

**From:** Li, Rui <ruili@lehman.com>  
**Sent:** Tuesday, May 1, 2007 10:59 PM (GMT)  
**To:** Goldfarb, David <dgoldfar@lehman.com>; McDade, Bart <bmcdade@lehman.com>; O'Meara, Chris M (NY) <comeara@lehman.com>; Grieb, Edward <egrieb@lehman.com>; Antoncic, Madelyn <mantonci@lehman.com>; Gelband, Michael <mgelband@lehman.com>; Gentile, Joseph <joseph.gentile@lehman.com>  
**Cc:** Hawkins, Thomas <thawkins@lehman.com>; Oramas-Scala, Lesley <lesley.oramasscala@lehman.com>; Neave, Jon <jon.neave@lehman.com>; Azerad, Robert <RAzerad@lehman.com>; Jacob, Rolly <rolly.jacob@lehman.com>  
**Subject:** Daily Risk Appetite and VaR Report - 4/30/07  
**Attach:** RiskAppetite\_20070430.xls

---

> <<RiskAppetite\_20070430.xls>>  
> \_\_\_\_\_  
>  
>  
> The overall Risk Appetite usage as of 4/30/07 was \$2769mm (up \$102mm)  
> vs. \$3300mm limit:  
>  
> \* Fixed Income - RA \$1620mm (down \$4mm) vs. \$2200mm limit  
>  
> \* Foreign Exchange - RA \$145mm (down \$32mm) vs. \$280mm limit  
>  
> VaR decreased \$1.5mm due to decreased FX Spot in Turkey  
> from long \$279mm to long \$55mm.  
>  
> \* Securitized Products - RA \$399mm (down \$41mm) vs. \$465mm limit  
>  
> VaR decreased \$2.8mm as the Prime desks securitized  
> \$4.2bn loans into CMOs with \$1bn remaining and the Subprime desk  
> securitized \$1.8bn loans into CMOs.  
>  
>  
> \* Equity - RA \$735mm (up \$43mm) vs. \$800mm limit  
>  
> \* Global VaR increased by \$4mm mainly driven by a \$101mm increase  
> in long delta (from \$3.5bn to \$3.6bn), and a decrease of long gamma of  
> \$139mm (from \$757mm to \$619mm).  
>  
>  
> The overall VaR as of 4/30/07 was \$83.4mm (up \$7mm), driven by  
> increased correlation between IR Products, Liquid Market Prop and  
> Equity as net long Equity delta went longer by \$101mm and IR  
> exposures in Interest Rate Products and LMP went shorter by \$963k/bp  
> and \$107k/bp respectively.  
>  
> The 60-day Moving Average was \$69mm, and unweighted VaR was \$80mm (up  
> \$1.7mm).  
>  
>  
> Regards,  
>  
> Rui Li  
> Quantitative Risk Management Group

