 2006 related to the driven by +$5mm in MTM gains on the re-valuation of the existing PRIP position. In addition during Q2 2007 there was +$2mm recognized associated with a true up of the Prospective Deal Reserve.

Non-Residential Trading

Q207 Revenues were a gain of $19mm compared to a gain of $19.7mm in Q206
Securitization P&L of $11mm related to the LBSBC 2007-1 deal ($327mm notional, margin of 306 bps)
in Q207 vs. Securitization P&L of $19.7mm related to the LBSBC 2006-1 deal ($326mm notional, margin of 605 bps).
Capital Crossing Operating Revenues of $5mm for Q207 vs. net flat for Q206.

SECURITIZED PRODUCTS EUROPE

Net revenue in Europe decreased by -$61mm or -39% from Q2 2006 to Q2 2007
In Structured Finance Europe the second securitisation of 2007 during Q2 2007 for Eurosail contributed +$18m and the Region of Campania Bridge loan deal (JV with Interest Rate Products) generated +$10m. However, during Q2 2006 there were 2 repacks booked generating $61m profit

SECURITIZED PRODUCTS ASIA

Net revenue in Asia increased by +$10mm or +61% from Q2 2006 to Q2 2007
Q2 2007 drivers included +$14mm in fees and interest from Japan Principal Positions in ABS NI & $6mm in MTM on Thai Residental NPL Portfolio in PFG. However in Q2 2006 the biggest drivers were $4mm in revenue related to the RCC Securitization and $5mm in revenue related to the Taiwan ABCP Chinatrust Transaction.

SECURITIZED PRODUCTS June COMMENTARY

SECURITIZED PRODUCTS +255mm

SECURITIZED PRODUCTS AMERICAS +239mm

ABS Derivatives: +67.1mm

+45mm MTM gains in CDS on CDO positions, as the desk was long protection of 1B in single A rated tranches, as spreads widened approximately 200bps. Including ABX hedges, the desk was long protection of 1.8B in CDS on CDO positions.
+15mm MTM and trading gains in ABX positions, as the desk traded 11.9B in transacted notional as spreads widened substantially.
The ABX HE 07-1 BBB- widened 476bps to 1879 and the BBB widened 439bps to 1422bps.

Non Prime: +69mm

-$61.7mm loss on Residual, NIM bond, and NIG bond positions
+$1mm gain on first and second lien whole loan positions
+$76.5mm gain on credit hedge of ABX and ABCDS
+$3.6mm loan servicing revenue
+$33.3mm securitization revenues on issuance of $926mm (Margin of 359 bps)
+$16.5mm secondary trading gains and carry

Prime: +24mm

+$5mm Securitization revenues on issuance of 4.2b (Margin of 12bps)
+$.4mm whole loan delivery deals on volume of $1.2b (margin of 3bps)
+$20mm Sovereign whole loan trade - collateral for the LMT 07-5 deal
+$21mm ABX MTM gains primarily due to BBB/BBB-06-2 vintages offset by ($24mm) subordinate position markdowns

Non-Residential Trading: -14mm

-15mm in write-downs on Alt-A HELOC residual HE1 postion due to early evidence of higher delinquencies and defaults in loan pool

House: +4.6mm

MTM gains in 140mm of long protection single name CDS positions as spreads widened.

Origination: +49mm

+49mm Operating revenues from Affiliates; ALS +32mm, BNC +10mm, SBF +6mm, +1mm Campus Door.

ABS Secondary: +3mm

Driven by Secondary Trading, Carry and MTM gains across various ABS asset classes

Agency PT & Options: +6mm

SECURITIZED PRODUCTS June COMMENTARY

4.7mm in MTM and trading gains in 30 year FNMA passthrough positions.

Remics: +17.8mm

2mm securitzation P&L FHR 3336, 2mm FHR 3339, 1mm Sasco 07-5, 10mm trading gains in secondary positions.

Principal Finance Residential: +1.6mm

No signifiant revenue items to highlight

ABS New Issue: +9mm

+$7mm in Securitization Fee Income across a number of deals, highlighted by $3mm in Nightingale Capital Note Placement Fees
+$2mm in monthly ABCP Fees

Mortgage Finance +2mm

No signifiant revenue items to highlight

Insurance Solutions +1mm

No signifiant revenue items to highlight

Special Opportunities Group +2mm

No signifiant revenue items to highlight

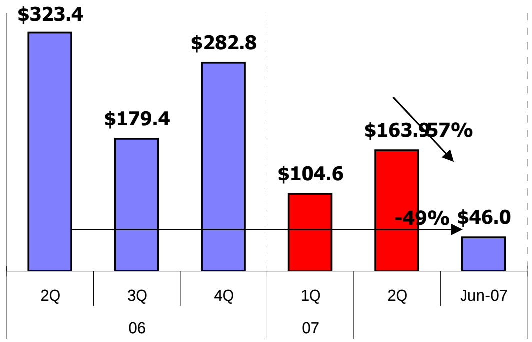
SECURITIZED PRODUCTS EUROPE +14mm

SECURITIZED PRODUCTS ASIA +3mm

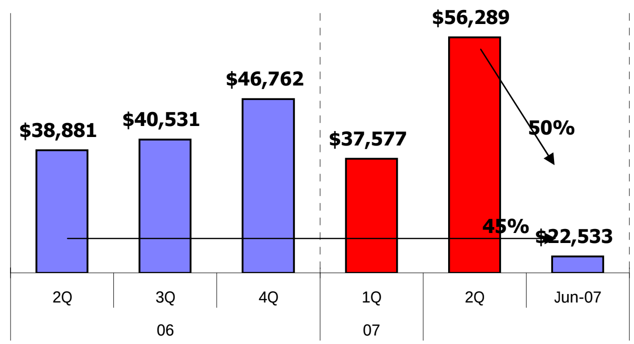
+2.7mm in Interest Income on Principal Transactions, DTC Advancing Agent Fee, LSTARS Advancing Agent Fees

Securitization Revenues

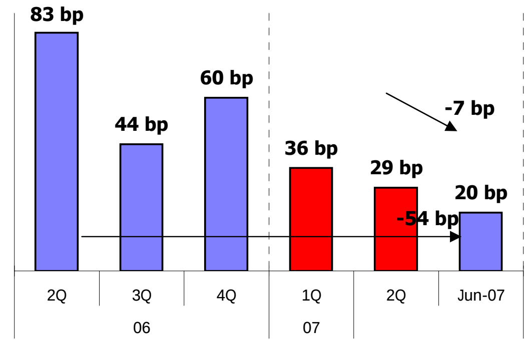
Revenue



Volume



Margin



Securitization Revenue (a)

	FY 06			FY 07		
	2Q 06	3Q 06	4Q 06	1Q 07	2Q07	Jun-07
Agency CMO	$ 24.2	$ 13.9	$ 13.2	$ 5.5	$ 18.2	$ 6.2
Prime Securitization	53.8	27.6	24.4	17.7	0.4	0.6
Prime Agency Deliveries	27.4	18.2	24.0	15.3	32.2	0.4
Prime WL Sales	5.7	4.3	3.0	0.9	-	-
Option ARMs	45.7	39.0	24.5	18.1	17.3	4.9
NonPrime	117.1	68.4	105.4	6.0	15.6	8.0
Scratch&Dent	n/a	n/a	n/a	5.0	39.4	25.2
LBSBC	n/a	n/a	n/a	-	10.0	-
Reverse Mtg.	n/a	n/a	n/a	-	5.1	-
Esoteric	29.3	7.9	52.9	-	-	-
Syndicate MB	n/a	n/a	n/a	7.3	7.3	0.7
Europe	20.3	-	30.0	28.9	18.3	-
Asia	-	-	5.5	-	-	-
Totals	**$ 323.4**	**$ 179.4**	**$ 282.8**	**$ 104.6**	**$ 163.9**	**$ 46.0**

Securitization Volume (b)

	FY 06			FY 07		
	2Q 06	3Q 06	4Q 06	1Q 07	2Q07	Jun-07
Agency CMO	$ 7,196	$ 5,178	$ 2,119	$ 5,834	$ 13,031	$ 5,967
Prime Securitization	7,498	7,230	6,987	7,694	12,925	5,506
Prime Agency Deliveries	4,942	4,348	6,097	4,673	3,898	2,689
Prime WL Sales	1,089	1,126	449	203	-	78
Option ARMs	6,043	7,732	11,566	3,620	6,123	4,131
NonPrime	10,224	13,085	12,713	4,909	5,602	747
Scratch&Dent	n/a	n/a	n/a	296	478	179
LBSBC	n/a	n/a	n/a	29	352	501
Reverse Mtg.	n/a	n/a	n/a	-	701	-
Esoteric	504	1,832	1,544	-	-	-
Syndicate MB	n/a	n/a	n/a	8,943	12,027	2,736
Europe	1,386	-	5,192	1,376	1,151	-
Asia	-	-	96	-	-	-
Totals	**$ 38,881**	**$ 40,531**	**$ 46,762**	**$ 37,577**	**$ 56,289**	**$ 22,533**

Securitization Margin (a)/(b)

	FY 06			FY 07		
	2Q 06	3Q 06	4Q 06	1Q 07	2Q07	Jun-07
Agency CMO	34 bp	27 bp	62 bp	9 bp	13 bp	8 bp
Prime Securitization	72	38	35	23	0	1
Prime Agency Deliveries	55	42	39	33	83	1
Prime WL Sales	52	39	68	44	0	0
Option ARMs	76	50	21	50	28	12
NonPrime	115	52	83	12	28	108
Scratch&Dent	0	0	0	169	824	1409
LBSBC	0	0	0	0	284	0
Reverse Mtg.	0	0	0	0	73	0

Esoteric	581	43	343	0	0	0
Syndicate MB	0	0	0	8	6	3
Europe	146	0	58	210	159	0
Asia	0	0	573	0	0	0
Totals	**83 bp**	44 bp	60 bp	**36 bp**	**29 bp**	**20 bp**

		Revenue		Volume		Margin	
06	2Q	$	323.4	$	38,881	83	bp
	3Q	$	179.4	$	40,531	44	bp
	4Q	$	282.8	$	46,762	60	bp
07	1Q	$	104.6	$	37,577	36	bp
	2Q	$	163.9	$	56,289	29	bp
	Jun-07	$	46.0	$	22,533	20	bp
	YoY		-49%		45%	-54	bp
	Linked		57%		50%	-7	bp

Global Securitization Margin Analysis

($ in millions)

	Prelim. 3Q07	2Q07	1Q07	4Q06	3Q06	2Q06	1Q06	4Q05	3Q05	2Q05	1Q05	4Q04	3Q04	2Q04	1Q04
Securitization Revenue - A															
Agency CMO	6.22	18.23	5.46	13.15	13.92	24.19	13.35	13.25	11.88	8.82	10.46	8.14	14.30	27.29	17.54
Prime Securitization	0.56	0.42	17.73	24.41	27.62	53.79	20.73	16.21	21.75	33.72	54.32	40.89	24.40	63.50	76.84
Prime Agency Deliveries	0.38	32.18	15.27	24.00	18.20	27.40	23.40	-	-	-	-	-	-	-	-
Prime WL Sales	-	-	0.90	3.04	4.34	5.65	2.10	-	-	-	-	-	-	-	-
Option ARMs	4.87	17.30	18.08	24.48	39.00	45.70	17.65	16.94	-	(1.13)	-	-	-	-	-
NonPrime	8.04	15.58	6.02	105.37	68.41	117.13	108.78	116.70	103.35	93.92	122.40	45.16	104.92	109.58	57.55
Scratch&Dent	25.21	39.40	5.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LBSBC	-	10.00	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Reverse Mtg.	-	5.15	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Esoteric	-	-	-	52.89	7.91	29.28	-	22.00	-	60.75	-	-	-	-	-
Syndicate MB	0.69	7.32	7.29	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Europe	-	18.30	28.90	29.98	-	20.26	20.65	21.42	41.13	15.50	30.15	-	24.00	2.11	24.50
Asia	-	-	-	5.50	-	-	-	-	-	-	-	-	-	-	-
Totals	**45.96**	**163.89**	**104.64**	**283.50**	**179.40**	**323.39**	**206.67**	**206.53**	**178.11**	**211.57**	**217.32**	**94.18**	**167.61**	**202.49**	**176.44**
Securitization Volume - B															
Agency CMO	5,967	13,031	5,834	2,119	5,178	7,196	7,376	6,811	10,230	4,608	5,666	6,058	7,505	9,981	6,201
Prime Securitization	5,506	12,925	7,694	6,987	7,230	7,498	7,953	9,093	11,567	11,228	8,943	7,535	6,778	8,068	9,333
Prime Agency Deliveries	2,689	3,898	4,673	6,097	4,348	4,942	6,312	-	-	-	-	-	-	-	-
Prime WL Sales	78	-	203	449	1,126	1,089	464	-	-	-	-	-	-	-	-
Option ARMs	4,131	6,123	3,620	11,566	7,732	6,043	5,721	5,191	2,650	735	-	-	-	-	-
NonPrime	776	5,602	4,909	12,713	13,085	10,224	11,109	14,693	12,922	12,384	9,349	6,931	12,946	8,971	5,764
Scratch&Dent	178.89	477.99	296.12	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LBSBC	500.66	352.45	29.37	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Reverse Mtg.	-	701.09	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Esoteric	-	-	-	1,544	1,832	504	-	336	-	1,228	-	-	-	-	-
Syndicate MB	2,736.16	12,027.13	8,942.86	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Europe	-	1,151	1,376	5,192	-	1,386	2,121	1,215	1,760	752	1,348	-	2,088	612	2,195
Asia	-	-	-	96	-	-	-	-	-	-	-	-	-	-	-
Totals	**22,562**	**56,289**	**37,577**	**46,762**	**40,531**	**38,881**	**41,056**	**37,338**	**39,129**	**30,936**	**25,305**	**20,523**	**29,318**	**27,632**	**23,493**
Securitization Margin - A/B															
Agency CMO	0.10%	0.14%	0.09%	0.62%	0.27%	0.34%	0.18%	0.19%	0.12%	0.19%	0.18%	0.13%	0.19%	0.27%	0.28%
Prime Securitization	0.01%	0.00%	0.23%	0.36%	0.38%	0.72%	0.26%	0.18%	0.19%	0.30%	0.61%	0.54%	0.36%	0.79%	0.82%
Prime Agency Deliveries	0.01%	0.83%	0.33%	0.39%	0.42%	0.55%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prime WL Sales	0.00%	0.00%	0.44%	0.68%	0.39%	0.52%	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Option ARMs	0.12%	0.29%	0.52%	0.21%	0.50%	0.76%	0.31%	0.33%	0.00%	-0.15%	0.00%	0.00%	0.00%	0.00%	0.00%
NonPrime	1.08%	0.29%	0.13%	0.83%	0.52%	1.15%	0.98%	0.79%	0.80%	0.76%	1.31%	0.65%	0.81%	1.22%	1.00%
Scratch&Dent	0.14	0.08	0.02	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LBSBC	-	0.03	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Reverse Mtg.	-	0.01	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Esoteric	0.00%	0.00%	0.00%	3.43%	0.43%	5.81%	0.00%	6.55%	0.00%	4.95%	0.00%	0.00%	0.00%	0.00%	0.00%
Syndicate MB	0.00	0.00	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Europe	0.00%	1.59%	2.10%	0.58%	0.00%	1.46%	0.97%	1.76%	2.34%	2.06%	2.24%	0.00%	1.15%	0.34%	1.12%
Asia	0.00%	0.00%	0.00%	5.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals	**0.20%**	**0.29%**	**0.28%**	**0.61%**	**0.44%**	**0.83%**	**0.50%**	**0.55%**	**0.46%**	**0.68%**	**0.86%**	**0.46%**	**0.57%**	**0.73%**	**0.75%**

