

DAILY RISK APPETITE REPORT

95% Annual Risk (\$Millions)

	Usage											Limit	
	4/30/2007				Dly Chng				YE 2006	2007			
	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Global	High	Low		Avg
FIXED INCOME													
IR Products	145	211	72	298	1	4	(4)	(5)	369	354	239	282	600
Liquid Market Prop	105	42	53	128	(2)	(3)	(3)	(4)	101	145	86	111	275
Foreign Exchange	61	90	35	145	(2)	(47)	(0)	(32)	122	258	124	186	280
Commodities Trading	133	44	28	169	9	1	(1)	(1)	104	172	74	129	270
Liquid Markets Total	223	255	113	433	1	(30)	3	(32)	479	503	349	424	940
High Grade Including Pipeline	282	152	55	343	(2)	(9)	(4)	(2)	459	641	305	423	650
-- High Grade (EM)	64			64	(3)			(3)		91	52	64	
-- High Grade ^[1]	196	141	55	246	(0)	(11)	(4)	(6)	426	607	226	363	450
-- High Grade Loans, Pipeline & Commitments ^[3]	121	26		133	2	(0)		1	52	173	51	116	200
High Yield Including Pipeline & Commitments	583	384	92	914	10	2	(0)	8	545	914	518	623	860
-- High Yield (EM)	12	66		70	0	(1)		1		70	44	53	
-- High Yield ^[2]	291	228	87	495	9	4	(0)	10	404	507	363	441	510
-- High Yield Loans, Pipeline & Commitments ^[3]	332	187	11	503	(1)	(0)	(0)	(1)	317	504	242	305	420
CDO	112	189	1	196	3	29	0	21	117	364	138	220	310
Credit Markets Total	726	486	127	1,105	(2)	13	(4)	3	775	1,156	812	945	1,265
Securitized Products	384	41	15	399	(44)	(0)	(0)	(41)	271	532	234	343	465
Real Estate	451	78	197	519	(5)	0	(0)	(8)	614	615	469	532	720
Municipals	113			113	(0)			(0)	141	159	102	121	200
Fixed Income Corporate ^[4]	14	0		14	(0)			(0)	51	51	14	21	90
Alternative Portfolio Solutions		118		118					156	156	113	119	200
Fixed Income Strategic Investments	6			6					15	15	6	12	
TOTAL FIXED INCOME	1,063	699	305	1,620	(10)	(51)	1	(4)	1,611	1,843	1,393	1,605	2,200
EQUITIES													
Cash	67	87	37	114	(10)	2	1	2	98	181	91	118	
Portfolio	16	65	28	80	8	(5)	(0)	(1)	26	89	34	55	
Event Driven	44	38		63	2	0		2	52	88	48	63	
Volatility Flow	101			101	(3)			(3)	57	232	69	144	
Systematic Trading	19			19	3			3	22	26	11	16	
LM/Execution Services	164	150	69	291	(16)	(7)	2	(4)	138	402	158	282	
Convertibles	121	32	33	133	(4)	6	3	(2)	26	148	91	121	
Volatility	79	164	96	242	6	(8)	(3)	(2)	190	298	186	215	
Equity Strategy	109	64	148	231	0	(1)	(12)	(7)	149	252	115	194	
Syndicate	47	16		53	(7)	(14)		(8)	32	193	25	71	
Equities Strategic Investments	10			10					7	10	7	9	
TOTAL EQUITIES	378	266	239	735	(14)	(26)	13	43	382	806	425	606	800
CAPITAL MARKETS PRIME SERVICES													
Firm Financing	71	8	13	72	(3)	(0)		(4)	57	110	46	78	100
Futures										0		0	
Equity Financing	14	8	2	25						25	18	20	
Equity Synthetics	9	5	2	12						18	12	16	
Clearing and Execution	11			11						44	11	35	
Structured Transaction	0	0		0									
TOTAL PRIME SERVICES	93	20	15	97	(3)	(0)		(4)	71	140	65	110	150
GLOBAL PRINCIPAL STRATEGIES	202	140		278	2	5		3	392	324	200	254	500
INVESTMENT MANAGEMENT	540	138		621	(0)	(0)		(0)	451	621	451	500	650
GLOBAL TRADING STRATEGIES	439	56	85	455	0	4	(0)	(4)	392	487	312	379	600
INVESTMENT BANKING	89			89					87	89	60	70	100
NON-CORE	46	0		46					7	54	7	25	
TOTAL FIRM	1,727	1,039	514	2,769	11	(44)	26	102	2,277	2,769	2,142	2,497	3,300

