

The gross fair values of the Company's derivative assets and liabilities as of September 24, 2022 were as follows (in millions):

	2022		
	Fair Value of Derivatives Designated as Accounting Hedges	Fair Value of Derivatives Not Designated as Accounting Hedges	Total Fair Value
Derivative assets <sup>(1)</sup> :			
Foreign exchange contracts	\$ 4,317	\$ 2,819	\$ 7,136
Derivative liabilities <sup>(2)</sup> :			
Foreign exchange contracts	\$ 2,205	\$ 2,547	\$ 4,752
Interest rate contracts	\$ 1,367	\$ —	\$ 1,367

(1) Derivative assets are measured using Level 2 fair value inputs and are included in other current assets and other non-current assets in the Consolidated Balance Sheet.

(2) Derivative liabilities are measured using Level 2 fair value inputs and are included in other current liabilities and other non-current liabilities in the Consolidated Balance Sheet.

The derivative assets above represent the Company's gross credit exposure if all counterparties failed to perform. To mitigate credit risk, the Company generally uses collateral security arrangements that provide for collateral to be received or posted when the net fair values of certain derivatives fluctuate from contractually established thresholds. To further limit credit risk, the Company generally uses master netting arrangements with the respective counterparties to the Company's derivative contracts, under which the Company is allowed to settle transactions with a single net amount payable by one party to the other. As of September 24, 2022, the potential effects of these rights of set-off associated with the Company's derivative contracts, including the effects of collateral, would be a reduction to both derivative assets and derivative liabilities of \$ 7.8 billion, resulting in a net derivative asset of \$ 412 million.

The carrying amounts of the Company's hedged items in fair value hedges as of September 30, 2023 and September 24, 2022 were as follows (in millions):

	2023	2022
Hedged assets/(liabilities):		
Current and non-current marketable securities	\$ 14,433	\$ 13,378
Current and non-current term debt	\$ ( 18,247 )	\$ ( 18,739 )

## Accounts Receivable

### Trade Receivables

As of September 24, 2022, the Company had one customer that represented 10% or more of total trade receivables, which accounted for 10 %. The Company's third-party cellular network carriers accounted for 41 % and 44 % of total trade receivables as of September 30, 2023 and September 24, 2022, respectively. The Company requires third-party credit support or collateral from certain customers to limit credit risk.

### Vendor Non-Trade Receivables

The Company has non-trade receivables from certain of its manufacturing vendors resulting from the sale of components to these vendors who manufacture subassemblies or assemble final products for the Company. The Company purchases these components directly from suppliers. The Company does not reflect the sale of these components in products net sales. Rather, the Company recognizes any gain on these sales as a reduction of products cost of sales when the related final products are sold by the Company. As of September 30, 2023, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 48 % and 23 %. As of September 24, 2022, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 54 % and 13 %.