Securitized Products
Q1 2007 Deals

Region	Desk	Issuing Entity	Short Description	Settle Date	UPB	Total Flash	Margin Bps
Americas	Agency CMO	FNR 06-123	Fannie Mae	12/28/06	960,763	676	7.04
Americas	Agency CMO	FHR 3248	Freddie Mac	12/29/06	225,000	0	0.00
Americas	Agency CMO	SASCO 07-2	Re-REMIC	1/30/07	95,760	0	0.00
Americas	Agency CMO	FHR 3259	Freddie Mac	1/30/07	617,402	1,020	16.52
Americas	Agency CMO	FHR 3281	Freddie Mac	2/28/07	346,547	0.00	0.00
Americas	Agency CMO	FNR 07-1	Fannie Mae	1/30/07	1,342,728	2,065	15.38
Americas	Agency CMO	FNR 07-15	Fannie Mae	2/28/07	984,126	500.00	5.08
Americas	Agency CMO	GNR 07-7	Ginnie Mae	2/28/07	642,297	1,200.00	18.68
Americas	Agency CMO	SASCO 07-3	Re-REMIC	2/28/07	619,137	0.00	0.00
Americas	Esoteric	LBSBC NIM 2006-3	NIM	12/20/06	29,365	0	0.00
Americas	Nonprime	FFML NIM 2006-FF17	NIM	12/20/06	30,640	0	0.00
Americas	Nonprime	SASCO NIM 2006-BC4	NIM	12/20/06	57,660	0	0.00
Americas	Nonprime	SASCO NIM 2006-BC5	NIM	12/20/06	27,180	0	0.00
Americas	Nonprime	SASCO NIM 2006-BC6	NIM		42,800	0	0.00
Americas	Nonprime	SASCO NIM 2006-WF3	NIM	12/20/06	51,080	0	0.00
Americas	Nonprime	SASCO NIM 2007-BC1	NIM	2/20/07	36,200	0.00	0.00
Americas	Nonprime	BNCMT 2007-1	Various subprime	2/28/07	939,457	0.00	0.00
Americas	Nonprime	SASCO 2006-BC6	Various subprime	12/28/06	1,241,967	6,000	48.31
Americas	Nonprime	SASCO 2006-S4	Various subprime	12/28/06	493,307	15	0.30
Americas	Nonprime	SASCO 2006-Z	Various subprime	12/28/06	207,142	0	0.00
Americas	Nonprime	SASCO 2007-BC1	Various subprime	1/30/07	1,162,101	0	0.00
Americas	Nonprime	SASCO 2007-BC2	Various subprime	2/28/07	619,137	0.49	0.01
Americas	Nonprime	SASCO 2007-GEL1	Various subprime	2/9/07	296,119	5,003	168.95
Americas	Prime	SARM 2006-12	Alt A Arm	12/29/06	562,820	1,267	22.51
Americas	Prime	SARM 2007-1	Alt A Arm	1/31/07	488,231	1,768	36.21
Americas	Prime	SARM 2007-2	Alt A Arm	2/28/07	551,986	2,666	48.30
Americas	Prime	LXS 2006-20	Alt A Arm/Fixed	12/29/06	721,081	1,460	20.25
Americas	Prime	LXS 2007-1	Alt A Arm/Fixed	1/31/07	947,710	0	0.00
Americas	Prime	LXS 2007-3	Alt A Arm/Fixed	2/28/07	1,302,501	(5,000)	(38.39)
Americas	Prime	LMT 2006-9	Alt A Fixed	12/29/06	624,554	4,201	67.26
Americas	Prime	LMT 2007-1	Alt A Fixed	1/30/07	543,767	4,853	89.25
Americas	Prime	LMT 2007-2	Alt A Fixed	2/28/07	312,448	2,688	86.03
Americas	Prime	RAST 2006-A16	Alt A Fixed	12/26/06	664,784	563	8.47
Americas	Prime	RAST 2007-A3	Alt A Fixed	2/28/07	371,388	83	2.23
Americas	Prime	Fannie Hybrid Delivery	ARM	2/28/07	931,272	1,492	16.02

Securitized Products
Q1 2007 Deals

Region	Desk	Issuing Entity	Short Description	Settle Date	UPB	Total Flash	Margin Bps
Americas	Prime	CitiMortgage 2006-33	Arms	12/19/06	141,908	658	46.37
Americas	Prime	CitiMortgage 2007-1	Arms	1/23/07	61,197	240	39.22
Americas	Prime	FHLMC Arm WL Delivery	Arms	12/28/06	9,963	0	0.00
Americas	Prime	FNMA Hybrid WL Delivery	Arms	1/31/07	1,273,781	3,250	25.51
Americas	Prime	Freddie Hybrid WL Delivery	Arms	1/23/07	1,184,906	1,376	11.61
Americas	Prime	SASCO 2006-RF4	FHAVA First Lien	12/11/06	213,840	(33)	(1.53)
Americas	Prime	Fannie Fixed Delivery	Fixed	2/28/07	497,156	2,055	41.34
Americas	Prime	FNMA Fixed WL Delivery	Fixed	12/29/06	379,491	2,800	73.78
Americas	Prime	FNMA Fixed WL Delivery	Fixed	1/31/07	396,223	4,294	108.37
Americas	Prime	FNW 2007-W2	Fixed	2/28/07	389,120	3,210	82.49
Americas	Prime	LXS 2007-2N	Neg AM	1/31/07	1,319,614	1,563	11.84
Americas	Prime	LXSN 06-GPM7	NIM	12/19/06	51,050	0	0.00
Americas	Prime	LXSN 06-GPM8	NIM	1/19/07	32,100	0	0.00
Americas	Prime	LXSN 07-QO8	NIM	2/28/07	38,000	8,000	2,105.26
Americas	Prime	GPMF 2006 AR8	Option ARM	12/29/06	724,924	2,000	27.59
Americas	Prime	GPMF 2007 AR1	Option ARM	2/28/07	1,454,467	6,512	44.77
Europe		EuroSail 07-1		2/28/07	1,375,885	28,900	210.05

Securitized Products
Q2 2007 Deals

Region	Desk	Issuing Entity	Short Description	Settle Date	UPB	Total Flash	Margin Bps
Americas	Agency CMO	FNR 07-30	Fannie Mae	3/30/07	3,079,141	5,784	18.78
Americas	Agency CMO	GNR 07-9	Ginnie Mae	3/30/07	574,231	0	0.00
Americas	Agency CMO	FHR 3284	Freddie Mac	3/30/07	2,449,702	966	3.94
Americas	Agency CMO	FNR 07-39	Fannie Mae	4/30/07	872,697	400	4.58
Americas	Agency CMO	GNR 07-17	Ginnie Mae	4/30/07	726,256	950.00	13.08
Americas	Agency CMO	FHR 3297	Freddie Mac	4/30/07	900,553	1,178	13.08
Americas	Agency CMO	SASCO 07-3	Re-REMIC	4/30/07	158,602	2,104.00	132.66
Americas	Agency CMO	FNR 07-54	Fannie Mae	5/30/07	2,464,248	875.00	3.55
Americas	Agency CMO	GNR 07-31	Ginnie Mae	5/30/07	269,605	977.00	36.24
Americas	Agency CMO	FHR 3311	Freddie Mac	5/30/07	1,285,550	0	0.00
Americas	Agency CMO	SASCO 07-5	Re-REMIC	5/30/07	250,000	5,000	200.00
Americas	Esoteric	LBSBC NIM 2007-1	NIM	4/25/07	25,350	0	0.00
Americas	Esoteric	LBSBC 2007-1	Various subprime	3/30/07	327,100	10,000	305.72
Americas	Esoteric	SASCO 2007-RM1	Reverse Mortgage	5/30/07	701,087	5,150	73.46
Americas	Nonprime	SASCO 2007-GEL2	Various subprime	5/7/07	477,986	39,400	824.29
Americas	Nonprime	SASCO NIM 2007-BC2	NIM		21,840	0.00	0.00
Americas	Nonprime	BNCMT NIM 2007-1	NIM	4/20/07	25,890	0.00	0.00
Americas	Nonprime	SASCO NIM 2007-WF1	NIM	4/20/07	27,250	0	0.00
Americas	Nonprime	WFHET 2007-2	HELOCs	4/20/07	464,000	3,743	80.67
Americas	Nonprime	WFHET NIM 2007-2	NIM	5/18/07	19,830	0	0.00
Americas	Nonprime	BNCMT NIM 2007-2	NIM	5/21/07	36,960	0	0.00
Americas	Nonprime	SASCO NIM 2007-EQ1	NIM	5/21/07	21,274	0.00	0.00
Americas	Nonprime	SASCO 2007-MLN1	Various subprime	3/13/07	900,548	0	0.00
Americas	Nonprime	SASCO 2007-WF1	Various subprime	3/30/07	816,129	0	0.00
Americas	Nonprime	BNCMT 2007-2	Various subprime	4/30/07	1,055,380	0	0.00
Americas	Nonprime	SASCO 2007-EQ1	Various subprime	4/30/07	619,036	0	0.00
Americas	Nonprime	SASCO 2007-BC3	Various subprime	5/31/07	788,341	4,276	54.24
Americas	Nonprime	SASCO 2007-OSI	Various subprime	5/30/07	805,847	7,562	93.84
Americas	Prime	FNMA Fixed WL Delivery	Fixed	3/30/07	330,056	750	22.72
Americas	Prime	FNMA Fixed WL Delivery	Fixed	4/30/07	330,056	750	22.72
Americas	Prime	FNMA Fixed WL Delivery	Fixed	5/30/07	330,056	750	22.72
Americas	Prime	Sovereign Fixed Delivery(FN	Fixed	5/14/07	698,279	30,000	429.63
Americas	Prime	FHLMC Hybrid WL Delivery	Arms	3/30/07	772,335	(324)	(4.20)
Americas	Prime	FNMA Hybrid WL Delivery	Arms	4/30/07	568,617	71	1.25
Americas	Prime	FHLMC Hybrid WL Delivery	Arms	5/30/07	772,335	(324)	(4.20)

Securitized Products
Q2 2007 Deals

Region	Desk	Issuing Entity	Short Description	Settle Date	UPB	Total Flash	Margin Bps
Americas	Prime	SASCO 2007-RF1	FHAVA First Lien	3/30/07	235,042	1,280	54.46
Americas	Prime	LXS 2007-8H(High LTV)	Alt A Arm/Fixed	5/30/07	1,088,948	(2,500)	(22.96)
Americas	Prime	CWALT 2007-T2	Fixed Rate, Subs Only	3/30/07	370,953	0	0.00
Americas	Prime	RFMSI 2007-2	Fixed Rate, Subs Only	3/30/07	472,188	0	0.00
Americas	Prime	WFMBS 2007-3	Fixed Rate, Subs Only	3/30/07	1,348,185	454	3.37
Americas	Prime	LXS 2007-5H	Alt A Arm/Fixed	4/30/07	893,247	(1,505)	(16.85)
Americas	Prime	LXS 2007-6	Alt A Arm/Fixed	5/11/07	1,612,084	(7,000)	(43.42)
Americas	Prime	LXS 2007-9	Alt A Arm/Fixed	5/30/07	653,481	0	0.00
Americas	Prime	LXSN-GPM1 NIM(GPMF 200	NIM	3/8/07	36,300	0	0.00
Americas	Prime	LXSN 07-GPM2	NIM	5/18/07	24,875	0	0.00
Americas	Prime	LXS 2007-4N	Neg AM	3/30/07	2,121,137	3,876	18.27
Americas	Prime	GPMF 2007 AR2(MTA and H	Neg AM	4/30/07	1,279,245	5,661	44.25
Americas	Prime	LXS 2007-7N	Neg AM	5/30/07	2,167,194	9,524	43.95
Americas	Prime	GPMF 2007 AR3(Hybrid OA)	Neg AM	5/30/07	494,611	(1,761)	(35.60)
Americas	Prime	LMT 2007-3	Alt A Fixed	3/30/07	261,732	(649)	(24.80)
Americas	Prime	FNW 07-W3	Fixed	3/30/07	163,876	2,358	143.89
Americas	Prime	LMT 2007-4	Alt A Fixed	4/30/07	656,527	948	14.44
Americas	Prime	FNW 07-W4	Fixed	39202	958,411	1245.4	1299%
Americas	Prime	LMT 2007-5	Alt A Fixed	39232	1335302	2400	1797%
Americas	Prime	FNW 07-W6	Fixed	39232	517664	-812	-1569%
Americas	Prime	SARM 2007-3	Alt A Arm	39171	1144145	481	420%
Americas	Prime	SARM 2007-4	Alt A Arm	39202	539008	1125.9	2089%
Americas	Prime	SARM 2007-5	Alt A Arm	39232	673953	2590	3843%
Europe		EuroSail 07-2		39171	1151000	18300	15899%

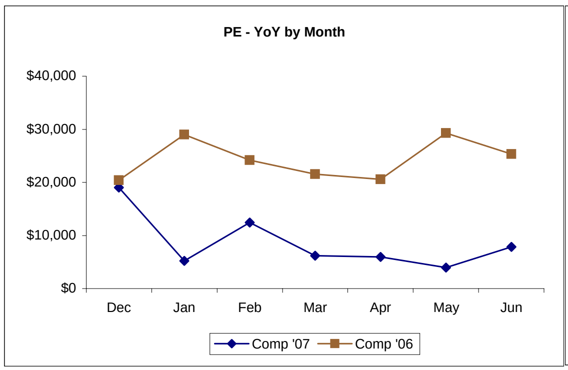
Securitized Products
Q3 2007 Deals

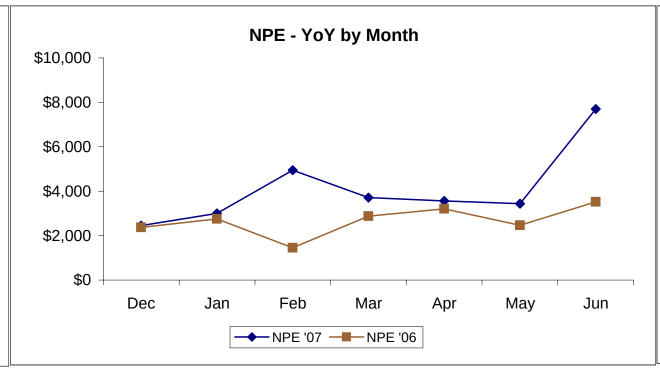
Region	Desk	Issuing Entity	Short Description	Settle Date	UPB	Total Flash	Margin Bps
Americas	Agency CMO	FHR 3336	Freddie Mac	6/29/07	616,652	2,184	35.42
Americas	Agency CMO	FHR 3339	Freddie Mac	7/30/07	1,820,293	1,491	8.19
Americas	Agency CMO	FNR 07-64	Fannie Mae	6/29/07	833,075	0	0.00
Americas	Agency CMO	FNR 07-75	Fannie Mae	7/30/07	1,536,966	2,542	16.54
Americas	Agency CMO	GNR 07-38	Ginnie Mae	6/29/07	590,000	0.00	0.00
Americas	Agency CMO	SASCO 07-4		6/29/07	569,582	0	0.00
Americas	Esoteric	LBSBC 2007-2	Various subprime	7/16/07	500,663	0.00	0.00
Americas	Nonprime	SASCO 2007-TC1	Various subprime	6/29/07	178,891	25,209.51	1,409.21
Americas	Nonprime	SASCO NIM 2007-BC3	NIM	6/29/07	29,010	0.00	0.00
Americas	Nonprime	BNCMT 2007-3	Various subprime	6/29/07	747,114	8,040	107.62
Americas	Prime	FNMA Fixed WL Delivery	Fixed	6/29/07	131,811	375	28.45
Americas	Prime	FNMA Fixed WL Delivery	Fixed	7/31/07	318,392	0	0.00
Americas	Prime	FHLMC Hybrid WL Delivery	Arms	6/28/07	1,049,797	0	0.00
Americas	Prime	FNMA Hybrid WL Delivery	Arms	7/31/07	1,189,181	0	0.00
Americas	Prime	LXS 2007-10H(High LTV)	Alt A Arm/Fixed	6/29/07	964,341	(2,849)	(29.54)
Americas	Prime	LXS 2007-14H(High LTV)	Alt A Arm/Fixed	7/31/07	904,221	0.00	0.00
Americas	Prime	LXS 2007-11	Alt A Arm/Fixed	6/29/07	498,396	0.00	0.00
Americas	Prime	LXS 2007-12N	Neg AM	6/29/07	1,304,325	4,871	37.34
Americas	Prime	LXS 2007-15N	Neg AM	7/31/07	2,826,357	0	0.00
Americas	Prime	FNW 07-W7	Fixed	6/29/07	403,128	0	0.00
Americas	Prime	FNW 07-W9	Fixed	7/31/07	259,563	0	0.00
Americas	Prime	LMT 2007-6	Alt A Fixed	6/29/07	297,871	0.00	0.00
Americas	Prime	LMT 2007-7	Alt A Fixed	7/31/07	808,033	0	0.00
Americas	Prime	SARM 2007-6	Alt A Arm	6/29/07	696,885	3,409	48.92
Americas	Prime	SARM 2007-7	Alt A Arm	7/31/07	673,251	0	0.00
Americas	Prime	Citimortgage 2007-2 Arm Sa	Arms	6/20/07	41,847	0	0.00
Americas	Prime	Citimortgage 2007-3 Arm Sa	Arms	6/20/07	35,966	0	0.00