[1] From 6/16/06 onwards, High Grade only include High Grade Trading. Previously it included all the HG risk managed by the desk, including HG loans and HG FRLs.

[2] From 6/16/06 onwards, High Yield only include High Yield Trading. Previously it included all the HY risk managed by the desk, including HY Loan Holds and HY FRLs.

[3] "Commitments" refers to mandated commitment letter and contingent. "Pipeline" refers to conditional and potential.

[4] It includes Insurance Product, FID management positions (if any) and legacy positions (if any). It does not include HY Loan Holds as that is included in High Yield line above.

95% Annual Risk Appetite Usage in \$Millions

04/30/07

	Global				
	Market	Event	CounterParty Credit Risk		Total Risk Appetite Usage
			EMG/Hedge Funds	All Other	
<u>Risk</u>	<u>Risk</u>				
FIXED INCOME					
IR Products	237		32	51	298
Liquid Market Prop	128		0	0	128
Foreign Exchange	116		19	20	145
Commodities Trading	114	7	2	78	169
Liquid Markets Total	333	7	55	77	433
High Grade Including Pipeline & Commitments	246	121	22	2	343
-- High Grade (EM)	39	27	8	0	64
-- High Grade	143	129	15	2	246
-- High Grade Loans, Pipeline & Commitments	100	52			133
High Yield Including Pipeline & Commitments	291	723	16	1	914
-- High Yield (EM)	39	41	2	0	70
-- High Yield	203	353	16	0	495
-- High Yield Loans, Pipeline & Commitments	118	434			503
CDO	132	75	15	4	196
Credit Markets Total	467	746	35	9	1,105
Securitized Products	334	91	9	9	399
Real Estate	69	481	0	0	519
Municipals	90	15	5	19	113
Fixed Income Corporate	14		0	0	14
Alternative Portfolio Solutions		118			118
Fixed Income Strategic Investments	6				6
TOTAL FIXED INCOME	747	1,010	73	78	1,620
EQUITIES					
Cash	112	4	0		114
Portfolio	80	1			80
Event Driven	49	23		0	63
Volatility Flow	100	2		0	101
Systematic Trading	19				19
LM/Execution Services	260	27	13	8	291
Convertibles	77	79		0	133
Volatility	186	30	26	25	242
Equity Strategy	207	45	0	0	231
Syndicate	53				53
Equities Strategic Investments	10				10
TOTAL EQUITIES	631	122	22	31	735
CAPITAL MARKETS PRIME SERVICES					
Firm Financing	35		33	8	72
Futures					
Equity Financing			10	18	25
Equity Synthetics			12	1	12
Clearing and Execution			11	0	11
Structured Transaction				0	0
TOTAL PRIME SERVICES	35		48	25	97
GLOBAL PRINCIPAL STRATEGIES	139	185		0	278
INVESTMENT MANAGEMENT	465	249		0	621
GLOBAL TRADING STRATEGIES	324	204		0	455
INVESTMENT BANKING	89				89
NON-CORE	40		5	1	46
TOTAL FIRM	1,799	1,173	123	135	2,769

