

DAILY RISK APPETITE REPORT

95% Annual Risk (\$Millions)

	Usage												Limit
	6/18/2007				Dly Chng				YE 2006	2007			
	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Global	High	Low	Avg	
FIXED INCOME													
IR Products	202	186	66	354	(23)	(11)	(13)	(15)	369	420	239	296	600
Liquid Market Prop	107	34	66	120	2	(0)	4	0	101	173	86	116	275
Foreign Exchange	43	156	29	189	4	8	(5)	5	122	258	124	181	280
Commodities Trading	160	34	33	188	(6)	(2)	2	(10)	104	226	74	136	270
Liquid Markets Total	303	262	113	498	12	(6)	(3)	(31)	479	559	349	441	940
High Grade Including Pipeline	487	139	93	582	6	(1)	7	12	459	641	305	429	650
-- High Grade (EM)	137			137	3			3		162	49	75	
-- High Grade ^[1]	373	135	93	479	(13)	(1)	7	(11)	426	607	226	368	450
-- High Grade Loans, Pipeline & Commitments ^[3]	141	17		149	(7)	(1)		(6)	52	178	51	123	200
High Yield Including Pipeline & Commitments	451	383	83	812	1	(9)	(0)	(5)	545	914	518	660	860
-- High Yield (EM)	15	83		80	(0)	4		1		88	44	62	
-- High Yield ^[2]	217	189	81	393	7	4	(0)	9	404	507	318	429	510
-- High Yield Loans, Pipeline & Commitments ^[3]	256	181	7	430	(0)	(6)	0	(8)	317	513	242	340	420
CDO	135	172	2	245	(6)	(1)	(0)	(9)	117	364	138	216	310
Credit Markets Total	838	549	149	1,377	(21)	(7)	9	(7)	775	1,384	812	991	1,265
Securitized Products	430	36	16	442	(9)	1	0	(13)	271	532	234	362	465
Real Estate	490	299	250	685	1	0	(0)	1	614	686	469	558	720
Municipals	120			120	1			1	141	159	102	120	200
Fixed Income Corporate ^[4]	18	0		18	0	(0)		0	51	51	12	19	90
Alternative Portfolio Solutions		87		87					156	156	87	113	200
Fixed Income Strategic Investments	2			2	(2)			(2)	15	15	2	10	
TOTAL FIXED INCOME	1,178	890	363	1,922	5	0	(4)	(29)	1,611	1,951	1,393	1,626	2,200
EQUITIES													
Cash	115	58	68	151	(10)	4	(12)	(26)	98	181	91	122	
Portfolio	68	74	43	125	16	8	6	12	26	129	34	64	
Event Driven	57	41		79	1	1		0	52	88	48	66	
Volatility Flow	88			88	(32)			(32)	57	290	69	146	
Systematic Trading	16			16	0			0	22	26	11	17	
LM/Execution Services	185	137	95	287	(69)	(5)	(17)	(39)	138	486	158	294	
Convertibles	101	45	47	146	(7)	8	2	(6)	26	153	91	123	
Volatility	104	190	128	291	(32)	11	22	(0)	190	315	186	230	
Equity Strategy	125	58	209	298	(4)	(1)	15	13	149	359	115	214	
Corporate	19			19	2			2		22		15	
Syndicate	63	0	59	88	(5)	(0)	(0)	(7)	32	284	25	86	
Equities Strategic Investments	9			9	2			2	7	10	7	9	
TOTAL EQUITIES	371	326	414	792	(84)	17	40	(86)	382	932	425	650	800
CAPITAL MARKETS PRIME SERVICES													
Firm Financing	81	5	17	86	(1)	(1)	0	(0)	57	110	46	77	100
Futures										0		0	
Equity Financing	17	11	3	31	3	4	1	7		32	18	22	
Equity Synthetics	11	10	3	18	(1)	(3)	1	(7)		25	8	17	
Clearing and Execution	19			19	2			2		44	11	32	
Structured Transaction	0	0		0	0			0					
TOTAL PRIME SERVICES	107	13	19	111	1	(13)	(0)	16	71	140	65	105	150
GLOBAL PRINCIPAL STRATEGIES	263	109	17	327	(0)	(0)	0	0	392	334	200	266	500
INVESTMENT MANAGEMENT	607	163		701	(0)	(0)		(0)	451	702	451	544	650
GLOBAL TRADING STRATEGIES	550	36	95	544	2	0	1	(7)	392	550	312	409	600
INVESTMENT BANKING	83			83	(13)			(13)	87	95	60	76	100
NON-CORE	92	0		92	(16)	0		(16)	7	108	7	44	
TOTAL FIRM	1,974	1,147	713	3,241	(43)	5	1	13	2,277	3,241	2,142	2,589	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