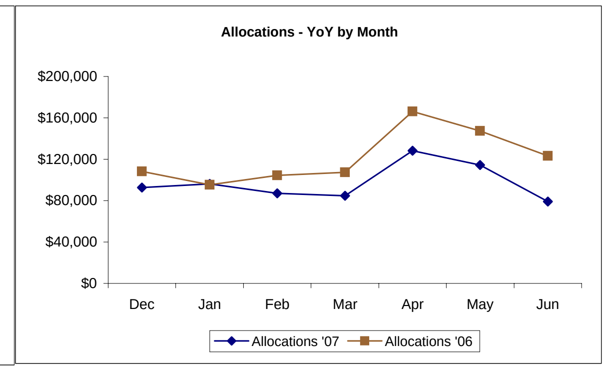
Expenses

SP Americas Total Expenses

	Q1 '07	Q2 '07	Jun '07	YTD '07	Q1 '06	Q2 '06	Jun '06	YTD '06	FY '06
PE									
PE before Uplift/Compression	75,831	64,842	19,278	159,950	72,166	71,412	61,672	168,907	266,982
Uplift/Compression	(39,078)	(48,751)	(11,412)	(99,241)					
Total PE	**36,753**	**16,091**	**7,866**	**60,709**	**72,166**	**71,412**	**61,672**	**168,907**	**266,982**
PE (Comp/Rev Ratio '06)	33,000	21,604	30,891	85,495					
NPE									
Fixed Expenses	6,284	6,438	5,355	18,077	4,458	4,962	5,043	11,023	18,943
Variable Expenses	4,150	4,272	2,337	10,759	2,184	3,591	4,086	7,693	12,347
Total NPE	**10,434**	**10,710**	**7,692**	**28,837**	**6,642**	**8,553**	**9,129**	**18,716**	**31,290**
Allocations									
Banking Allocations	16,445	23,354	1,480	41,280	0	88,689	11,895	92,377	119,047
Cost of Sales	1,772	5,486	2,219	9,477	2,082	8,035	(3,519)	14,295	8,257
Dedicated Expenses	228,555	272,815	66,722	568,092	213,969	222,674	229,156	516,540	885,979
Shared Expenses	23,898	25,801	8,617	58,316	18,904	21,445	29,735	46,941	90,920
Total Allocations	**270,671**	**327,456**	**79,038**	**677,165**	**234,954**	**340,844**	**267,266**	**670,152**	**1,104,204**
Grand Total Expenses	**317,858**	**354,257**	**94,596**	**766,711**	**313,761**	**420,808**	**338,067**	**857,775**	**1,402,476**







NPE Actuals vs Prior Year and vs Budget (All figures run in FX Neutral currency in $000's)
Securitized Products Business
June YTD 2007

Securitized Products	**2007 YTD Actual**	**2006 YTD Actual**	(OVER)/ UNDER	**Δ%**	**2007 YTD BUDGET**	(OVER)/ UNDER	**Δ%**
Americas	18,077	11,026	(7,051)	*-64%*	14,748	(3,329)	*-23%*
Europe	11,023	7,387	(3,636)	*-49%*	10,382	(641)	*-6%*
Asia	2,777	2,297	(480)	*-21%*	1,814	(963)	*-53%*
TOTAL FIXED NPE	31,877	20,711	(11,166)	*-54%*	26,944	(4,933)	*-18%*
			-			-	
Americas	10,759	7,693	(3,067)	*-40%*	8,373	(2,386)	*-28%*
Europe	104	13	(91)	*-701%*	11	(93)	*-820%*
Asia	0	0	(0)	*-210%*	-	(0)	-
TOTAL VARIABLE NPE	10,864	7,706	(3,158)	*-41%*	8,384	(2,479)	*-30%*
			-			-	
Americas	28,837	18,719	(10,117)	*-54%*	23,122	(5,715)	*-25%*
Europe	11,127	7,400	(3,727)	*-50%*	10,393	(734)	*-7%*
Asia	2,777	2,297	(480)	*-21%*	1,814	(963)	*-53%*
TOTAL NPE	**42,741**	**28,417**	**(14,324)**	***-50%***	**35,328**	**(7,412)**	***-21%***

SECURITIZED PRODUCTS AMERICAS
NPE ANALYSIS

2007 June YTD actual fixed NPE was 7.1mm more than June YTD 2006 actual

6.6mm increase for other of which 6.3mm is related to OTS and FDIC fees paid by Lehman Brothers Bank (increased to about 1mm per month)

743k increase for T&E:
- +169k Weekend meals
- +355k Travel (+32k internal airfare; +230k external airfare; +4k internal hotels; +102k external hotels; -13k aviation)
- +99k Ground Transportation (+109k taxi and limo, -9k car rental)

653k decrease for Corporate events of which 250k was from CIO conference in Jan 2006 and 236k for Securitized Products conference April 2006

211k increase for non real time data (125k for ABS Only Single Server monthly fee and OFHEO Housing Price series and geographic mapping tables)

2007 June YTD actual variable NPE was 3.1mm more than June YTD 2006

NPE Actuals vs Prior Year and vs Budget (All figures run in FX Neutral currency in $000's)
Securitized Products Business
June YTD 2007

1.5mm increase for brokerage:
- +1.5mm derivative brokerage
- (-895k) Trade Web brokerage (not used in 2007)

920k increase for clearance:
- +1.2mm increase relating to MBSCC fees
- (-265k) decrease relating to GSCC fees (zero for 2007)

688k increase in Regulatory:
- +494k increase relating to NYSE (in Feb 2006 there was a YTD change in accrual)
- +121k increase relating to NASD

2007 June YTD actual fixed NPE was 3.3mm more than June 2007 YTD budget

806k increase for T&E:
- +169k Weekend meals
- +355k Travel (+32k internal airfare; +230k external airfare; +4k internal hotels; +102k external hotels; -13k aviation)
- +99k Ground Transportation (+109k taxi and limo, -9k car rental)

(-256k) decrease for Corporate events of which 250k was from CIO conference in Jan 2006 and 236k for Securitized Products conference April 2006

2007 June YTD actual variable NPE was 1.2mm more than June 2007 YTD budget

1.2mm increase for clearance:
- +494k increase relating to NYSE (in Feb 2006 there was a YTD change in accrual)
- +121k increase relating to NASD

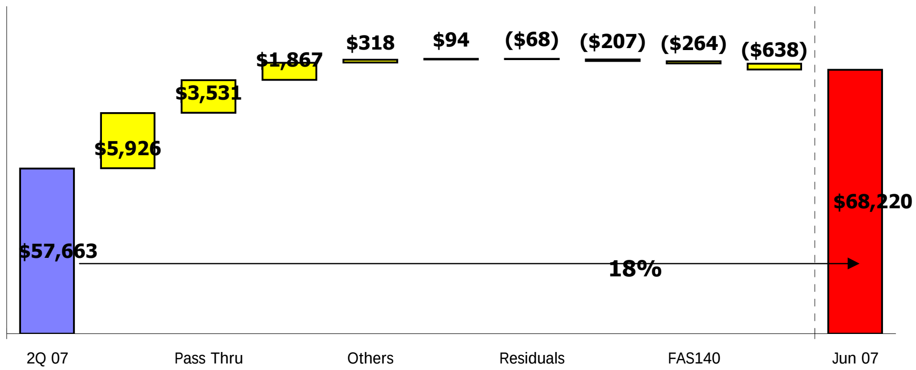
2007 Full Year Approved Business Funded Items
220k legal fees for insurance licences to support business expansion
100k conference in October

NPE Actuals vs Prior Year and vs Budget (All figures run in FX Neutral currency in $000's)
Securitized Products Business
June YTD 2007

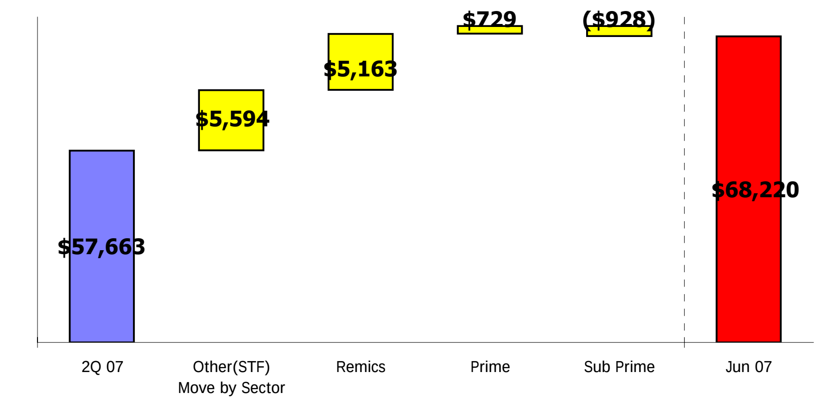
Balance Sheet

Detail Balance Sheet for Mortgages

Balance Sheet Move by Asset



Balance Sheet Move by Sector



Balance

2Q 07

	Prime	Sub Prime	Remics	Other(STF)	Total
Whole Loans	$ 8,885	$ 6,726	$ -	$ 1,959	$ 17,570
Securities	8,285	1,522	6,571	2,105	18,483
FAS140	5,930	8,915	-	-	14,845
Pass Thru	-	-	-	1,918	1,918
Residuals	875	211	-	71	1,157
Servicing	865	42	-	-	907
UST	674	3	15	79	771
Others	66	530	-	783	1,379
Fails	430	109	18	76	633
Total	$ 26,009	$ 18,058	$ 6,604	$ 6,991	**$ 57,663**

Jun 07

	Prime	Sub Prime	Remics	Other(STF)	Total
Whole Loans	$ 9,915	$ 6,369		$ 3,153	$ 19,437
Securities	8,799	1,268	11,429	2,912	24,409
FAS140	6,059	8,506			14,566
Pass Thru				5,449	5,449
Residuals	849	156		84	1,089
Servicing	945	45		11	1,001
UST	30			104	133
Others	66	751	0	895	1,711
Fails	76	35	337	(22)	426
Total	$ 26,738	$ 17,130	$ 11,767	$ 12,585	**$ 68,220**

$ Move

	Prime	Sub Prime	Remics	Other(STF)	Total
Whole Loans	$ 1,030	$ (357)	$ -	$ 1,194	**$ 1,867**
Securities	514	(254)	4,858	807	**5,926**
FAS140	129	(409)	-	-	(279)
Pass Thru	-	-	-	3,531	**3,531**
Residuals	(26)	(55)	-	13	(68)
Servicing	80	3	-	11	94
UST	(644)	(3)	(15)	25	(638)
Others	0	221	0	112	333
Fails	(354)	(74)	319	(98)	(207)

Total	$ 729	$ (928)	$ 5,163	$ 5,594	**$ 10,558**

									Label
Move by Asset				2Q 07		57662.6694	57662.6694	0	
Whole Loans	1866.5113	3	1	Move by Ass	Securities	5925.58089	57662.6694	5925.58089	$5,926
Securities	5925.58089	1	2		Pass Thru	3530.50842	63588.2503	3530.50842	$3,531
FAS140	-279.41969	8	3		Whole Loans	1866.5113	67118.7587	1866.5113	$1,867
Pass Thru	3530.50842	2	4		Others	332.899567	68985.27	332.899567	$333
Residuals	-68.394112	6	5		Servicing	94.09889	69318.1696	94.09889	$94
Servicing	94.09889	5	6		Residuals	-68.394112	69343.8744	68.394112	-$68
UST	-637.53911	9	7		Fails	-206.7064	69137.168	206.706398	-$207
Others	332.899567	4	8		FAS140	-279.41969	68857.7483	279.419687	-$279
Fails	-206.7064	7	9		UST	-637.53911	68220.2092	637.539108	-$638
				Jun 07		68220.2092	68220.2092	0	
						18%			

									Label
Move by Sector				2Q 07		57662.6694	57662.6694	0	
Prime	729.185226	3	1	Move by Sec	Other(STF)	5593.7091	57662.6694	5593.7091	$5,594
Sub Prime	-928.00936	4	2		Remics	5162.6548	63256.3785	5162.6548	$5,163
Remics	5162.6548	2	3		Prime	729.185226	68419.0333	729.185226	$729
Other(STF)	5593.7091	1	4		Sub Prime	-928.00936	68220.2092	928.009359	-$928
				Jun 07		68220.2092	68220.2092	0	

SECURITIZED PRODUCTS
SUMMARY BALANCE SHEET
Jun-07

	Actual 30-Jun-2007 Net	Actual 30-Jun-2007 Shorts	Actual 30-Jun-2007 Gross	Target 30-Jun-2007 Net	Target 30-Jun-2007 Gross	Forecast vs. Target 30-Jun-07 Net	Forecast vs. Target 30-Jun-07 Gross
SP TRADING-AMERICAS							
ABS-NEW ISSUE-AM	110	0	110	0	0	110	110
ABS SECONDARY	2,091	143	2,237	2,075	2,344	16	(107)
AGENCY REMICS/STRIPS-AMER	11,767	1,411	13,178	5,000	7,603	6,767	5,574
Garvey	3,861	87	3,948	2,500	2,661	1,361	1,287
Fixed Rate - Winkler	5,450	123	5,574	4,000	4,228	1,450	1,346
Trust Collapse - Donovan	0	0	0	0	0	0	0
Hargrave Hybrids	9,062	205	9,267	5,000	5,379	4,062	3,889
Secondary - Schoenfeld	545	12	558	300	323	245	235
Subordinates - Nicklas	810	18	829	200	234	610	595
Agency Arms - Hargrave	1,417	32	1,450	1,000	1,059	417	390
TOTAL PRIME-AMERICAS	21,146	479	21,625	13,000	13,884	8,146	7,741
Prime - Donovan	7	1	8	0	1	7	7
Subprime - Miller/Ziffer	7,497	826	8,323	8,000	9,525	(503)	(1,202)
Affiliates (ALS and Capital Crossing)	417	0	417	0	0	417	417
TOTAL NON-PRIME-AMERICAS	7,921	827	8,748	8,000	9,526	(79)	(778)
NON RESIDENTIAL TRADING	2,423	11	2,434	1,000	1,021	1,423	1,414
MORTGAGE ARB.-AMERICAS	0	0	0	100	100	(100)	(100)
MORTGAGE FINANCE AMERICAS	3	0	3	0	0	3	3
HOUSE-RISK	223	0	223	0	0	223	223
HOUSE-ADMIN	3	0	3	2,150	2,150	(2,147)	(2,147)
PRIN FINANCE RESIDENTIAL	362	671	1,033	0	1,239	362	(205)
CAMPUS DOOR	227	0	227	0	0	227	227
LBB RETAIL/CORP-AMERICAS	71	23	94	0	42	71	52
COHANE RAFFERTY LLC	2	9	11	0	16	2	(6)
Countrywide Derivatives FAS 140 to Long Inventory	14,566	0	14,566	16,675	16,700	(2,109)	(2,134)
ABS DERIVATIVES	1,061	0	1,061	0	0	1,061	1,061
SPECIAL OPPORTUNITIES GP	95	0	95	0	0	95	95

TOTAL SP TRADING-AMERICAS	62,070	3,574	65,647	48,000	54,625	14,487	11,022
SP ORIGINATION AMERICAS							
BNC	452	0	452	2,000	2,000	(1,548)	(1,548)
Finance America Inventory	0	0	0	0	0	0	0
TOTAL SP AMERICAS *	**62,522**	**3,574**	**66,099**	**50,000**	**56,625**	**12,938**	**9,474**
TOTAL SP - EUROPE	8,627	15	8,643	7,500	7,875	1,127	768
TOTAL SP - ASIA	1,698	0	1,698	2,500	2,500	(802)	(802)
TOTAL SP GLOBAL	**10,325**	**15**	**10,341**	**10,000**	**10,375**	**325**	**(34)**
TOTAL SECURITIZED PRODUCTS *	**72,847**	**3,589**	**76,439**	**60,000**	**67,000**	**13,264**	**9,439**

* excludes Agency Passthrus

	Net Target	Gross Target	Net Variance	Gross Variance
TOTAL	**60,000**	**67,000**	**12,847**	**9,439**
SP	**43,325**	**50,300**	**15,373**	**11,573**
FAS 140	**16,675**	**16,700**	**(2,109)**	**(2,134)**

Detail Balance Sheet for Mortgages

Jun 2007

Category	Prime	NonPrime	Remics	Other (STF)	Total
Whole Loans	9,915	6,369		3,153	19,437
Securities	8,799	1,268	11,429	2,912	24,409
Residuals	849	156		84	1,089
Servicing	945	45		11	1,001
UST	30			104	133
FAS140	6,059	8,506			14,566
Fails	76	35	337	(22)	426
Others	66	751	0	895	1,711
Pass Thru				5,449	5,449
Total	**26,738**	**17,130**	**11,767**	**12,585**	**68,220**

Q2 2007

Category	Prime	NonPrime	Remics	Other (STF)	Total
Whole Loans	8,885	6,726		1,959	17,570
Securities	8,285	1,522	6,571	2,105	18,483
Residuals	875	211		71	1,157
Servicing	865	42			907
UST	674	3	15	79	771
FAS140	5,930	8,915			14,845
Fails	430	109	18	76	633
Others	66	530		783	1,379
Pass Thru				1,918	1,918
Total	**26,009**	**18,058**	**6,605**	**6,991**	**57,662**

Q1 2007

Category	Prime	NonPrime	Remics	Other (STF)	Total
Whole Loans	10,323	8,639		1,597	20,559
Securities	8,400	1,493	6,093	1,706	17,691
Residuals	655	231		71	958
Servicing	792	70			862
UST			86	17	103
FAS140	4,304	5,478			9,782
Fails	(243)	(943)	39	(10)	(1,157)
Others			64	440	504
Pass Thru				3,603	3,603
Total	**24,231**	**14,968**	**6,282**	**7,424**	**52,906**

Q4 2006

Category	Prime	NonPrim	Remics	Other (ST	Total
Whole Loans	7,992	5,377		1,593	14,962
Securities	6,265	1,814	5,051	2,102	15,232
Residuals	683	496		71	1,250
Servicing	766	79			845
UST			911		911
FAS140	1,237	3,790			5,027
Fails		160			160
Others				668	668
Pass Thru				5,760	5,760
Total	**16,942**	**11,717**	**5,963**	**10,194**	**44,815**