	DAILY VAR												UNWEIGHTED DAILY VAR[6]								
	Usage				Usage				Usage				Limit	Usage				Usage			
	4/30/2007				Dly Chng				60 Day Avg					4/30/2007				Dly Chng			
	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	
FIXED INCOME																					
IR Products	5.8	12.4	3.8	15.4	0.2	0.1	(0.3)	(0.4)	7.1	11.8	3.1	14.8	27.0	9.8	12.4	5.3	17.5	0.9	0.0	(0.7)	0.0
Liquid Market Prop	6.5	2.6	3.3	7.8	(0.1)	(0.2)	(0.2)	(0.2)	5.5	2.6	2.5	7.0	16.0	7.2	3.6	3.3	8.3	(0.3)	(0.0)	(0.0)	(0.3)
Foreign Exchange	2.6	4.6	1.6	6.3	0.1	(2.7)	0.0	(1.5)	4.3	4.7	1.1	8.3	12.0	3.1	5.3	1.9	7.4	(0.1)	(2.6)	0.0	(1.7)
Commodities Trading	5.7	1.3	1.7	6.4	0.7	0.1	(0.1)	(0.0)	5.3	1.9	0.9	5.8	13.0	5.7	1.3	1.7	6.4	0.7	0.1	(0.1)	(0.0)
Liquid Markets Total	9.7	14.2	6.0	20.1	0.4	(1.8)	0.2	(1.6)	10.9	14.5	4.3	20.0	49.0	12.8	15.2	6.9	21.9	1.3	(2.0)	(0.4)	(0.9)
High Grade Including Commitments	13.2	3.8	1.8	13.6	(0.0)	(0.2)	(0.3)	0.2	11.3	3.4	1.7	12.4	20.0	17.2	4.6	2.5	17.1	0.0	(0.1)	(0.4)	(0.1)
-- High Grade [1]	11.9	3.8	1.8	12.3	(0.0)	(0.2)	(0.3)	0.2						15.9	4.6	2.5	15.8	0.0	(0.1)	(0.4)	(0.1)
-- HG Commitments [2]	1.3			1.3										1.3			1.3				
High Yield Including Commitments	8.4	8.7	2.7	16.6	0.4	0.3	(0.0)	0.4	8.3	6.8	2.7	14.4	16.0	11.2	10.4	3.2	20.9	0.1	0.3	(0.0)	0.1
-- High Yield [3]	7.3	8.5	2.7	15.2	0.4	0.3	(0.0)	0.4						10.0	10.2	3.2	19.5	0.1	0.3	(0.0)	0.1
-- HY Commitments [4]	1.2	0.2	0.0	1.4										1.2	0.2	0.0	1.4				
CDO	2.7	8.6	0.1	9.5	(0.0)	1.8	(0.0)	1.6	2.6	5.4	0.1	6.3	12.0	2.9	9.4	0.1	10.5	0.0	0.9	(0.0)	1.1
Credit Markets Total	18.2	11.4	4.0	22.8	(0.1)	1.3	(0.3)	(0.6)	16.3	10.9	3.7	22.3	42.0	21.6	13.2	5.1	28.5	0.1	1.0	(0.1)	1.0
Securitized Products	22.5	1.8	0.2	23.3	(3.0)	(0.0)	(0.0)	(2.8)	22.9	1.5	0.3	23.1	22.0	16.9	1.9	0.3	17.3	(1.1)	(0.0)		(1.1)
Real Estate	3.8	0.8	0.4	4.2	(0.5)	(0.0)	(0.0)	(0.8)	3.8	1.0	0.5	4.3	7.0	3.6	3.5	0.6	6.2	(0.7)			(0.6)
Municipals	5.6			5.6	0.0			0.0	5.1			5.1	10.0	7.3			7.3	(0.1)			(0.1)
Fixed Income Corporate [5]	0.0			0.0	(0.0)			(0.0)	0.0			0.0	3.0	0.0			0.0				
Fixed Income Strategic Investments	0.4			0.4					0.7			0.7		0.4			0.4				
TOTAL FIXED INCOME	30.3	17.5	7.5	43.4	(1.5)	(3.4)	0.1	(1.8)	29.0	19.9	5.9	43.6	75.0	29.5	21.1	9.0	44.3	0.9	(2.1)	(0.8)	1.4
EQUITIES																					
