

DAILY RISK APPETITE REPORT

95% Annual Risk (\$Millions)

	Usage												Limit
	10/10/2007				Dly Chng				YE 2006	2007			
	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Global	High	Low	Avg	
FIXED INCOME													
IR Products	292	215	90	441	(2)	(27)	3	(22)	369	519	239	312	600
Foreign Exchange	59	149	78	273	(15)	(6)	11	(7)	122	280	121	182	280
Commodities Trading	175	72	20	187	10	(3)	(4)	2	104	233	74	151	270
Liquid Markets Total	359	253	119	531	(21)	(25)	(4)	(64)	479	712	349	468	940
High Grade Including Pipeline	346	122	50	436	68	2	(1)	68	459	641	305	449	675
-- High Grade (EM)	56			56	9			9		204	43	88	110
-- High Grade Trading	239	89	50	311	51	6	(1)	95	426	607	181	330	480
-- High Grade Loans, Pipeline & Commitments ⁽¹⁾	157	81		191	(40)	(0)		(42)	52	432	51	178	200
High Yield Including Pipeline & Commitments	1,351	228	100	1,516	20	(3)	1	24	545	1,747	518	826	850
-- High Yield (EM)	26	47		61	(1)	1		3		88	31	56	220
-- High Yield Trading	160	72	83	251	49	(6)	(1)	47	404	1,114	170	389	495
-- High Yield Loans, Pipeline & Commitments ⁽¹⁾	1,332	166	28	1,418	(5)	3	0	7	317	1,656	242	534	420
CDO	130	270	3	293	(5)	(19)	1	(7)	117	364	138	221	295
Credit Markets Total	1,414	513	130	1,665	33	(51)	1	4	775	1,978	812	1,159	1,265
Securitized Products	416	80	19	420	(23)	(0)	(0)	(28)	271	645	234	395	465
Real Estate	1,033	415	179	1,260	(9)	(0)	(0)	(3)	614	1,264	469	718	720
Municipals	140			140	2			2	141	163	102	128	200
Fixed Income Corporate ⁽²⁾	22	0		22	20			20	51	51	1	19	90
Alternative Portfolio Solutions		186		186		25		25	156	186	77	119	200
Fixed Income Strategic Investments	2			2					15	15	2	7	
TOTAL FIXED INCOME	1,845	1,047	310	2,611	101	(6)	(5)	80	1,611	2,861	1,393	1,858	2,500
EQUITIES													
Cash	63	60	95	113	(3)	14	5	(30)	98	181	67	119	
Portfolio	37	64	12	76	9	(3)	4	4	26	129	34	72	
Event Driven	34	32		48	(2)	2		(6)	52	88	35	61	
Volatility Flow	440			440	110			110	57	440	58	146	
Systematic Trading	14			14	1			1	22	28	9	18	
LM/Execution Services	504	111	118	525	133	(21)	9	(11)	138	536	158	298	
Convertibles	131	29	50	163	(9)	3	0	0	26	386	89	134	
Volatility	73	205	142	309	(28)	13	10	7	190	337	186	251	
Equity Strategy	89	55	152	227	(3)	(1)	26	19	149	359	107	206	
Corporate	4			4	(0)			(0)		23		12	
Syndicate	32	14	13	41	(1)	0	0	1	32	284	18	75	
Equities Strategic Investments	17			17					7	17	7	10	
Equities Emerging Markets		21		21		(1)		(1)					
TOTAL EQUITIES	626	253	332	902	63	(39)	55	(36)	382	1,025	397	648	800
CAPITAL MARKETS PRIME SERVICES													
Firm Financing	52	11	17	64	(0)	0		5	57	110	46	75	100
Futures										0		0	
Equity Financing	14	8	2	25						32	18	24	
Equity Synthetics	20	6	3	22						25	8	18	
Clearing and Execution	3			3						44	3	23	
Structured Transaction	0	0		0									
TOTAL PRIME SERVICES	73	23	20	90	(0)	0		4	71	140	65	102	150
PRINCIPAL INVESTING PORTFOLIO													
Global Principal Strategies	296	86	34	317	7	2	(26)	(3)	196	406	200	294	500
Global Trading Strategies	471	49	174	538	(21)	(0)	6	(14)	392	718	312	487	700
Direct Principal Investments	2		35	38						38		35	
TOTAL PRINCIPAL INVESTING PORTFOLIO	602	103	195	679	(14)	3	8	(8)		760		654	
INVESTMENT MANAGEMENT	997	219	19	1,168	(0)	(0)	(0)	(8)	451	1,178	451	686	800
INVESTMENT BANKING	52			85	0			0	87	95	60	79	100
NON-CORE	125	0		126					7	126	7	68	
TOTAL FIRM	3,006	1,217	638	4,049	168	(54)	27	(11)	2,277	4,136	2,142	2,854	3,500