Details for Securities Components

Jun 2007

	Prime	NonPrime	Remics	Other (STF)	Total
MBS Pools	1,785	0	4,410		6,196
CMO	353	4	7,109	14	7,480
Securities - IG	6,406	926	278	2,387	9,997
Securities - NR	338	331	9	511	1,189
Future Settlement	(84)	7	(377)		(453)
Total Securities	8,799	1,268	11,429	2,912	24,408

Q2 2007

	Prime	NonPrime	Remics	Other (STF)	Total
MBS Pools	1,349	0	2,121		3,470
CMO	1,383	0	5,243	18	6,644
Securities - IG	4,627	1,061	0	1,371	7,059
Securities - NR	842	461	34	717	2,055
Future Settlement	83		(828)		(744)
Total Securities	8,285	1,522	6,571	2,105	18,483

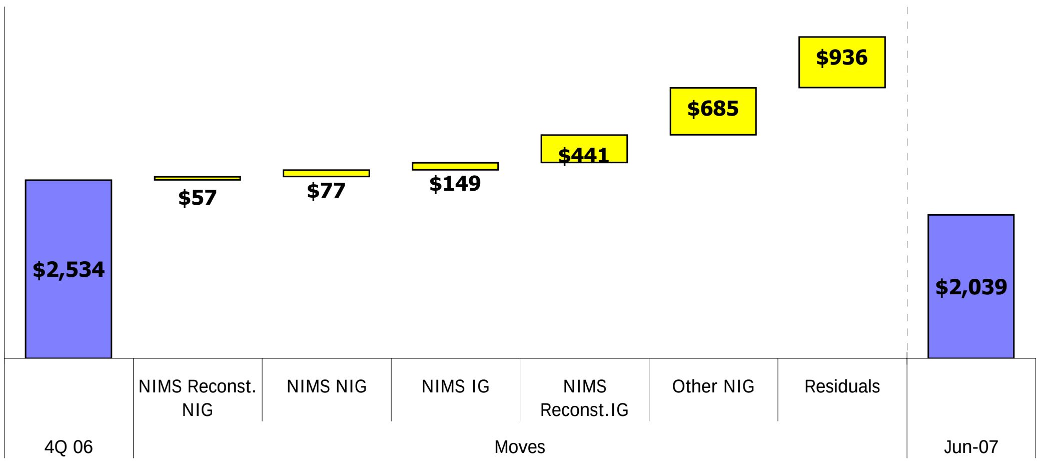
Q1 2007

	Prime	NonPrime	Remics	Other (STF)	Total
MBS Pools	3,210	0	4,145	2	7,357
CMO	904	0	4,487	17	5,408
Securities - IG	4,397	1,097	81	1,167	6,743
Securities - NR	279	395		519	1,193
Future Settlement	(390)		(2,621)		(3,011)
Total Securities	8,400	1,493	6,093	1,706	17,691

Q4 2006

	Prime	NonPrim	Remics	Other (ST	Total
MBS Pools	2,410	0	1,888	56	4,354
CMO	532	0	2,936	18	3,486
Securities - IG	2,996	1,404	353	1,618	6,370
Securities - NR	358	410		409	1,177
Future Settlement	(30)		(125)		(155)
Total Securities	6,265	1,814	5,051	2,102	15,232

Retained Interest



Non-Investment Grade Retained Interest Roll Forward

Includes **ALL RMBS, SFG, ABS, Europe**

	Residual	NIG	Total
Beg Bal Q4 '06	1,154,304,091	820,074,982	**1,974,379,073**
Add/New	732,454,274	336,338,943	1,068,793,217
NIM'd	(493,903,791)		(493,903,791)
Sold	(41,086,477)	(88,743,269)	(129,829,746)
MTM	(325,583,725)	(253,748,289)	(579,332,014)
Paydwn	(299,952,623)		(299,952,623)
End Bal June 07	726,231,748	813,922,367	**1,540,154,115**

Retained Interest

	4Q 06	1Q 07	2Q 07	June 07	Delta
Residuals	946	717	685	726	$ 41
NIMS Reconst.IG	365	453	441	393	(48)
NIMS Reconst. NIG	133	81	77	48	(29)
NIMS IG	194	87	149	106	(43)
NIMS NIG	179	50	57	94	105
Other NIG	717	399	936	672	(264)
Total	$ 2,534	$ 1,787	$ 2,344	$ 2,039	$ (305)
ALL NIG	1,975	1,247	1,755	1,540	(215)

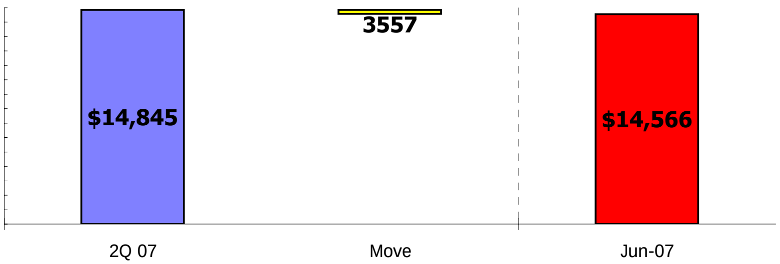
Retained Interest

Prime	Non-Prime	Total
$ 603	123	$ 726
19	374	393
2	45	48
59	47	106
11	83	94
250	421	672
$ 945	$ 1,094	$ 2,039

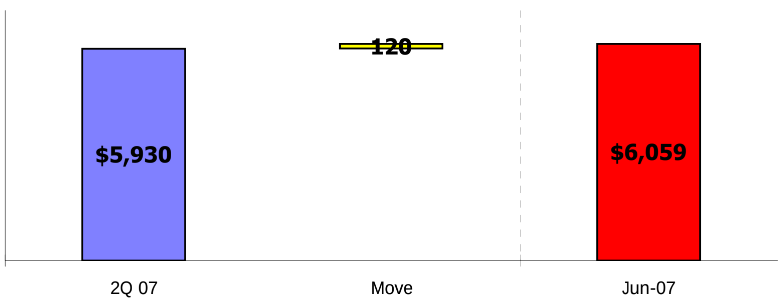
							Lower	Upper	Label
Moves		1		4Q 06		$ 2,534	2534	0	
Residuals	725.793	6	1	Moves	NIMS Recons	48	2534	48	$48
NIMS Recons	393	4	2		NIMS NIG	94	2582	94	$94
NIMS Recons	48	1	3		NIMS IG	106	2676	106	$106
NIMS IG	106	3	4		NIMS Recons	393	2782	393	$393
NIMS NIG	94	2	5		Other NIG	672	3175	672	$672
Other NIG	672	5	6		Residuals	725.793	3847	725.793	$726
				Jun-07		$ 2,039	2038.793	0	

FAS140 Derivative Balance Sheet Gross-up

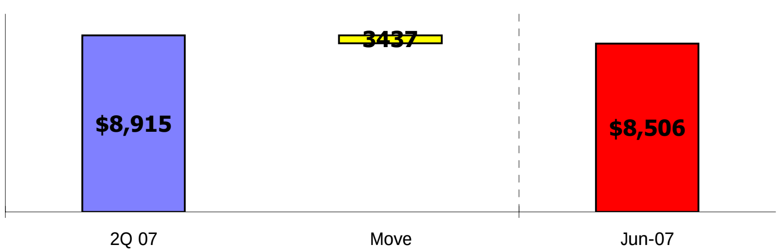
Derivative Gross-up: Total of Prime and Sub Prime



Breakout of Derivative Gross-up: Prime



Breakout of Derivative Gross-up: Sub Prime



			($ in millions)		
Leading Deal	Sector	Category	2Q 07	Jun 07	
BNCMT 2007-2	Subprime	Sub Prime	1,034	1,034	
BNCMT 2007-3	Subprime	Sub Prime	-	760	
FFML 2006-FFA	Subprime	Sub Prime	785	785	
FFML 2006-FFB	Subprime	Sub Prime	590	594	
LXS 2007-6	Prime-ARM	Prime	700	673	
LXS 2007-3	Prime - Fixed	Prime	353	355	
LXS 2007-3	Prime - Hybrid	Prime	354	355	
LXS 2007-1	Prime - Fixed	Prime	378	378	
LXS 2007-1	Prime - Hybrid	Prime	377	378	
LXS 2006-19	Prime - Fixed	Prime	375	376	
LXS 2006-19	Prime - Hybrid	Prime	375	376	
LXS 2006-13	Prime - Fixed	Prime	-	-	
LXS 2006-8H	High - LTV	Prime	925	1,026	
LXS 2006-9	Prime - ARM	Prime	581	581	
SARM 2007-6	Prime - ARM	Prime	-		
SARM 2007-4	Prime - ARM	Prime	421	471	
SARM 2007-3	Prime - ARM	Prime	407	407	
SARM 2007-2	Prime - ARM	Prime	365	364	
SARM 2007-1	Prime - ARM	Prime	320	321	
SASC 2007-RM1	Subprime	Sub Prime	590	590	
SASC 2007-EQ1	Subprime	Sub Prime	585	585	
SACC 2007-BC3	Subprime	Sub Prime	773	779	
SASC 2007-GEL2	Subprime-Scratch & Dent	Sub Prime	469	469	
SASC 2007-OS1	Subprime	Sub Prime	766	786	
SASC 2007-MLN1	Subprime	Sub Prime	876	-	
SASC 2007-BC2	Subprime	Sub Prime	632	632	
SASC 2006-Z	Subprime / High LTV	Sub Prime	182	182	
SASC 2006-S4	Subprime Seconds	Sub Prime	448	382	
SASC 2006-S3	Subprime Seconds	Sub Prime	273	275	
SASC 2006-S2	Subprime Seconds	Sub Prime	414	421	
SASCO 2006-GEL2	Subprime-Scratch & Dent	Sub Prime	231	232	
SASC 2006-GEL3	Subprime-Scratch & Dent	Sub Prime	267	-	
Total			$ 14,845	$ 14,566	
		Prime	$ 5,930	$ 6,059	$ 129
		Sub Prime	8,915	8,506	(409)
		Total	**$ 14,845**	**$ 14,566**	**$ (279)**

			Lower	Upper	Label
Prime	2Q 07	$ 5,930	$ 5,930	0	
	Move	$ 129	$ 5,930	129	
	Jun-07	$ 6,059	$ 6,059	0	
Sub Prime	2Q 07	8,915	$ 8,915	0	
	Move	(409)	$ 8,506	409	
	Jun-07	8,506	$ 8,506	0	
Total	2Q 07	$ 14,845	$ 14,845	0	
	Move	$ (279)	$ 14,566	279	
	Jun-07	$ 14,566	$ 14,566	0	

Balance Sheet Aging Charges by BPM2

BPM 2	Code	Net Balance Sheet	Daily Aged Inventory	Total Penalty Charge
ABS DERIVATIVES	Flow	569,241,592	44,337,835	(142,762)
	Principal	498,625,328	147,826,834	-
ABS DERIVATIVES Total		1,067,866,920	192,164,669	(142,762)
ABS-NEW ISSUE-AM	Flow	110,227,959	-	-
	Principal	-	-	-
ABS-NEW ISSUE-AM Total		110,227,959	-	-
ABS-SECONDARY-AMERICAS	Flow	1,600,618,577	136,186,959	(153,647)
	Held Sec	22,262	22,262	(181)
	Principal	520,737,831	297,069,106	-
ABS-SECONDARY-AMERICAS Total		2,121,378,670	433,278,327	(153,828)
AGENCY PT & OPTNS-AMERICAS	Principal	5,448,508,422	-	-
AGENCY PT & OPTNS-AMERICAS Total		5,448,508,422	-	-
AGENCY REMICS/STRIPS-AMER	Flow	11,092,330,797	330,137,624	(344,114)
	Held Sec	337,337,752	-	-
	Principal	336,982,551	253,019,359	-
AGENCY REMICS/STRIPS-AMER Total		11,766,651,100	583,156,983	(344,114)
BNC	Principal	451,614,474	-	-
BNC Total		451,614,474	-	-
HOUSE-ADMIN	Principal	4,849,720	3,151,239	-
HOUSE-ADMIN Total		4,849,720	3,151,239	-
HOUSE-RISK	Flow	78,958,849	78,958,849	-
	Held Sec	-	-	-
	Principal	143,565,267	31,261,807	-
HOUSE-RISK Total		222,524,116	110,220,656	-
INSURANCE SOLUTIONS AMER	Flow	-	-	-
INSURANCE SOLUTIONS AMER Total		-	-	-
MORTGAGE FINANCE AMERICAS	Flow	3,952	3,952	(53)
	Principal	3,000,000	-	-
MORTGAGE FINANCE AMERICAS Total		3,003,952	3,952	(53)
MORTGAGE TRADING ASIA	Principal	-	-	-
MORTGAGE TRADING ASIA Total		-	-	-
NON RESIDENTIAL TRADING	Flow	3,296,713	-	-
	Held Sec	1,641,183,615	9,297,531	(18,335)
	Principal	1,250,313,760	150,510,026	-
NON RESIDENTIAL TRADING Total		2,894,794,088	159,807,557	(18,335)
NON-PRIME-AMERICAS	Flow	684,626,379	274,026,724	(645,743)
	Held Sec	5,749,368,207	262,089,260	(411,753)
	Principal	10,225,466,095	602,179,679	-
NON-PRIME-AMERICAS Total		16,659,460,681	1,138,295,663	(1,057,496)
PRIME-AMERICAS	Flow	8,745,118,268	760,972,862	(1,796,398)
	Held Sec	10,050,457,696	659,315,534	(645,325)
	Principal	7,939,233,829	1,128,499,649	-
PRIME-AMERICAS Total		26,734,809,793	2,548,788,045	(2,441,723)
PRIN FINANCE RESIDENTIAL	Flow	-	-	-
	Held Sec	653,782,262	-	-
	Principal	412,990	412,990	-

PRIN FINANCE RESIDENTIAL Total		654,195,252	412,990	-
SPECIAL OPPORTUNITIES GP	Held Sec	853,070	2	-
	Principal	93,733,043	82,251,967	-
SPECIAL OPPORTUNITIES GP Total		94,586,113	82,251,969	-
Grand Total		68,234,471,260	5,251,532,050	(4,158,311)

Whole Loan Market Value Age Summary
Inventory Balances as of: 06/29/07

Product	% Less then 90 days (April)	% Less then 90 days (May)	% Less then 90 days (June)	< 90 Days	91 - 180 Days	181 - 270 Days	271 - 360 Days
BNC	94%	97%	94%	361,718,324.81	8,001,539.41	1,118,000.00	1,455,000.00
BNC/FA Repurchases	59%	76%	59%	47931811.66	25,972,041.94	6,453,412.05	294,724.10
Capital Crossing	8%	9%	8%	58,895,621.03	722,200,336.07	0.00	0.00
Consumer Whole Loans	0%	0%	0%	-	2,586,718.46	3,786.52	60,330.34
FHA / VA	29%	37%	29%	45,210,869.78	33,985,498.01	18,401,879.51	15,320,736.48
High LTV	0%	0%	0%	-	0.00	0.00	0.00
Home Equity	0%	0%	0%	0.00	0.00	395,113.25	712,169.06
Home Express	12%	21%	12%	6,678,060.42	10,212,074.00	4,729,181.63	3,800,354.72
Hybrid Arms	87%	80%	87%	6,391,747,904.91	661,041,085.77	228,847,806.81	36,196,353.27
Prime Fixed	86%	86%	86%	1,972,465,461.59	223,931,460.29	54,429,322.79	10,631,652.55
Reverse Mortgages	56%	59%	56%	228,699,924.70	24,626,983.47	65,345,422.70	57,589,677.81
SBA	0%	0%	0%	0.00	580.06	0.00	0.00
Scratch & Dent	48%	60%	48%	440,748,995.83	276,962,161.38	74,449,526.19	47,723,477.53
LBSBCF - SBC	56%	68%	56%	779,642,633.55	577,452,283.41	12,987,612.47	4,605,909.56
SBA - SBC	38%	34%	38%	21,902,198.84	9,697,374.47	4,027,467.28	5,594,508.06
Subprime	73%	68%	73%	3,663,343,598.08	732,617,533.39	275,850,731.39	139,297,493.54
WL Repurchases	16%	14%	16%	1,043,157.54	0.00	0.00	0.00
Grand Total				14,020,028,562.74	3,309,287,670.13	747,039,262.59	323,282,387.03