Cash	4.1	4.5	2.0	5.7	(0.6)	0.1	(0.0)	0.1	4.9	3.7	1.8	6.2		4.1	4.8	1.8	6.3	(0.6)	(0.6)	(0.0)	(0.1)
Portfolio	1.0	3.6	1.7	4.4	0.6	(0.4)	(0.0)	(0.0)	1.0	2.9	0.7	3.3		1.0	3.9	1.7	4.5	0.5	(0.1)	0.0	0.0
Event Driven	1.7	2.1		2.7	0.1	0.0		0.0	2.4	2.0		3.2		1.8	2.1		2.8	0.2	0.0		0.1
Volatility Flow	6.1			6.1	0.2			0.2	8.4			8.4		6.1			6.1	0.4			0.4
Systematic Trading	0.7			0.7	0.2			0.2	0.7			0.7		0.7			0.7	0.2			0.2
LM/Execution Services	8.6	6.7	3.3	13.4	(0.6)	(0.5)	0.1	0.0	11.4	5.7	2.2	14.2		8.6	7.7	3.0	11.3	(0.2)	(0.4)	(0.0)	0.0
Convertibles	3.5	1.6	1.4	4.0	(0.1)	0.3	0.1	(0.1)	3.5	1.2	0.9	4.0		3.9	1.7	1.4	4.5	0.0	0.4	0.0	(0.0)
Volatility	2.8	7.4	3.3	8.4	0.4	(0.2)	0.1	0.5	2.3	6.5	3.4	6.7		2.8	8.6	3.8	9.2	0.4	0.5	0.2	0.9
Equity Strategies	4.7	3.3	6.9	9.6	(0.0)	(0.1)	(0.4)	(0.2)	4.4	3.2	4.4	7.7		5.4	3.3	7.2	11.0	(0.1)	0.0	(0.7)	(0.4)
Syndicate	2.9	0.9	0.0	3.1	(0.4)	(0.9)	(0.0)	(0.5)	4.8	0.1	0.0	4.8		3.1	0.9	0.0	3.4	(0.3)	(0.9)	(0.0)	(0.7)
Equities Strategic Investments	0.6			0.6					0.6			0.6									
TOTAL EQUITIES	15.7	11.1	9.1	29.0	(0.1)	(1.5)	1.3	4.0	18.2	9.9	6.4	22.6	35.0	16.4	11.0	9.9	25.3	0.2	(0.7)	1.2	0.8
CAPITAL MARKETS PRIME SERVICES																					
Firm Financing	2.2	0.2		2.3	(0.2)	(0.0)		(0.2)	3.0	0.2		3.1	5.0	2.6	0.2		2.7	(0.2)	(0.0)		(0.2)
	2.2	0.2		2.3	(0.2)	(0.0)		(0.2)	3.0	0.2		3.1	5.0	2.6	0.2		2.7	(0.2)	(0.0)		(0.2)
GLOBAL PRINCIPAL STRATEGIES	6.6	4.5		8.2	(0.1)	0.4		0.1	7.3	4.2		9.4	15.0	7.9	7.1		11.4	(0.0)	(0.1)		0.0
INVESTMENT MANAGEMENT	7.9	6.0		11.1	(0.0)	0.0		(0.0)	5.7	4.8		8.7	12.0	8.2	6.1		11.3	0.0			0.0
GLOBAL TRADING STRATEGIES	14.6	2.2	4.5	15.4	0.2	0.3	(0.0)	(0.0)	12.1	2.3	3.8	13.3	25.0	15.8	2.4	4.1	16.5	0.5	0.3	0.2	0.3
INVESTMENT BANKING	5.6			5.6					4.7			4.7		5.6			5.6				
NON-CORE	2.5	0.0		2.5					1.4	0.0		1.4	25.0	2.5	0.0		2.5				
TOTAL FIRM	50.1	30.8	16.2	83.4	2.3	(2.6)	2.1	7.0	48.3	28.1	10.0	69.0	85.0	54.5	33.0	16.4	80.0	3.8	(0.5)	1.9	1.7

[1] All the HG risk managed by the desk, including HG FRLs.

[2] "Commitments" only. No "Pipeline."

[3] All the HY risk managed by the desk, including all of the Loan Holds and HY FRLs.

[4] "Commitments" only. No "Pipeline."

[5] It does not include HY Loan Holds as that is included in High Yield line above.

[6] Firm's official VaR is the weighted VaR. The unweighted VaR is for information only.