From: Antoncic, Madelyn <mantonci@lehman.com>
Sent: Thursday, November 2, 2006 10:51 AM (GMT)
To: O'Meara, Chris M (NY) <comeara@lehman.com>
Subject: Re: Daily Risk Appetite and VaR Report - 10/31/06

3??
We said 2.6 - 2.7.

----- Original Message -----
From: O'Meara, Chris M (NY)
To: Goldfarb, David; Antoncic, Madelyn
Sent: Wed Nov 01 22:10:17 2006
Subject: Re: Daily Risk Appetite and VaR Report - 10/31/06

Yep. We're thinking that the aggregate goes from 2.3B to 3.0B at this point. Let's discuss tomorrow. C

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Goldfarb, David
To: Antoncic, Madelyn; O'Meara, Chris M (NY)
Sent: Wed Nov 01 19:25:58 2006
Subject: Fw: Daily Risk Appetite and VaR Report - 10/31/06

Let's discuss new limits for 07 ASAP]nd then let's have process with Mike and Bart and you guys to discuss and officially change to 07 higher levels.
T,
Dave

Sent from my Comstar Wireless Handheld (www.comstarinteractive.com)

----- Original Message -----
From: Li, Rui
To: Goldfarb, David; McDade, Bart; O'Meara, Chris M (NY); Grieb, Edward; Antoncic, Madelyn; Gelband, Michael; Gentile, Joseph
Cc: Hawkins, Thomas; Oramas-Scala, Lesley; Neave, Jon; Azerad, Robert
Sent: Wed Nov 01 15:15:36 2006
Subject: Daily Risk Appetite and VaR Report - 10/31/06

<<RiskAppetite_20061031.xls>> <<RiskAppetite_20061031.xls>>

The overall Risk Appetite usage as of 10/31/06 was $2180mm (up $72mm):

* Fixed Income - RA $1549mm (up $67mm) vs. $1625mm limit (95% utilization)

* IR Products - RA $390mm (up $83mm) vs. $500mm limit

Europe outright EUR interest rate exposure increased from short $845k/bp to short $1.6mm/bp.

* Equity - RA $406mm (down $1mm) vs. $550mm limit

No major changes.

The overall VaR as of 10/31/06 was $54mm (up $6.3mm), 60-day Moving Average was $46.5mm, and unweighted VaR was $54.4mm (up $6.2mm).

Regards,

Rui Li
Quantitative Risk Management Group

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