Whole Loan Market Value Age Summary
Inventory Balances as of: 06/29/07

Product	361 - 540 Days	541 - 720 Days	721 - 1080 Days	> 1080 Days	Total Market Value	>181 Days Total MV	> 271 Days Total MV	> 271 Days Aged and Delinq >90
BNC	3,961,650.11	2,463,887.48	2,510,274.61	3,697,796.85	384,926,473.27	15,206,609.05	14,088,609.05	12,595,609.05
BNC/FA Repurchases	21,823.00	127,960.00	288,400.00		81,090,172.74	7,186,319.15	732,907.11	711,084.10
Capital Crossing	0.00	0.00	4,222.88	1,491,875.07	782,592,055.05	1,496,097.95	1,496,097.95	754,270.24
Consumer Whole Loans	3,069,269.27	71,175.18	34,194.46	0.07	5,825,474.31	3,238,755.85	3,234,969.33	348,994.36
FHA / VA	7,410,147.68	14,061,432.81	13,268,879.71	6,983,107.51	154,642,551.49	75,446,183.70	57,044,304.19	44,267,676.32
High LTV	380,161.69	1,209,179.33	59,790.94	447,292.45	2,096,424.41	2,096,424.41	2,096,424.41	378,946.44
Home Equity	2,024,625.85	3,488,679.58	115,693.39	0.00	6,736,281.13	6,736,281.13	6,341,167.88	163,033.23
Home Express	6,985,557.41	8,294,868.92	9,899,620.57	5,756,996.48	56,356,714.15	39,466,579.73	34,737,398.10	26,356,345.17
Hybrid Arms	17,429,407.07	7,077,538.46	8,066,451.79	2,239,892.98	7,352,646,441.07	299,857,450.38	71,009,643.57	26,914,923.65
Prime Fixed	12,282,684.88	3,453,632.79	5,435,805.07	3,460,461.52	2,286,090,481.48	89,693,559.59	35,264,236.80	13,218,958.20
Reverse Mortgages	22,507,650.98	7,610,244.91	0.00	0.00	406,379,904.57	153,052,996.39	87,707,573.70	-
SBA	0.00	0.00	0.00	83,934.25	84,514.32	83,934.25	83,934.25	47,360.92
Scratch & Dent	39,421,688.39	29,886,524.30	11,918,220.75	3,516,897.80	924,627,492.17	206,916,334.97	132,466,808.78	121,185,960.52
LBSBCF - SBC	15,137,399.08	2,034,437.10	1,091,966.27	-	1,392,952,241.43	35,857,324.48	22,869,712.01	3,744,390.80
SBA - SBC	8,010,302.04	4,374,217.70	3,777,635.21	0.00	57,383,703.60	25,784,130.29	21,756,663.01	1,395,843.62
Subprime	100,527,458.78	41,446,272.54	24,305,392.59	7,587,995.95	4,984,976,476.26	589,015,344.79	313,164,613.40	150,834,374.99
WL Repurchases	83,480.13	0.00	3,363,942.78	1,982,891.97	6,473,472.41	5,430,314.87	5,430,314.87	2,926,409.36
Grand Total	239,253,306.36	125,600,051.10	84,140,491.01	37,249,142.89	18,885,880,873.86	1,556,564,640.98	809,525,378.39	405,844,180.97

Securitized Products Americas 6/30/07

Total Balance Sheet

		Securities	
Agency	13,809,882,820	Prime- Americas	9,761,571,570
IG	9,547,829,187	Non-Prime Americas	1,424,016,958
NIG	1,013,293,247	Other	14,906,804,777
NIG-Residual	1,089,047,678		
NR	632,340,373		**26,092,393,305**
	26,092,393,305		
Adjustment	21,559,819,781		
Whole Loans	19,437,364,553	Agency	13,809,882,820
Servicing	1,001,098,890	Non-Agency	12,282,510,485
Equity	129,954,311		
	42,128,237,535		**26,092,393,305**
	68,220,630,840		

Adjustment Detail	
FAS 140 Gross-Up	14,565,804,526
Agency PassThrus	5,448,508,422
Origination Inventory	845,597,474
Other	699,909,359
Total	**21,559,819,781**

Prime- Americas		***Non-Prime Americas***		***Other***		***Total Americas***	
Agency	2,168,557,185	Agency	3,607,639	Agency	11,637,717,996	Agency	13,809,882,820
IG	6,375,175,759	IG	910,744,282	IG	2,261,909,146	IG	9,547,829,187
NIG	231,296,896	NIG	295,426,539	NIG	486,569,812	NIG	1,013,293,247
NIG- Residual	849,157,425	NIG- Residual	155,567,256	NIG- Residual	84,322,997	NIG- Residual	1,089,047,678
NR	137,384,305	NR	58,671,242	NR	436,284,826	NR	632,340,373
Excl. Agency	**7,593,014,385**	**Excl. Agency**	**1,420,409,319**	**Excl. Agency**	**3,269,086,781**	**Excl. Agency**	**12,282,510,485**

PRIME-AMERICAS		**NON-PRIME-AMERICAS**		**Other**		***Total Americas***		***Percent of Americas***	
Agency	2,168,557,185	Agency	3,607,639	Agency	11,637,717,996	Agency	13,809,882,820	53%	53%
AAA	4,489,120,184	AAA	42,973,090	AAA	1,466,589,088	AAA	5,998,682,362	23%	76%
AA+	254,875,454	AA+	36,910,150	AA+	150,470,162	AA+	442,255,766	2%	78%
AA	544,151,480	AA	112,374,253	AA	79,522,328	AA	736,048,061	3%	80%
AA-	144,123,370	AA-	10,074,915	AA-	23,992,902	AA-	178,191,187	1%	81%
A+	121,697,118	A+	49,545,663	A+	65,087,606	A+	236,330,387	1%	82%
A	218,943,886	A	62,887,887	A	204,147,745	A	485,979,518	2%	84%
A-	175,761,970	A-	102,154,295	A-	61,594,734	A-	339,510,999	1%	85%
BBB+	95,851,780	BBB+	35,753,469	BBB+	62,841,331	BBB+	194,446,580	1%	86%
BBB	165,194,093	BBB	60,810,102	BBB	108,261,771	BBB	334,265,966	1%	87%
BBB-	165,456,424	BBB-	397,260,458	BBB-	39,401,479	BBB-	602,118,361	2%	90%
BB+	36,728,482	BB+	93,008,896	BB+	89,996,130	BB+	219,733,508	1%	90%
BB	112,877,558	BB	164,462,080	BB	44,478,003	BB	321,817,641	1%	92%
BB-	21,193,306	BB-	22,669,654	BB-	7,843,804	BB-	51,706,764	0%	92%
B+	1,474,751	B+	7,325,375	B+	21,741,409	B+	30,541,535	0%	92%
B	52,664,747	B	4,654,713	B	58,976,372	B	116,295,832	0%	92%
B-	2,633,381	B-	829,318	B-	59,776,306	B-	63,239,005	0%	93%
CCC & Below	3,724,671	CCC & Below	2,476,503	CCC & Below	203,757,788	CCC & Below	209,958,962	1%	93%
Residuals	849,157,425	Residuals	155,567,256	Residual	84,322,997	Residual	1,089,047,678	4%	98%
NR	137,384,305	NR	58,671,242	NR	436,284,826	NR	632,340,373	2%	100%
	9,761,571,570		**1,424,016,958**		**14,906,804,777**		**26,092,393,305**	**100%**	

Other BPM 2 Detail Breakout

	Agency CMO	ABS Secondary	ABS Derivatives	Non-Residential	ABS New Issue	House Risk
Agency	11,519,281,594	24,570,956				93,865,446
AAA	34,960,258	979,563,622	337,394,747	4,420,008	110,227,959	22,494
AA+		69,580,067	80,890,095			
AA		46,834,431	32,686,945			
AA-		15,756,002	8,236,900			
A+		59,349,680	5,737,926			
A		189,894,523	14,251,222			
A-		39,972,056	20,443,128			1,179,550
BBB+		35,368,229	25,475,704			1,997,398
BBB		52,312,104	55,948,667			
BBB-		37,408,710	1,992,769			
BB+		64,664,454	25,331,676			
BB		32,151,826	-	12,326,177		
BB-		1,881,304	5,962,500			
B+		21,741,409	-			
B		24,522,328	-	34,454,044		
B-		23,384,662	36,391,644			
CCC & Below		190,519,545	9,204,910	3,268,091		758,347
NR	-	6,000,000	5,776,895			-
Residual		-	-	84,322,997		
N/A	252,222,254	118,841,303	51,019,932	1,223,557		1,200,881
	11,806,464,106	**2,034,317,211**	**716,745,660**	**140,014,874**	**110,227,959**	**99,024,116**
Excl. Agency	**287,182,512**	**2,009,746,255**	**716,745,660**	**140,014,874**	**110,227,959**	**5,158,670**

	Mortgage Finance Americas	Principle Finance Americas	Total
Agency			11,637,717,996
AAA			1,466,589,088
AA+			150,470,162
AA	952		79,522,328
AA-			23,992,902
A+			65,087,606
A	2,000		204,147,745
A-			61,594,734
BBB+			62,841,331
BBB	1,000		108,261,771
BBB-			39,401,479
BB+			89,996,130
BB			44,478,003
BB-			7,843,804
B+			21,741,409
B			58,976,372
B-			59,776,306
CCC & Below		6,895	203,757,788
NR			11,776,895
Residual			84,322,997
N/A		4	424,507,931
	3,952	**6,899**	**14,906,804,777**
	3,952	**6,899**	**3,269,086,781**

Other	
Agency	11,637,717,996
IG	2,261,909,146
NIG	486,569,812
NIG- Residual	84,322,997
NR	11,776,895
N/A	424,507,931
Total	14,906,804,777
Excl. Agency	**3,269,086,781**

Select Net Balance Sheet Position Details

Prime Trading Desk

Grade	Rating	Mtg Tranche Typ Long	Total MV
Agency	AAA	IO's	104,722,826
		PO's / PT's	129,436,282
		MBS Pools	1,785,416,480
		UST	29,931,087
	NR	IO's	54,978,472
		PO's / PT's	47,336,504
		Other	16,735,534
	AAA	Accelerated Securities	189,501,363
		Non-Accelerated Securities	79,227,088
		Floating Rate Bonds	1,916,636,642
		Collateral Strip Interest	1,256,876,179
		IO's	293,429,570
		PO's / PT's	180,133,594
		Subordinated Bonds	1,770,311
		Sequential Payer	195,821,801
		Mezzanine Bonds	19,276,577
		Step Up Bond	217,739,280
		SC's	35,327,543
		Z's	19,397,809
		Other	83,982,427
	AA+	Floating Rate Bonds	29,827,746
		Mezzanine Bonds	213,749,196
		Subordinated Bonds	11,199,482
		Other	99,030
	AA	Floating Rate Bonds	23,191,081
		IO's	289,349
		Mezzanine Bonds	280,163,821
		Subordinated Bonds	220,622,706
		Other	19,884,523
	AA-	Floating Rate Bonds	13,121,348
		IO's	310,221
		Mezzanine Bonds	121,198,967
		Subordinated Bonds	9,492,834
	NR		
		Grand Total	**7,600,827,673**

Agency CMO Desk

Grade	Rating	Mtg Tranche Typ Long	Total MV
Agency	AAA	Accretion Directed	98,896,210
		Floating Rate Bonds	1,431,543,037
		Inverse Floating Rate Bonds	216,458,226
		IO's	817,200,274
		PO's / PT's	1,503,722,894
		Sequential Payer	211,575,830
		Accelerated Securities	47,154,249
		Non-Accelerated Securities	277,073,815
		PAC's	731,283,740
		SC's	441,486,507
		Z's	92,905,098
		MBS Pools	4,410,216,626
		Other	17,845,019
	NR	Floating Rate Bonds / PT's	1,190,246,964
		IO's	1,289,157
		PO's	12,264,422
		Other	18,119,525
IG	AAA	Accelerated Securities	373,853
		Exchangable Bonds	41,958
		IO's	197,337
		SC's	34,347,110
		Total	**11,554,241,851**

Non-Prime Trading Desk

Grade	Rating	Mtg Tranche Typ Long	Total MV
Agency	AAA	Collateral Strip Interest	89,364
		MBS Pool	1,878
		UST	3,463,067
	NR	IO's	33,302
		PO's / PT's	20,028
IG	AAA	Floating Rate Bonds	31,754,666
		Subordinated Bonds	3,179,603
		Collateral Strip Interest	197,962
		Step Up Bond	7,600,449
		IO's	128,007
		PO's / PT's	112,403
	AA+	Mezzanine Bonds	36,909,908
		Other	242
	AA	Floating Rate Bonds	8,008,696
		Mezzanine Bonds	100,696,527
		Subordinated Bonds	3,348,942
		Sequential Payer	320,088
	AA-	Floating Rate Bonds	4,642,407
		Mezzanine Bonds	5,432,508
		Total	**205,940,047**

ROA Analysis

ROA - SP Americas
($ in 000s)

Total Securitized Products Americas	Monthly Average 2007	Jun 2007	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	77,903	182,940	153,497	208,885	398,605
Origination Revs	13,532	44,390	10,437	39,894	105,774
Total Revs	**91,435**	**227,330**	**163,934**	**248,778**	**504,379**
Average B/S (trading)	57,171,751	68,142,890	57,509,555	49,198,079	43,357,244
ROA (trading)	1.64%	3.22%	1.07%	1.70%	3.68%
VaR ($ in millions)	19.9	19.9	19.9	19.9	13.3
Sales Credits	59,550	57,472	218,122	141,258	26,353
% of Trading Revs	76%	31%	142%	68%	7%
Aged Inventory	4,221,864	5,251,532	4,136,943	3,963,562	3,540,297
Aged Inventory Charge	(3,187)	(4,158)	(3,227)	(2,824)	(2,265)

Prime - Total	Monthly Average 2007	Jun-07	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	20,439	19,795	16,397	106,881	95,219
Origination Revs	23,731	21,830	75,807	68,479	65,963
Total Revs	**44,170**	**41,625**	**92,204**	**175,360**	**161,182**
Average B/S (trading)	26,267,632	26,729,057 0	27,472,320 0	23,004,048	22,598,285
ROA (trading)	0.93%	0.89%	0.24%	1.86%	1.69%
VaR ($ in millions)	19.9	19.9	19.9	19.9	11.4
Sales Credits	16,819	13,744	59,592	44,400	8,657
% of Trading Revs	82%	69%	363%	42%	9%
Aged Inventory	2,023,528	2,548,788	1,942,461	1,929,507	2,020,725
Aged Inventory Charge	(1,668)	(2,442)	(1,673)	(1,404)	(1,284)

Non Prime - Total	Monthly Average 2007	Jun-07	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	(42,386)	67,388	(125,835)	(238,257)	155,511
Origination Revs	(11,444)	21,439	(68,284)	(33,263)	37,679
Total Revs	**(53,830)**	**88,827**	**(194,119)**	**(271,521)**	**193,191**
Average B/S (trading)	14,674,095	17,408,404	14,485,036	12,670,963	7,758,074

ROA - SP Americas
($ in 000s)

ROA (trading)	-3.47%	4.65%	-3.47%	-7.52%	8.02%
VaR ($ in millions)	7.0	7.0	7.0	7.0	4.5
Sales Credits	7,053	7,151	27,626	14,597	2,620
% of Trading Revs	-17%	11%	-22%	-6%	2%
Aged Inventory	834,106	1,138,296	925,910	640,906	574,405
Aged Inventory Charge	(814)	(897)	(885)	(641)	(569)

Non-Residential Trading	**Monthly Average 2007**	**Jun-07**	**Q2 2007**	**Q1 2007**	**FY 2006 Qtrly Avg**
Trading Revs	1,090	(13,890)	18,953	2,569	19,396
Origination Revs	824	972	1,554	3,242	810
Total Revs	**486**	**(12,918)**	**20,507**	**5,810**	**20,207**
Average B/S (trading)	1,642,869	2,894,794	1,530,577	865,451	806,531
ROA (trading)	0.80%	-5.76%	4.95%	1.19%	16.71%
VaR ($ in millions)					
Sales Credits	1,233	1,099	6,612	919	226
% of Trading Revs	86%	-198%	62%	-652%	1%
Aged Inventory	90,700	159,808	88,021	70,344	44,514
Aged Inventory Charge	(18)	(23)	(26)	(9)	(7)

Agency Remics / Strips	**Monthly Average 2007**	**Jun-07**	**Q2 2007**	**Q1 2007**	**FY 2006 Qtrly Avg**
Trading Revs	7,188	16,333	15,803	18,182	17,761
Origination Revs	0	0	0	0	0
Total Revs	**7,188**	**16,333**	**15,803**	**18,182**	**17,761**
Average B/S (trading)	8,463,724	11,766,651	8,175,886	6,345,372	5,978,716
ROA (trading)	1.02%	1.67%	0.77%	1.15%	1.19%
VaR ($ in millions)			3.1	3.1	1.6
Sales Credits	8,178	9,169	30,980	17,100	2,936
% of Trading Revs	114%	56%	196%	94%	17%
Aged Inventory	631,308	583,157	530,683	747,984	549,775
Aged Inventory Charge	(430)	(344)	(381)	(507)	(274)

ROA - SP Americas
($ in 000s)

Agency Passthrus & Options	Monthly Average 2007	Jun-07	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	1,981	5,379	2,203	6,288	8,512
Origination Revs	0	0	0	0	0
Total Revs	**1,981**	**5,379**	**2,203**	**6,288**	**8,512**
Average B/S (trading)	3,382,140	3,382,140	3,242,723	3,645,704	3,309,761
ROA (trading)	0.70%	1.91%	0.27%	0.69%	1.03%
VaR ($ in millions)	-	-	0.9	0.9	1.3
Sales Credits	4,326	-	19,576	10,707	2,677
% of Trading Revs	218%	0%	889%	170%	31%
Aged Inventory	-	-	-	-	141,741
Aged Inventory Charge	-	-	-	-	(56)