95% Annual Risk Appetite Usage in \$Millions

	10/10/07				
	Global				
	CounterParty Credit Risk				Total Risk
	Market	Event	EMG/Hedge	All	Total Risk
	Risk	Risk	Funds	Other	Appetite Usage
FIXED INCOME					
IR Products	364		35	77	441
Foreign Exchange	233		28	23	273
Commodities Trading	146	15	1	54	187
Liquid Markets Total	429	15	47	88	531
High Grade Including Pipeline & Commitments	361	89	25	2	436
-- High Grade (EM)	36	10	14	1	56
-- High Grade Trading	269	48	15	2	311
-- High Grade Loans, Pipeline & Commitments	148	70			191
High Yield Including Pipeline & Commitments	761	988	22	1	1,516
-- High Yield (EM)	17	50	1	0	61
-- High Yield Trading	177	86	22	1	251
-- High Yield Loans, Pipeline & Commitments	638	1,007			1,418
CDO	240	35	31	6	293
Credit Markets Total	995	900	45	10	1,665
Securitized Products	355	80	19	2	420
Real Estate	139	1,187	0	0	1,260
Municipals	114	21	3	21	140
Fixed Income Corporate	22		0	0	22
Alternative Portfolio Solutions		186			186
Fixed Income Strategic Investments	2				2
TOTAL FIXED INCOME	1,269	1,596	101	100	2,611
EQUITIES					
Cash	113	1	0	0	113
Portfolio	76	0			76
Event Driven	45	6		0	48
Volatility Flow	440			0	440
Systematic Trading	14	0			14
LM/Execution Services	487	6	24	22	525
Convertibles	135	47	0	0	163
Volatility	231	32	40	38	309
Equity Strategy	172	88	0	0	227
Corporate	4				4
Syndicate	41				41
Equities Strategic Investments	17				17
Equities Emerging Markets	21				21
TOTAL EQUITIES	779	125	33	43	902
CAPITAL MARKETS PRIME SERVICES					
Firm Financing	31		29	7	64
Futures					
Equity Financing			11	18	25
Equity Synthetics			17	8	22
Clearing and Execution			3	0	3
Structured Transaction				0	0
TOTAL PRIME SERVICES	31		40	31	90
PRINCIPAL INVESTING PORTFOLIO					
Global Principal Strategies	204	167	0	0	317
Global Trading Strategies	457	140		0	538
Direct Principal Investments	38				38
TOTAL PRINCIPAL INVESTING PORTFOLIO	549	217	0	0	679
INVESTMENT MANAGEMENT	249	1,029	0	0	1,168
INVESTMENT BANKING	85				85
NON-CORE	117		8	1	126
TOTAL FIRM	2,448	1,990	145	165	4,049