	06/18/07				
	Global				
	CounterParty Credit Risk				
	Market	Event	EMG/Hedge	All	Total Risk
	Risk	Risk	Funds	Other	Appetite Usage
FIXED INCOME					
IR Products	291		32	58	354
Liquid Market Prop	121		0	0	120
Foreign Exchange	154		25	20	189
Commodities Trading	117	60	1	54	188
Liquid Markets Total	358	60	62	86	498
High Grade Including Pipeline & Commitments	351	275	48	3	582
-- High Grade (EM)	57	65	37	1	137
-- High Grade	226	310	23	2	479
-- High Grade Loans, Pipeline & Commitments	116	53			149
High Yield Including Pipeline & Commitments	404	489	27	1	812
-- High Yield (EM)	35	58	0	0	80
-- High Yield	236	194	29	1	393
-- High Yield Loans, Pipeline & Commitments	167	307			430
CDO	144	97	37	8	245
Credit Markets Total	810	667	74	15	1,377
Securitized Products	368	82	23	12	442
Real Estate	73	646	0	1	685
Municipals	96	19	3	20	120
Fixed Income Corporate	18		0	0	18
Alternative Portfolio Solutions		87			87
Fixed Income Strategic Investments	2				2
TOTAL FIXED INCOME	998	1,060	118	98	1,922
EQUITIES					
Cash	151		0	0	151
Portfolio	125		0	0	125
Event Driven	63	27		0	79
Volatility Flow	88	1		0	88
Systematic Trading	16	1			16
LM/Execution Services	253	25	17	9	287
Convertibles	128	32	0	0	146
Volatility	222	32	44	15	291
Equity Strategy	281	31	0	0	298
Corporate	19				19
Syndicate	88				88
Equities Strategic Investments	9				9
TOTAL EQUITIES	710	67	36	20	792
CAPITAL MARKETS PRIME SERVICES					
Firm Financing	40		41	8	86
Futures					
Equity Financing			16	20	31
Equity Synthetics			15	5	18
Clearing and Execution			19	0	19
Structured Transaction				0	0
TOTAL PRIME SERVICES	40		51	34	111
GLOBAL PRINCIPAL STRATEGIES	162	219	0	0	327
INVESTMENT MANAGEMENT	522	286	0	0	701
GLOBAL TRADING STRATEGIES	379	253		0	544
INVESTMENT BANKING	83				83
NON-CORE	89		2	1	92
TOTAL FIRM	2,193	1,256	162	151	3,241