ABS Secondary	Monthly Average 2007	Jun-07	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	1,803	2,449	20,726	(1,543)	11,815
Origination Revs	0	0	0	0	0
Total Revs	**1,803**	**2,449**	**20,726**	**(1,543)**	**11,815**
Average B/S (trading)	1,568,657	2,421,967	1,464,855	1,397,400	1,464,704
ROA (trading)	1.38%	1.21%	5.66%	-0.44%	3.23%
VaR ($ in millions)					
Sales Credits	2,184	2,251	7,367	5,671	1,145
% of Trading Revs	121%	92%	36%	-368%	10%
Aged Inventory	456,842	433,278	500,631	420,907	79,959
Aged Inventory Charge	(154)	(154)	(261)	(247)	(25)

ABS Derivatives	Monthly Average 2007	Jun-07	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	58,314	67,056	134,819	206,326	6,859
Origination Revs	0	0	0	0	0
Total Revs	**58,314**	**67,056**	**134,819**	**206,326**	**6,859**
Average B/S (trading)	328,753	646,936	316,021	305,531	290,189

ROA - SP Americas
($ in 000s)

ROA (trading)	212.86%	124.38%	170.65%	270.12%	9.45%
VaR ($ in millions)					
Sales Credits	12,934	18,908	37,920	33,710	5,774
% of Trading Revs	22%	28%	28%	16%	84%
Aged Inventory	27,452	192,165	-	-	-
Aged Inventory Charge	(20)	(143)	-	-	-

ABS New Issue	Monthly Average 2007	Jun-07	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	12,521	6,861	46,053	34,731	35,732
Origination Revs	0	0	0	0	0
Total Revs	**12,521**	**6,861**	**46,053**	**34,731**	**35,732**
Average B/S (trading)	157,581	139,402	156,273	23,016	34,579
ROA (trading)	95.35%	59.06%	117.88%	603.60%	413.34%
VaR ($ in millions)					
Sales Credits	4,300	2,303	19,858	7,937	1,048
% of Trading Revs	34%	34%	43%	23%	3%
Aged Inventory	-	-	-	-	-
Aged Inventory Charge	-	-	-	-	-

Mortgage Finance	Monthly Average 2007	Jun-07	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	2,566	1,846	7,738	8,380	8,525
Origination Revs	0	0	0	0	0
Total Revs	**2,566**	**1,846**	**7,738**	**8,380**	**8,525**
Average B/S (trading)	161,478	3,004	173,865	313,590	405,304
ROA (trading)	11.12%	737.40%	17.80%	10.69%	8.41%
VaR ($ in millions)					
Sales Credits	1,905	2,182	5,264	5,886	1,217
% of Trading Revs	74%	118%	68%	70%	14%
Aged Inventory	4	4	4	4	22,167

ROA - SP Americas
($ in 000s)

Aged Inventory Charge	(0)	(0)	(0)	(0)	(36)

Principle Finance Residential	**Monthly Average 2007**	**Jun-07**	**Q2 2007**	**Q1 2007**	**FY 2006 Qtrly Avg**
Trading Revs	(998)	1,398	13,259	(21,645)	5,538
Origination Revs	421	150	1,360	1,436	1,321
Total Revs	**(578)**	**1,547**	**14,619**	**(20,209)**	**6,860**
Average B/S (trading)	191,439	362,207	154,120	226,424	257,401
ROA (trading)	-3.65%	4.63%	34.41%	-38.24%	8.61%
VaR ($ in millions)	-	-	0.3	0.3	0.1
Sales Credits	-	-	-	-	-
% of Trading Revs	0%	0%	0%	0%	0%
Aged Inventory	4,330	413	389	9,578	28,003
Aged Inventory Charge	-	-	-	-	-

Insurance Products	**Monthly Average 2007**	**Jun-07**	**Q2 2007**	**Q1 2007**	**FY 2006 Qtrly Avg**
Trading Revs	1,749	1,189	8,416	2,641	10,401
Origination Revs	0	0	0	0	0
Total Revs	**1,749**	**1,189**	**8,416**	**2,641**	**10,401**
Average B/S (trading)	-	-	-	-	0
ROA (trading)	0.00%	0.00%	0.00%	0.00%	0.00%
VaR ($ in millions)					
Sales Credits	491	450	2,987	-	-
% of Trading Revs	28%	38%	35%	0%	0%
Aged Inventory	-	-	-	-	-
Aged Inventory Charge	-	-	-	-	-

Special Opportunities Group	**Monthly Average 2007**	**Jun-07**	**Q2 2007**	**Q1 2007**	**FY 2006 Qtrly Avg**
Trading Revs	2,887	2,367	12,953	4,890	13,879
Origination Revs	0	0	0	0	0
Total Revs	**2,887**	**2,367**	**12,953**	**4,890**	**13,879**

ROA - SP Americas
($ in 000s)

Average B/S (trading)	128,144	94,586	131,627	169,766	188,788
ROA (trading)	15.77%	30.03%	39.36%	11.52%	7.35%
VaR ($ in millions)	-	-	0.3	0.3	-
Sales Credits	-	-	-	-	-
% of Trading Revs	0%	0%	0%	0%	0%
Aged Inventory	86,837	82,252	85,386	89,816	32,702
Aged Inventory Charge	-	-	-	-	(36)

House - Risk	Monthly Average 2007	Jun-07	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	9,484	4,821	-18,053	79,622	9,587
Origination Revs	0	0	0	0	0
Total Revs	**9,484**	**4,821**	**-18,053**	**79,622**	**9,587**
Average B/S (trading)	183,488	222,524	182,722	181,763	201,836
ROA (trading)	36.18%	26.00%	-39.52%	175.22%	19.00%
VaR ($ in millions)					
Sales Credits	-	(673)	342	331	54
% of Trading Revs	0%	-14%	-2%	0%	0%
Aged Inventory	41,065	-	59,467	36,352	141,741
Aged Inventory Charge	-	-	-	-	(56)

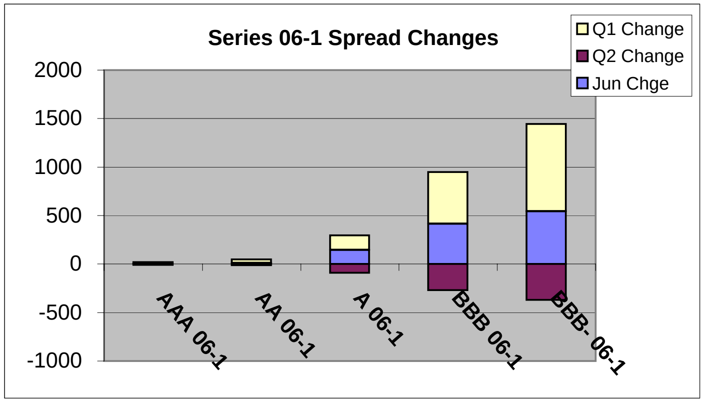
House - Admin	Monthly Average 2007	Jun-07	Q2 2007	Q1 2007	FY 2006 Qtrly Avg
Trading Revs	(24)	-50	15	(129)	(131)
Origination Revs	0	0	0	0	0
Total Revs	**(24)**	**-50**	**15**	**(129)**	**(131)**
Average B/S (trading)	2,971	3,151	23,530	49,052	63,076
ROA (trading)	-5.54%	-19.13%	0.25%	-1.05%	-0.83%
VaR ($ in millions)					
Sales Credits	-	-	-	-	-
% of Trading Revs	0%	0%	0%	0%	0%

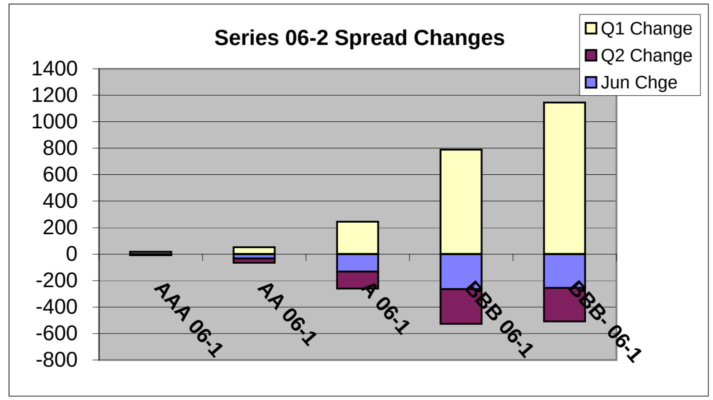
ROA - SP Americas
($ in 000s)

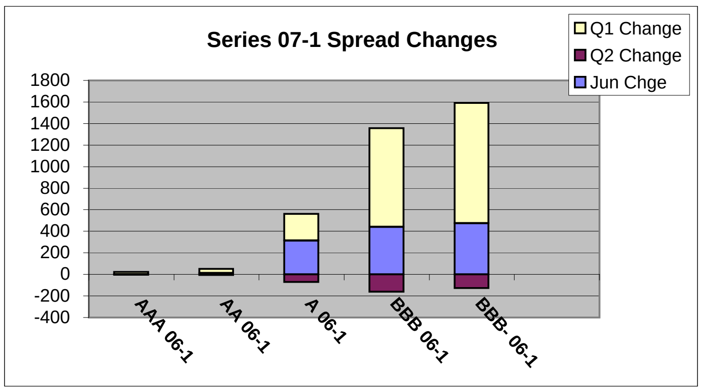
Aged Inventory	2,532	-	2,991	2,917	127,289
Aged Inventory Charge	-	-	-	-	(48)

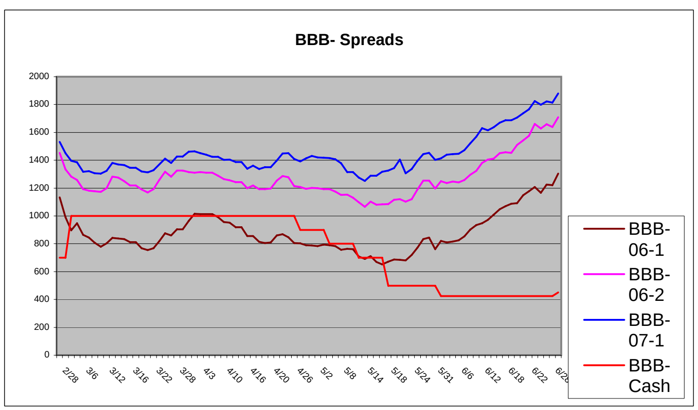
Risk Management

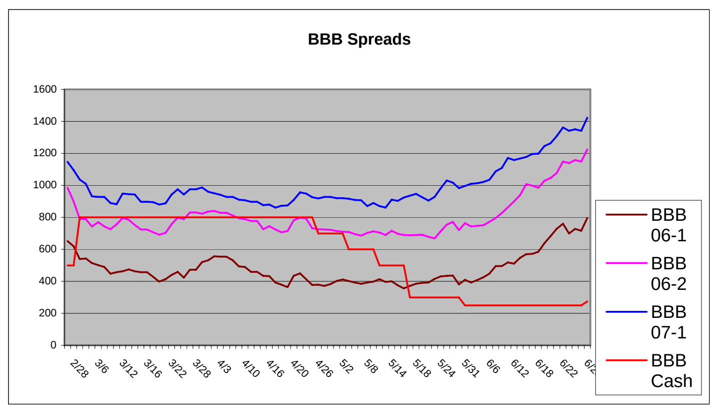
ABX and Cash HE Spreads











($ in millions)

ABX/CDS Revenue

	Q1 2007	Mar 07	Apr 07	May 07	Q2 2007	YTD May 07
Prime	$ 152	$ (27)	$ (14)	$ (5)	$ (45)	$ 107
Sub Prime	240	$ (40)	$ (41)	$ (18)	$ (99)	$ 141
ABS	215	$ 63	$ 39	$ 25	$ 127	$ 342
Macro Hedge	77	$ (11)	$ 2	$ (7)	$ (16)	$ 61
Total	$ 684	$ (15)	$ (14)	$ (5)	$ (34)	$ 650

	Jun 07	YTD Jun 07
Prime	$ 21	$ 128
Sub Prime	76	$ 217
ABS	67	$ 409
Macro Hedge	6	$ 67
Total	$ 170	$ 820

ABX Spreads Move (Bps)

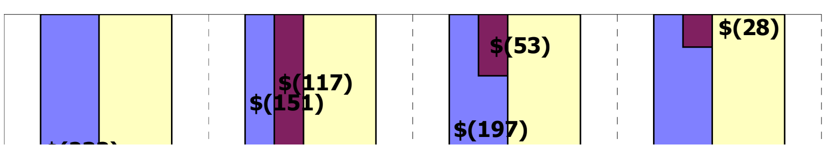
	06/29/07	05/31/07	02/28/07	11/30/06	Jun Chge	Q2 Change	Q1 Change	YTD Change
AAA 06-1	16	13	26	8	3	-13	18	8
AA 06-1	41	30	45	10	12	-16	35	31
A 06-1	248	104	196	43	144	-93	153	205
BBB 06-1	797	381	652	120	416	-271	532	677
BBB- 06-1	1,304	762	1,134	232	542	-373	902	1,072
AAA 06-2	20	22	26	8	-1	-5	18	12
AA 06-2	39	31	65	13	8	-34	52	26
A 06-2	452	169	300	55	283	-131	245	397
BBB 06-2	1,224	721	986	198	503	-265	788	1,026
BBB- 06-2	1,709	1,197	1,452	307	512	-255	1,145	1,402
AAA 07-1	19	21	25	1	-2	-4	24	18
AA 07-1	40	29	37	(3)	11	-7	40	43
A 07-1	541	228	302	53	313	-74	249	488
BBB 07-1	1,422	983	1,146	229	439	-163	917	1,193
BBB- 07-1	1,879	1,403	1,532	415	476	-129	1,117	1,464

Securitized Products ABX/CDS Positions

	AAA 06-1	AA 06-1	A 06-1	BBB 06-1	BBB- 06-1	AAA 06-2	AA 06-2	A 06-2	BBB 06-2	BBB- 06-2	AA 07-1	A 07-1	BBB 07-1	BBB- 07-1	Total
Prime															
ABX	$ -	$ -		$ (25)	$ (25)	$ -	$ -	$ -	$ 150	$ (300)	$ -	$ -	$ -	$ -	$ (200)
CDS	-	-	-	-	-	-	-	(7)	(696)	(5)	-	-	-	-	(708)
Sub Total	-	-	-	(25)	(25)	-	-	(7)	(546)	(305)	-	-	-	-	(908)
Sub Prime															
ABX	(100)	-	(350)	(35)	40	-	-	(15)	(25)	(320)	-	(25)	(50)	(180)	(1,060)
CDS	-	-	-	-	-	(50)	-	6	399	5	-	-	-	-	361
Sub Total	(100)	-	(350)	(35)	40	(50)	-	(9)	374	(315)	-	(25)	(50)	(180)	(700)
ABS															
ABX	200	172	145	257	244	-	30	460	297	(95)	45	131	36	(45)	1,877
CDS	-	-	-	-	-	(460)	(109)	(1,241)	(1,457)	(1,284)	-	-	-	-	(4,551)
Calls	-	-	-	-	(20)	-	-	-	80	-	-	-	(5)	-	55
Puts	-	-	-	-	-	-	-	-	(70)	-	-	-	-	-	(70)
Sub Total	200	172	145	257	224	(460)	(79)	(781)	(1,150)	(1,379)	45	131	31	(45)	(2,689)
Macro Hedge															
ABX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CDS	-	-	-	-	-	-	-	-	(41)	(99)	-	-	-	-	(140)
Sub Total	-	-	-	-	-	-	-	-	(41)	(99)	-	-	-	-	(140)
Total	$ 100	$ 172	$ (205)	$ 197	$ 239	$ (510)	$ (79)	$ (797)	$ (1,363)	**$ (2,098)**	$ 45	$ 106	$ (19)	$ (225)	$ (4,437)

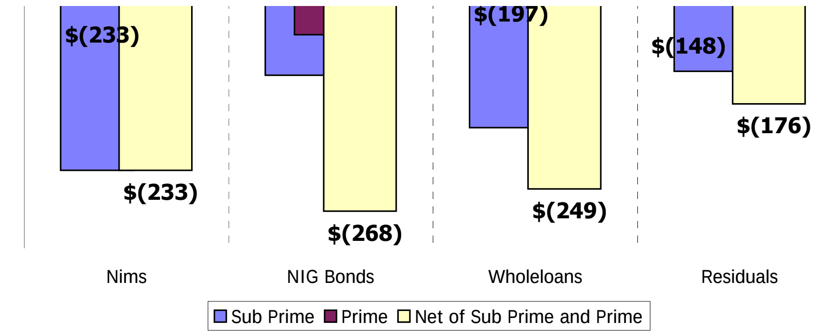
YTD May 07 Cash Position Writedowns

($ in millions)



Net PnL from Hedges and Writedowns

	Sub Prime				Prime			
	Q1	Q2	June	YTD	Q1	Q2	June	YTD
W/downs	$ (511)	$ (142)	$ (76)	$ (729)	$ (114)	$ (47)	$ (36)	$ (197)
Hedges	240	(99)	76	217	152	(45)	21	128