	DAILY VAR												UNWEIGHTED DAILY VAR[6]											
	Usage				Usage				Usage				Limit	Usage				Usage						
	10/10/2007				Dly Chng				60 Day Avg					10/10/2007				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	15.6	10.9	5.2	23.1	0.1	(1.6)	0.2	(1.1)	10.4	10.1	4.7	18.3	27.0	17.2	11.1	5.8	23.7	0.2	(1.8)	(0.0)	(2.1)			
Foreign Exchange	2.3	7.3	3.9	12.7	(1.0)	(1.0)	0.6	(1.2)	2.7	5.3	2.1	8.1	12.0	3.3	7.8	3.2	12.1	(1.8)	(0.6)	0.1	(0.2)			
Commodities Trading	9.4	3.3	1.2	8.6	0.6	(0.3)	(0.2)	0.0	7.5	2.6	1.5	7.7	13.0	9.4	3.3	1.2	8.6	0.6	(0.3)	(0.2)	0.0			
Liquid Markets Total	18.3	11.5	6.3	25.2	(1.2)	(2.0)	(0.3)	(4.5)	18.2	12.2	6.1	26.5	49.0	20.5	14.3	7.0	28.5	(0.8)	(0.3)	0.1	(2.5)			
High Grade Total ^[1]	19.0	5.1	2.7	23.3	4.0	0.0	(0.1)	3.9	18.7	7.0	2.7	22.3	22.0	13.5	4.7	2.6	15.8	1.0	(0.2)	(0.0)	2.0			
-- High Grade (EM)	2.3			2.3	0.5			0.5				0.5	6.0	2.4		2.4	0.2			0.2				
-- High Grade Trading	13.3	3.8	2.7	16.7	3.0	0.0	(0.1)	5.6				13.0	13.0	11.2	3.3	2.6	11.9	1.1	(0.0)	(0.0)	2.2			
-- High Grade Loans, Pipeline & Commitments ^[2]	8.3	2.8		9.2	(2.5)	(0.0)		(2.7)				10.0	10.0	5.2	2.8		5.9	(2.2)	(0.0)		(2.5)			
High Yield Total ^[3]	37.0	11.4	4.6	48.6	2.5	(0.4)	0.0	2.8	22.1	12.9	4.5	36.1	27.0	33.4	9.5	3.8	42.2	2.2	(0.4)	0.0	2.7			
-- High Yield (EM)	0.7	0.7		1.1	0.0	(0.0)		(0.0)				7.0	7.0	0.6	0.7		1.2	0.0	(0.0)		0.0			
-- High Yield Trading	6.4	2.7	3.8	11.1	1.9	(0.4)	(0.1)	2.1				20.0	20.0	5.1	2.4	3.1	8.9	0.8	(0.3)	0.0	1.4			
-- High Yield Loans, Pipeline & Commitments ^[4]	34.0	9.5	1.5	40.9	2.2	(0.1)	(0.0)	3.0				10.0	10.0	31.3	7.3	1.4	36.1	2.2	(0.1)	(0.0)	2.3			
CDO	5.3	15.6	0.2	12.4	(0.1)	(1.1)	0.1	(3.5)	2.1	7.1	0.1	6.8	11.0	5.0	11.3	0.2	11.0	(0.1)	(0.8)	0.1	(0.1)			
Credit Markets Total	45.7	28.4	6.3	65.4	4.4	(3.4)	0.0	2.7	30.9	22.0	6.3	51.7	42.0	37.6	20.9	5.5	53.6	3.3	(2.1)	(0.1)	2.8			
Securitized Products	21.3	5.1	0.6	21.7	(1.6)	(0.0)	(0.0)	(2.0)	25.0	4.2	0.3	25.6	22.0	15.7	5.0	0.4	16.5	(0.3)	(0.0)	(0.0)	(0.2)			
Real Estate	9.5	0.9	0.9	8.0	(1.0)	(0.0)	(0.0)	(0.4)	6.7	0.9	0.5	6.4	7.0	4.9	2.6	0.7	6.1	(0.2)	(0.0)	(0.0)	(0.0)			
Municipals	6.4			6.4	(0.1)			(0.1)	7.3			7.3	10.0	8.4			8.4	0.3			0.3			
Fixed Income Corporate ^[5]	0.1			0.1	(0.0)			(0.0)	0.1			0.1	3.0	0.1			0.1	0.0			0.0			
Fixed Income Strategic Investments	0.2			0.2					0.2			0.2		0.2			0.2							
TOTAL FIXED INCOME	52.7	31.7	10.2	76.7	2.2	(2.7)	(0.5)	0.3	45.3	24.8	9.7	66.9	75.0	45.2	26.5	9.8	64.8	3.1	(2.9)	(0.4)	(0.4)			
EQUITIES																								
Cash	4.0	3.5	5.1	5.9	(0.2)	1.2	0.2	(1.7)	3.5	2.8	3.2	5.6		3.6	3.4	4.9	6.3	(0.3)	0.7	0.3	(0.8)			
Portfolio	2.4	3.6	0.7	4.5	0.7	(0.2)	0.2	0.3	0.8	3.6	1.8	4.3		2.2	2.8	0.6	3.5	0.6	0.0	0.1	0.1			
Event Driven	2.0	1.8		2.8	(0.1)	0.1		(0.4)	1.8	1.4		2.6		2.2	1.6		2.7	(0.3)	0.0		(0.3)			
Volatility Flow	28.2			28.2	7.6			10.2	10.2			10.2		16.2			16.2	3.9			3.9			
Systematic Trading	0.7			0.7	0.1			0.1	0.9			0.9		0.9			0.9	0.3			0.3			
LM/Execution Services	52.0	4.1	5.8	29.3	9.2	(1.0)	0.5	12.1	12.1	5.0	4.0	15.0		20.0	4.0	5.0	21.6	3.9	(0.6)	0.2	2.3			
Convertibles	6.7	1.4	1.8	7.7	(0.5)	0.2	0.2	0.1	7.3	0.9	1.7	7.6		6.7	1.5	1.8	7.9	(0.5)	0.2	0.1	(0.1)			
Volatility	2.6	7.1	6.5	10.6	(2.3)	1.9	0.3	0.7	2.2	7.2	5.5	9.0		2.2	6.6	6.8	9.7	(1.7)	1.5	0.7	0.9			
Equity Strategies	4.1	3.2	5.0	8.6	(0.2)	0.0	0.8	0.5	4.3	3.5	3.9	7.5		4.7	3.3	4.4	8.7	0.0	0.1	0.2	0.5			
Corporate	0.3			0.3	(0.0)			(0.0)	4.3	3.5	3.9	7.5		0.2			0.2	(0.0)			(0.0)			
Syndicate	2.0	0.9	0.9	2.6	0.0	0.0	0.0	0.1	1.8	0.8	1.2	2.5		1.5	0.9	0.9	2.1	(0.6)	0.0	0.0	(0.4)			
Equities Strategic Investments	1.1			1.1					0.9			0.9												
Equities Emerging Markets		1.2		1.2	(0.0)			(0.0)	0.9			0.9												
TOTAL EQUITIES	35.9	8.7	11.8	40.6	4.4	(1.1)	2.4	(1.4)	17.2	9.3	9.1	23.0	35.0	28.0	8.3	12.0	34.5	0.8	(0.6)	1.7	0.3			
CAPITAL MARKETS PRIME SERVICES	1.6	0.4		2.1	(0.0)	0.0		0.3	1.7	0.7		1.9	5.0	1.1	0.3		1.4	(0.0)	(0.0)		0.0			
Firm Financing	1.6	0.4		2.1	(0.0)	0.0		0.3	1.7	0.7		1.9	5.0	1.1	0.3		1.4	(0.0)	(0.0)		0.0			
PRINCIPAL INVESTING PORTFOLIO																								
Global Principal Strategies	12.8	3.7	1.9	13.1	0.3	0.1	(1.6)	(0.4)	9.8	5.3	2.4	11.6	15.0	11.5	3.1	1.9	11.9	(0.2)	0.0	(1.5)	0.9			
Global Trading Strategies	20.6	1.7	9.5	22.7	(0.8)	(0.0)	0.3	(0.5)	24.0	1.7	8.0	24.5	35.0	17.6	1.6	9.2	20.7	(1.2)	(0.1)	(0.1)	(1.1)			
Direct Principal Investments	0.2		2.2	2.4					0.2		2.2	2.4		0.2		2.2	2.4							
TOTAL PRINCIPAL INVESTING PORTFOLIO	26.3	4.3	10.7	28.8	(0.6)	0.1	0.4	(0.3)	26.8	5.1	10.2	30.0		21.0	3.5	10.1	25.8	(0.8)	0.1	(0.2)	0.7			
INVESTMENT MANAGEMENT	12.2	7.7	0.6	16.2	(0.0)	(0.0)	(0.0)	(0.8)	10.2	7.3	0.0	14.7	12.0	11.0	7.3	0.6	14.7	0.0	(0.0)		0.0			
INVESTMENT BANKING	3.3	2.1		5.4	(0.0)			(0.0)	4.1	1.3		5.3		3.3	2.1		5.3	(0.0)			(0.0)			
NON-CORE	7.4	0.0		7.4					6.7	0.0		6.7		7.4	0.0		7.4							
TOTAL FIRM	110.5	35.6	24.5	141.3	9.7	(4.6)	0.8	1.2	75.1	29.3	18.8	102.1	135.0	83.5	31.6	24.4	116.9	9.9	(4.3)	0.9	9.2			

[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.