$ (271)	$ (241)	$ 0	$ (512)	$ 37	$ (93)	$ (15)	$ (70)

	ABS				Macro			
W/downs	Q1	Q2	June	YTD	Q1	Q2	June	YTD
Hedges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	215	127	67	409	77	(16)	6	67
	$ 215	$ 127	$ 67	$ 409	$ 77	$ (16)	$ 6	$ 67

	Total			
	Q1	Q2	June	YTD
W/downs	$ (625)	$ (190)	$ (112)	$ (927)
Hedges	$ 684	$ (34)	$ 170	820
	$ 59	$ (224)	$ 58	$ (106)

Cash Position Writedowns

	Jun '07			Q1 07			Q2 07			YTD June 07		
	Sub Prime	Prime	Net	Sub Prime	Prime	Net	Sub Prime	Prime	Net	Sub Prime	Prime	Net
Nims	$ (3)	$ -	$ (3)	$ (209)	$ -	$ (209)	$ (21)	$ -	$ (21)	$ (233)	$ -	$ (233)
NIG Bonds		(36)	$ (36)	(144)	(44)	(188)	(7)	(37)	(45)	$ (151)	$ (117)	(268)
Wholeloans	(13)	-	$ (13)	(126)	(37)	(164)	(57)	(15)	(73)	$ (197)	$ (53)	(249)
Residuals	(59)	-	$ (59)	(32)	(33)	(65)	(57)	5	(51)	$ (148)	$ (28)	(176)
Total	$ (76)	$ (36)	$ (112)	$ (511)	$ (114)	$ (625)	$ (142)	$ (47)	$ (190)	$ (729)	$ (197)	$ (927)

CDO Warehouse Inventory Exposure

Type	Deal	Asset Manager	Size	Ramped Amount	B/S Exposure	Risk Exposure	Lehman Risk %	Equity Tranche	Comment
Cash ABS	C-BASS CBO XX	C-BASS	$ 500	$ 57	$ 103	$ -	50%		Lehman's risk is capped at 50mm (50% of max. commitment in Warehouse 2)
Cash ABS	Ceago ABS CDO	LBAM	1,000	763	733	-	100%		Lehman retains all risk and carry
Cash ABS	Ballyrock 2007-1 CDO	Fidelity	500	-	-	-	50%		Lehman and Manager split risk and carry (net of Collateral Mgt Fee)
CLO	Lightpoint CLO VIII	LBAM	500	425	424	(2.3)	100%	TBD	Mgr. buys $1MM. LEH underwrites remaining
CLO	Empire Square CDO	Blackstone	750	368	368	(2.9)	N/A	TBD	Est. carry to date: $550k
CLO	Goldentree Loan Opportunities V	Goldentree	750	308	307	(1.8)	100%	TBD	Mgr. expects to buy $2MM. LEH underwrites remaining
CLO	Starrucca CLO	Wellington	400	-	-	-	50%	TBD	Lehman committed to underwrite $50% of equity once 50% is placed with 3rd party
CLO	Stanfield Zagato CLO	Stanfield	500	10	8	(0.1)	50%	TBD	Lehman committed to underwrite $50% remaining equity, once 50% is placed with 3rd party investors net of $2.5MM Mgr. purchase
CLO	Ares Leveraged Finance General III	Ares	750	293	294	(2.2)	90%	TBD	Mgr buys 5-7MM, LEH underwrites remaining
CLO	ING CLO VI(4)	ING	450	189	189	(1.7)	100%	TBD	Full underwrite
CLO	MSIM Peconic Bay	MSIM	400	224	224	(1.8)	60%	TBD	Lehman and MSIM split risk and carry 50/50
CLO	GSC Group CDO Fund XI	GSC	400	144	143	(1.4)	90%	TBD	Lehman and Ares split risk and carry 50/50 - GSC $1.0 mm risk
CLO	Ardsley CLO 2007-1	Katonah	400	68	67	(0.1)	0%	TBD	
CLO	Race Point CLO IV	Sankaty	550	407	407	(2.2)	80%	TBD	Mgr buys 20%, Lehman committed to underwrite remaining equity once 50% is placed with 3rd party ivnestors net of Mgr. purchase

Worst Case Loss $\boxed{\$\ (16.5)}$

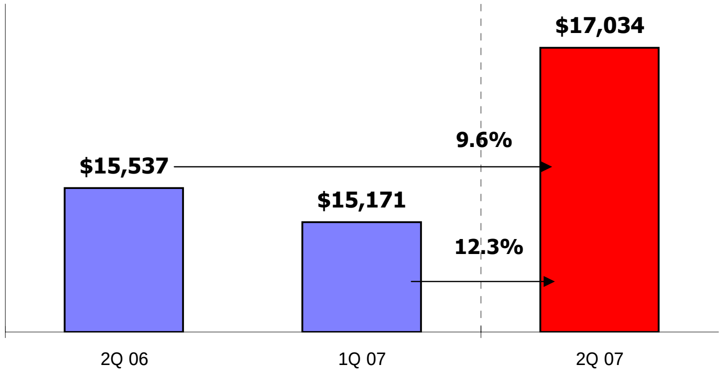
Residential Mortgage Lending

Agreement	Product	Max Advance	Cash Out	Eligible Collateral	Advance Rate
Aegis	Home Equity	500.0	-	-	
Aegis Servicing Advance Facility	Servicing Advances	25.0	5.0	5.0	
Aegis Advanced Facility 2006-1	Home Equity	6.0	0.3	0.3	
BNC LBB	Home Equity	2,000.0	396.0	398.1	
C-Bass	Esoteric	150.0	115.4	115.4	
C-BASS CDO XI Financing (Class E)	Structured Lending	11.3	10.4	15.0	
C-BASS CDO XI Financing (Pref Shares)	Structured Lending	3.1	3.1	6.2	
C-Bass 2006 MH-1 B2	Structured Lending	16.5	9.3	16.5	
C-Bass 2006 MH-1 B3	Structured Lending	19.3	8.1	19.3	
C-Bass 2006 MH-1 CE	Structured Lending	40.1	7.0	40.1	
C-Bass 2006 MH-1 P	Structured Lending	0.0	0.0	0.0	
CTX Mortgage	Home Equity	200.0	7.0	7.3	
GMAC-RFC	Home Equity	600.0	273.1	541.2	
Ion Capital, Inc.	Home Equity	30.0	3.1	3.1	
Option One	Home Equity	800.0	287.4	294.0	
Sec Nat - Working Capital	Home Equity	10.0	10.0	-	
Sec Nat - Revolver Non-Paying Residential	Home Equity	350.0	208.5	306.6	
Security National Servicing Advance Facility	Home Equity	50.0	22.6	32.3	
Total incl. BNC		$ 4,811.2	$ 1,366.2	$ 1,800.3	**75.9%**
Total excl. BNC		$ 2,811.2	$ 970.3	$ 1,402.2	**69.2%**

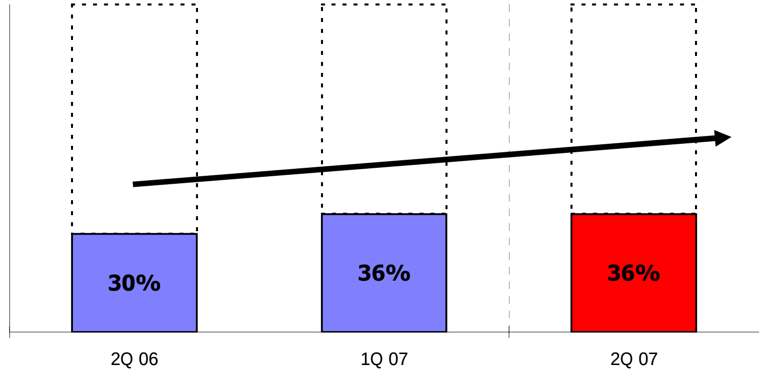
MCD Statistics

MCD Origination Detail

Origination Volume



% of Fixed Origination



	2Q 06	1Q 07	2Q 07
By Loan Type			
Alt A	$ 9,801	$ 10,781	$ 12,422
Subprime	5,484	3,830	3,894
Conv/Govt/other	95	336	529
Small Bal Commercial	158	127	159
Student Loans	-	97	30
Total	**$ 15,537**	**$ 15,171**	**$ 17,034**
By Channel			
Broker(incl Student Loans)	$ 6,426	$ 6,258	$ 6,863
Retail	313	339	416
Correspondent	8,798	8,476	9,725
Student Loans	-	97	30
Total	$ 15,537	$ 15,171	$ 17,034
Origination Mix by Rate Type (Americas only)			
Fixed	**30%**	**36%**	**36%**
ARM	25%	18%	15%
Hybrid	45%	46%	49%
Total	100%	100%	100%

	2Q 06	1Q 07	2Q 07	Jun-07
By LB Subsidiary				
ALS	$ 9,373	$ 10,177	$ 11,766	$ 3,463
BNC	3,837	2,754	2,753	658
SBF	260	260	286	106
CAMPUS DOOR	-	97	30	6
UK PLATFORMS	1,918	1,523	1,894	663
ELQ	103	165	190	59
JAPAN	46	71	94	27
KOREA	-	123	21	10
Total	$ 15,537	$ 15,171	$ 17,034	$ 4,992

	Volume	% Fixed	% NonFixed
2Q 06	$ 15,537	30%	70%
1Q 07	$ 15,171	36%	64%
2Q 07	$ 17,034	36%	64%
Jun-07			
YoY	9.6%	6%	
Linked	12.3%	0%	

MCD Metrics

($ in millions)
(UK originations at 2007 fx neutral rates)

	Preliminary Q2 '07 [1]	Q1 '07	Q2 '06
Total Mortgage Origination Volume	17,034	15,171	15,537
Origination Volume by Loan Type:			
Alt A [6]	12,422	10,781	9,801
Subprime	3,894	3,830	5,484
Conv/Govt/other [6]	529	336	95
Small Balance Commercial	159	127	158
Student Loans	30	97	-
Total Origination Volume	17,034	15,171	15,537
Origination Volume by LB Subsidiary:			
ALS	11,766	10,177	9,373
BNC	2,753	2,754	3,837
SBF	286	260	260
CAMPUS DOOR [2]	30	97	-
SPML / Capstone	1,086	786	1,304
PML	658	643	543
LMC [3]	150	95	71
UK PLATFORMS	1,894	1,523	1,918
ELQ	190	165	103
JAPAN	94	71	46
KOREA	21	123	-
Total Origination Volume	17,034	15,171	15,537
Origination Volume by Channel			
Broker (includes Student Loans)	6,863	6,258	6,426
Retail	9,725	339	313
Correspondent	416	8,476	8,798
Student Loans	30	97	-
Total Origination Volume	17,034	15,171	15,537
Origination Mix by Rate Type (Americas only)			
Fixed	36%	36%	30%

MCD Metrics

($ in millions)
(UK originations at 2007 fx neutral rates)

	Preliminary Q2 '07 [1]	Q1 '07	Q2 '06
ARM	15%	18%	25%
Hybrid	50%	46%	45%
Total Origination Volume	100%	100%	100%
Refinance %			
ALS	37%	41%	29%
BNC	80%	75%	59%
SBF	48%	36%	42%
Campus Door [2]	-	-	-
SPML / Capstone	75%	78%	76%
PML	59%	57%	49%
LMC [3]	56%	67%	69%
UK Platforms	68%	68%	68%
ELQ	43%	45%	52%
Japan	0%	0%	-
Korea	71%	9%	-
Avg FICO Score of Loans Originated			
ALS	709	705	709
BNC	617	622	624
SBF	719	718	716
Weighted Average Coupon (WAC)			
ALS	7.89%	7.65%	7.50%
BNC	8.49%	8.17%	8.38%
SBF	8.35%	8.72%	8.89%
Campus Door [2]	-	-	-
SPML / Capstone	7.44%	7.38%	6.81%
PML	6.72%	6.69%	6.38%
LMC [3]	7.03%	7.66%	5.82%
UK PLATFORMS	7.06%	7.10%	6.71%
ELQ	6.54%	6.33%	5.87%

MCD Metrics

($ in millions)
(UK originations at 2007 fx neutral rates)

	Preliminary Q2 '07 [1]	Q1 '07	Q2 '06
Japan	3.67%	3.71%	-
Korea	6.58%	6.66%	-
Average LTV Ratio			
ALS	81.8%	80.1%	71.9%
BNC	79.4%	81.9%	78.2%
SBF	67.4%	69.9%	71.4%
Campus Door [2]	-	-	-
SPML / Capstone	76.4%	75.6%	74.6%
PML	73.1%	75.7%	77.0%
LMC [3]	73.4%	70.6%	81.2%
UK PLATFORMS	74.9%	75.3%	75.3%
ELQ	94.8%	95.5%	88.0%
Japan	112.2%	108.8%	-
Korea	59.9%	60.9%	-
Cost of Origination Americas			
ALS [primarily Alt-A]	1.73%	1.86%	1.55%
BNC [Subprime]	2.13%	1.96%	1.78%
SBF [Commercial]	5.60%	5.94%	4.59%
Campus Door [2]	17.44%	4.48%	-
UK PLATFORMS	2.40%	2.47%	2.63%
ELQ	2.47%	2.26%	2.70%
Japan	1.63%	3.64%	-
Korea	14.53%	3.08%	-
Total Headcount (including temps): [4]			
ALS	2,772	2,538	2,611

MCD Metrics

($ in millions)

(UK originations at 2007 fx neutral rates)

	Preliminary Q2 '07 [1]	Q1 '07	Q2 '06
BNC	1,700	1,613	1,782
SBF	352	329	255
CAMPUS DOOR	130	114	-
LBB	42	41	53
Capital Crossing	185	193	
MCD ADMIN [5]	419	406	20
TOTAL AMERICAS	**5,600**	**5,234**	**4,721**
UK PLATFORMS	934	935	982
ELQ	106	100	82
MCD ADMIN EUROPE	18	19	8
TOTAL EUROPE	**1,058**	**1,054**	**1,072**
Japan	74	58	43
Korea	49	48	30
MCD ADMIN ASIA	9	9	-
TOTAL ASIA	**132**	**115**	**73**
INDIA	250	245	129
TOTAL INDIA	**250**	**245**	**129**
Total Headcount	**7,040**	**6,448**	**5,995**

[1] Q2 07 volume data is preliminary and based off of actual April %'s

[2] Campus door was acquired in August 2006

[3] LMC was acquired in May 2006

[4] Headcount includes (lehman regular FT employees and non employees)

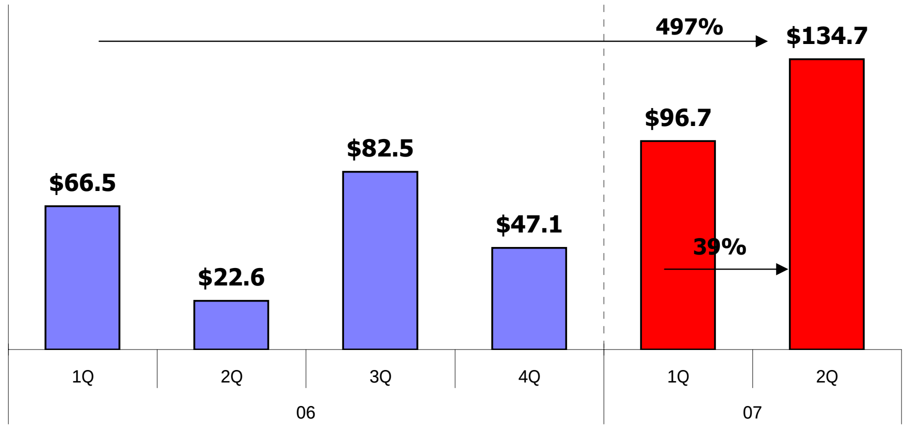
[5] Effective 1/1/07, the Information Technology staff from Lehman Brothers Bank, Small Business Finance, Aurora and BNC were transferred to MCD Ad

[6] Q1 07 and YTD 07 data is preliminary and based off of Q4 06 %'s

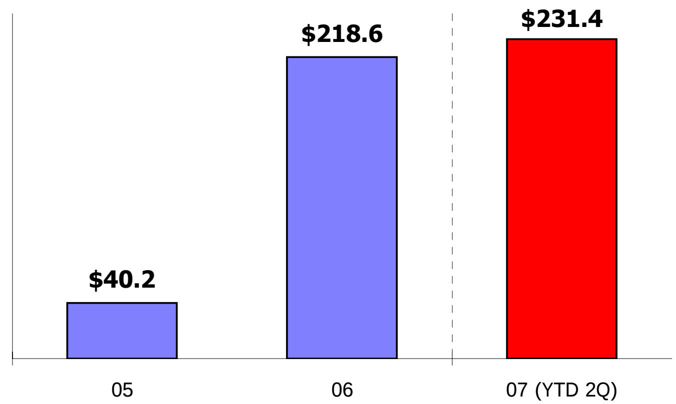
Reserves Update

($ in millions)

Reserves Quarterly Trend



Reserves Full Year Trend



Write Offs

	FY 05	FY 06					FY 07		
	Total	1Q	2Q	3Q	4Q	Total	Q1	Q2	Total
FA	$ 34.7	$ 51.0	$ -	$ 65.0	$ -	$ 116.0	$ -	$ -	$ -
FA - mail	-	4.0	4.0	-	-	7.9	-	-	$ -
BNC	5.5	11.5	18.6	17.5	47.1	94.7	91.2	123.7	$ 214.9
ALS	-	-	-	-	-	-	5.5	11.0	$ 16.5
Total	**$ 40.2**	$ 66.5	$ 22.6	$ 82.5	$ 47.1	**$ 218.6**	**$ 96.7**	**$ 134.7**	**$ 231.4**

Reserves on Balance Sheet at 5/31

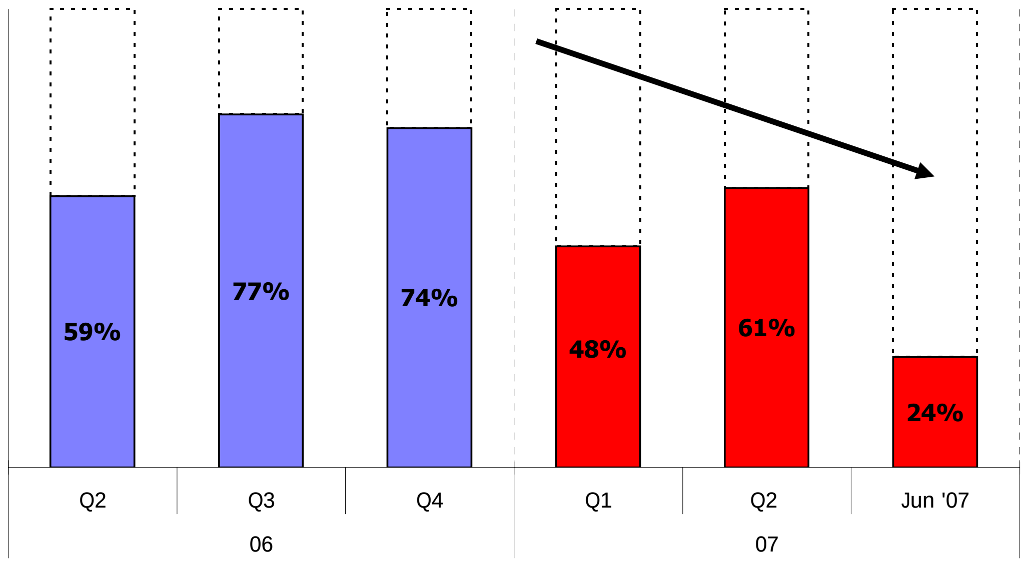
(Post reserves allocated for claims received to date & est. claims for EPDs)

FA	$ 27.0
FA - mail	-
BNC	70.0
ALS	45.7
Total	**$ 142.7**

06	1Q	$	66.5
	2Q	$	22.6
	3Q	$	82.5
	4Q	$	47.1
07	1Q	$	96.7
	2Q	$	134.7
	YoY		497%
	Linked		39%
05		$	40.2
06		$	218.6
07 (YTD 2Q)		$	231.4

Captive vs. 3rd Party Detail

Securitized Collateral Composition - % of 3rd-party Collateral



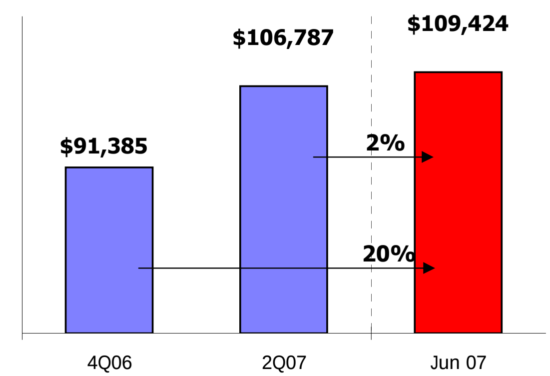
Securitized Collateral Composition

Year	Quarter	3rd-party	Captive
06	Q2	59%	41%
	Q3	77%	23%
	Q4	74%	26%
07	Q1	48%	52%
	Q2	61%	39%
	Jun '07	24%	76%

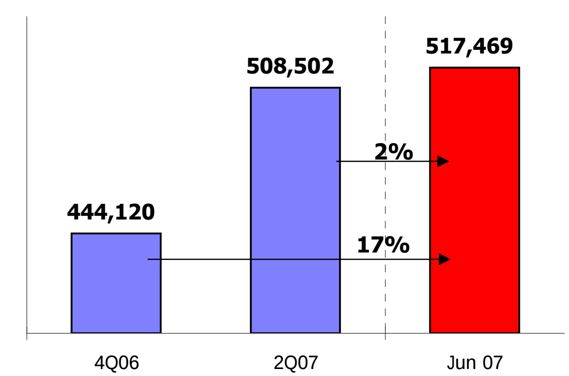
Aurora Loan Services Delinquency
Source ALS Master Servicing

($ in millions)

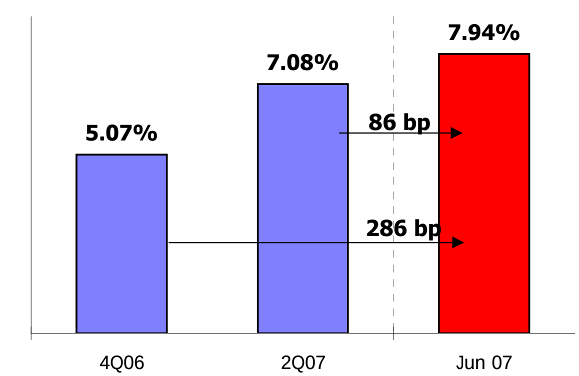
UPB



Loan Ct



% of UPB



Total Products

	4Q06 Quarter End			2Q07 Quarter End			June 07 Month End		
	UPB	Loan Ct	% (of UPB)	UPB	Loan Ct	% (of UPB)	UPB	Loan Ct	% (of UPB)
Current-30 Days	$ 86,749	417,228	94.93%	$ 99,223	473,186	92.92%	$ 100,740	476,537	92.06%
30-60 Days	2,068	11,417	2.26%	2,850	14,202	2.67%	3,198	15,677	2.92%
60-90 Days	598	3,265	0.65%	1,144	5,339	1.07%	1,266	5,873	1.16%
90-120 Days	234	1,300	0.26%	516	2,349	0.48%	569	2,562	0.52%
120+ Days	92	1,068	0.10%	121	1,144	0.11%	157	1,409	0.14%
BK	237	2,180	0.26%	304	1,930	0.29%	318	2,004	0.29%
LMT	277	2,134	0.30%	255	1,865	0.24%	469	2,802	0.43%
FC	871	4,135	0.95%	1,804	7,000	1.69%	2,068	7,921	1.89%
REO	260	1,393	0.28%	570	1,487	0.53%	640	2,684	0.59%
Total	**$ 91,385**	**444,120**	**5.07%**	**$ 106,787**	**508,502**	**7.08%**	**$ 109,424**	**517,469**	**7.94%**

	UPB	Loan Ct	% (of UPB)
4Q06	91,385	444,120	5.07%
2Q07	106,787	508,502	7.08%
Jun 07	109,424	517,469	7.94%
YoY	20%	17%	286 bp
Linked	2%	2%	86 bp

Aurora Delinquency Detail
($ in 000s)

Status	Jun 07 UPB	Jun 07 Loan Ct	Jun 07 % (of UPB)	2Q07 Quarter End UPB	2Q07 Quarter End Loan Ct	2Q07 Quarter End % (of UPB)	4Q06 Quarter End UPB	4Q06 Quarter End Loan Ct	4Q06 Quarter End % (of UPB)	2Q06 Quarter End UPB	2Q06 Quarter End Loan Ct	2Q06 Quarter End % (of UPB)
Total Products												
Current-30 Days	100,740,204,104	100,740	92.06%	99,223,263	473,186	92.92%	86,748,624	417,228	94.93%	80,662,500	400,415	96.46%
30-60 Days	3,197,787,703	3,198	2.92%	2,849,941	14,202	2.67%	2,068,330	11,417	2.26%	1,324,091	8,118	1.58%
60-90 Days	1,266,484,813	1,266	1.16%	1,144,472	5,339	1.07%	598,257	3,265	0.65%	260,051	1,632	0.31%
90-120 Days	568,776,341	569	0.52%	516,172	2,349	0.48%	233,590	1,300	0.26%	22,875	278	0.03%
120+ Days	156,912,502	157	0.14%	121,400	1,144	0.11%	91,793	1,068	0.10%	28,858	243	0.03%
BK	317,684,627	318	0.29%	304,367	1,930	0.29%	236,988	2,180	0.26%	223,721	2,431	0.27%
LMT	468,828,285	469	0.43%	255,143	1,865	0.24%	276,969	2,134	0.30%	478,906	4,415	0.57%
FC	2,067,527,384	2,068	1.89%	1,804,331	7,000	1.69%	870,631	4,135	0.95%	482,537	2,980	0.58%
REO	640,135,078	640	0.59%	569,873	2,487	0.53%	260,023	1,393	0.28%	137,715	879	0.16%
Total	**109,424,340,837**	**109,424**	**7.94%**	**106,788,963**	**509,502**	**7.08%**	**91,385,205**	**444,120**	**5.07%**	**83,621,254**	**421,391**	**3.54%**
Alt-A												
Current-30 Days	64,303,778,526	64,304	95.60%	62,995,764	249,948	96.08%	70,251,189	292,161	96.52%	65,866,205	275,297	97.84%
30-60 Days	1,249,306,495	1,249	1.86%	1,091,007	4,098	1.66%	1,278,973	5,255	1.76%	818,164	3,440	1.22%
60-90 Days	421,645,833	422	0.63%	369,882	1,274	0.56%	338,310	1,310	0.46%	139,934	567	0.21%
90-120 Days	178,990,933	179	0.27%	166,376	561	0.25%	116,297	396	0.16%	6,794	21	0.01%
120+ Days	28,111,343	28	0.04%	26,027	103	0.04%	27,011	96	0.04%	13,617	31	0.02%
BK	99,717,625	100	0.15%	93,381	367	0.14%	70,757	307	0.10%	43,792	201	0.07%
LMT	131,946,424	132	0.20%	73,308	305	0.11%	125,111	565	0.17%	189,377	760	0.28%
FC	681,628,644	682	1.01%	601,541	1,988	0.92%	454,541	1,690	0.62%	194,216	757	0.29%
REO	168,103,012	168	0.25%	148,833	446	0.23%	118,437	483	0.16%	49,659	225	0.07%
Total	**67,263,228,835**	**67,263**	**4.40%**	**65,566,118**	**259,090**	**3.92%**	**72,780,623**	**302,263**	**3.48%**	**67,321,758**	**281,299**	**2.16%**
Alt-B												
Current-30 Days	25,132,664,980	25,133	86.86%	25,313,524	141,490	88.58%	70,251,189	292,161	96.52%	65,866,205	275,297	97.84%
30-60 Days	1,355,698,349	1,356	4.69%	1,206,702	6,082	4.22%	1,278,973	5,255	1.76%	818,164	3,440	1.22%
60-90 Days	602,380,228	602	2.08%	551,590	2,531	1.93%	338,310	1,310	0.46%	139,934	567	0.21%
90-120 Days	299,587,656	300	1.04%	246,617	1,111	0.86%	116,297	396	0.16%	6,794	21	0.01%
120+ Days	51,191,325	51	0.18%	42,695	396	0.15%	27,011	96	0.04%	13,617	31	0.02%
120-150 Days	26,228,998	26	0.09%	25,920	225	0.09%	7,151	33	0.01%	482	2	0.00%
150+ Days	24,962,327	25	0.09%	16,775	171	0.06%	19,860	63	0.03%	13,135	29	0.02%
BK	102,733,174	103	0.36%	98,173	521	0.34%	70,757	307	0.10%	43,792	201	0.07%
LMT	228,727,511	229	0.79%	114,363	848	0.40%	125,111	565	0.17%	189,377	760	0.28%
FC	894,030,777	894	3.09%	768,808	2,875	2.69%	454,541	1,690	0.62%	194,216	757	0.29%
REO	268,545,743	269	0.93%	233,931	1,031	0.82%	118,437	483	0.16%	49,659	225	0.07%
Total	**28,935,559,742**	**28,936**	**13.14%**	**28,576,402**	**156,885**	**11.57%**	**72,780,623**	**302,263**	**3.48%**	**67,321,758**	**281,299**	**2.16%**
Conventional												
Current-30 Days	8,885,612,776	8,886	92.01%	8,399,439	41,527	91.90%	13,374,755	74,752	91.00%	11,882,707	72,497	93.80%
30-60 Days	273,303,460	273	2.83%	261,535	1,504	2.86%	500,593	2,880	3.41%	312,722	1,999	2.47%
60-90 Days	95,058,617	95	0.98%	94,420	517	1.03%	165,198	873	1.12%	63,193	310	0.50%
90-120 Days	36,947,725	37	0.38%	40,665	196	0.44%	71,195	378	0.48%	2,797	17	0.02%
120+ Days	17,378,615	17	0.18%	19,701	83	0.22%	38,847	386	0.26%	6,047	46	0.05%
BK	40,743,004	41	0.42%	40,909	293	0.45%	70,055	512	0.48%	57,086	468	0.45%
LMT	41,364,839	41	0.43%	28,704	174	0.31%	83,287	508	0.57%	142,598	1,079	1.13%

Aurora Delinquency Detail
($ in 000s)

Status	Jun 07 UPB	Jun 07 Loan Ct	Jun 07 % (of UPB)	2Q07 Quarter End UPB	2Q07 Quarter End Loan Ct	2Q07 Quarter End % (of UPB)	4Q06 Quarter End UPB	4Q06 Quarter End Loan Ct	4Q06 Quarter End % (of UPB)	2Q06 Quarter End UPB	2Q06 Quarter End Loan Ct	2Q06 Quarter End % (of UPB)
FC	185,191,959	185	1.92%	173,995	791	1.90%	287,075	1,348	1.95%	144,130	829	1.14%
REO	81,888,285	82	0.85%	80,501	389	0.88%	107,329	606	0.73%	56,230	357	0.44%
Total	**9,657,489,279**	**9,657**	**7.99%**	**9,139,871**	**45,474**	**8.10%**	**14,698,333**	**82,243**	**9.00%**	**12,667,511**	**77,602**	**6.20%**
Subprime												
Current-30 Days	1,761,314,142	1,761	72.21%	1,868,642	11,502	75.55%	1,448,078	8,118	82.08%	898,661	5,239	84.95%
30-60 Days	251,089,633	251	10.29%	228,716	1,297	9.25%	147,481	852	8.36%	62,218	440	5.88%
60-90 Days	115,016,884	115	4.72%	97,897	508	3.96%	51,202	252	2.90%	19,172	99	1.81%
90-120 Days	35,523,727	36	1.46%	50,533	233	2.04%	23,778	106	1.35%	488	5	0.05%
120+ Days	11,913,286	12	0.49%	12,274	93	0.50%	8,007	54	0.45%	416	4	0.04%
BK	22,221,316	22	0.91%	23,087	137	0.93%	11,487	104	0.65%	9,771	98	0.92%
LMT	39,763,185	40	1.63%	21,325	167	0.86%	15,224	93	0.86%	35,325	212	3.34%
FC	153,811,933	154	6.31%	132,336	529	5.35%	48,473	227	2.75%	26,428	154	2.50%
REO	48,649,827	49	1.99%	38,685	174	1.56%	10,574	76	0.60%	5,406	43	0.51%
Total	**2,439,303,935**	**2,439**	**27.79%**	**2,473,495**	**14,640**	**24.45%**	**1,764,304**	**9,882**	**17.92%**	**1,057,885**	**6,294**	**15.05%**
Other												
Current-30 Days	656,833,680	657	58.19%	645,893	28,719	62.52%	1,674,602	42,197	78.18%	2,014,927	47,382	78.28%
30-60 Days	68,389,765	68	6.06%	61,981	1,221	6.00%	141,284	2,430	6.60%	130,987	2,239	5.09%
60-90 Days	32,383,251	32	2.87%	30,684	509	2.97%	43,546	830	2.03%	37,752	656	1.47%
90-120 Days	17,726,300	18	1.57%	11,981	248	1.16%	22,320	420	1.04%	12,795	235	0.50%
120+ Days	48,317,933	48	4.28%	20,704	469	2.00%	17,928	532	0.84%	8,778	162	0.34%
BK	52,269,508	52	4.63%	48,818	612	4.73%	84,689	1,257	3.95%	113,072	1,664	4.39%
LMT	27,026,328	27	2.39%	17,442	371	1.69%	53,348	968	2.49%	111,607	2,364	4.34%
FC	152,864,070	153	13.54%	127,651	817	12.36%	80,542	870	3.76%	117,762	1,240	4.57%
REO	72,948,211	73	6.46%	67,924	447	6.57%	23,684	228	1.11%	26,420	254	1.03%
Total	**1,128,759,046**	**1,129**	**41.81%**	**1,033,076**	**33,413**	**37.48%**	**2,141,945**	**49,732**	**21.82%**	**2,574,100**	**56,196**	**21.72%**

Delinquency By Vintage

Source Lehman Research