	DAILY VAR												UNWEIGHTED DAILY VAR[6]								
	Usage				Usage				Limit	Usage				Usage							
	6/18/2007				Dly Chng					60 Day Avg				6/18/2007				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	10.4	10.3	3.5	19.0	(1.2)	(0.5)	(0.7)	(0.5)	8.4	12.5	3.5	17.1	27.0	15.5	9.7	5.7	21.9	(2.5)	(0.5)	(1.3)	(1.3)
Liquid Market Prop	6.7	2.2	4.1	7.5	0.2	0.0	0.2	0.1	6.5	2.6	3.4	7.6	16.0	8.4	3.3	3.9	8.5	(0.2)	0.1	0.0	(0.3)
Foreign Exchange	1.6	8.6	1.1	9.0	(0.0)	0.2	(0.5)	(0.6)	2.8	5.6	1.3	7.5	12.0	2.3	8.9	1.4	10.5	(0.1)	(0.5)	(1.1)	(0.2)
Commodities Trading	6.2	1.1	2.1	6.9	0.2	0.0	0.1	(0.0)	5.3	1.7	1.5	5.9	13.0	6.2	1.1	2.1	6.9	0.2	0.0	0.1	(0.0)
Liquid Markets Total	13.9	13.9	5.9	22.3	0.7	(0.5)	(0.3)	(2.5)	12.0	14.8	5.4	21.9	49.0	17.6	15.3	7.6	28.9	(0.2)	(0.4)	(0.8)	(1.1)
High Grade Including Commitments	17.1	3.9	2.8	19.9	(0.2)	(0.1)	0.1	0.3	13.8	3.8	1.9	14.7	20.0	20.7	5.5	3.8	25.0	(0.6)	0.1	0.3	0.2
-- High Grade ^[1]	14.8	3.9	2.8	17.7	(0.2)	(0.1)	0.1	0.3						18.4	5.5	3.8	22.7	(0.6)	0.1	0.3	0.2
-- HG Commitments ^[2]	2.3			2.3										2.3			2.3				
High Yield Including Commitments	9.5	14.3	3.1	24.0	(0.5)	(0.2)	0.0	(0.6)	8.3	9.5	2.6	16.9	28.0	12.2	16.3	3.9	31.3	(0.4)	(0.4)	(0.0)	(0.0)
-- High Yield ^[3]	8.4	14.1	3.1	22.8	(0.5)	(0.2)	0.0	(0.6)						11.2	16.2	3.9	30.1	(0.4)	(0.4)	(0.0)	(0.0)
-- HY Commitments ^[4]	1.1	0.1		1.2										1.1	0.1		1.2				
CDO	2.9	4.9	0.1	6.3	0.0	(0.4)	(0.0)	(0.3)	2.6	5.8	0.1	6.7	12.0	3.0	6.8	0.1	8.4	(0.1)	(0.4)	(0.0)	(0.2)
Credit Markets Total	23.2	19.7	5.4	43.3	(1.0)	(0.5)	0.4	(2.4)	19.0	13.0	3.9	26.5	42.0	25.6	24.6	6.8	50.4	(0.9)	(0.7)	0.3	(1.5)
Securitized Products	21.8	2.2	0.3	22.5	(0.5)	0.1	(0.0)	(0.8)	23.9	2.0	0.3	24.3	22.0	17.6	2.3	0.4	18.9	(0.7)	0.1	(0.0)	(0.0)
Real Estate	4.1	0.9	0.5	4.5	0.1	(0.0)	(0.0)	0.1	3.8	0.9	0.5	4.2	7.0	4.9	2.5	0.6	5.8	0.3	0.0	0.0	0.0
Municipals	6.1			6.1	(0.0)			(0.0)	5.6			5.6	10.0	8.1			8.1	0.0			0.0
Fixed Income Corporate ^[5]	0.0			0.0	(0.0)			(0.0)	0.0			0.0	3.0	0.1			0.1				
Fixed Income Strategic Investments	0.2			0.2	(0.1)			(0.1)	0.3			0.3		0.2			0.2	(0.1)			(0.1)
TOTAL FIXED INCOME	31.4	26.4	8.2	56.1	(0.3)	(0.3)	(0.4)	(4.4)	30.5	21.2	7.2	44.0	75.0	38.6	29.7	9.8	67.1	(0.2)	(1.3)	(0.7)	(0.7)
EQUITIES																					
Cash	6.7	3.5	3.7	8.3	(0.6)	0.4	(0.7)	(1.4)	5.2	3.6	2.5	6.3		6.2	3.8	3.4	8.3	(0.8)	0.2	(0.9)	(1.4)
Portfolio	4.1	3.7	2.6	6.7	1.0	0.4	0.4	0.8	1.2	3.5	1.5	4.3		4.3	3.8	2.9	7.2	1.2	0.2	0.5	1.4
Event Driven	2.5	2.1		3.5	0.1	0.0		0.0	2.3	2.2		3.4		2.8	2.4		4.1	0.1	0.1		0.4
Volatility Flow	4.5			4.5	(4.2)			(4.2)	8.3			8.3		4.6			4.6	(5.5)			(5.5)
Systematic Trading	0.7			0.7	(0.1)			(0.1)	0.8			0.8		0.7			0.7	(0.1)			(0.1)
LM/Execution Services	8.6	5.9	5.2	11.7	(6.6)	(0.5)	(0.5)	(4.6)	11.8	5.8	3.5	14.1		8.8	6.9	5.2	14.3	(6.6)	0.3	(0.5)	(5.5)
Convertibles	4.5	1.8	2.1	6.4	(0.4)	0.2	0.1	(0.4)	4.0	1.3	1.3	4.8		5.5	2.2	2.0	7.1	(0.8)	0.3	0.0	(0.3)
Volatility	1.8	8.6	5.4	8.8	(0.3)	0.3	1.4	1.1	2.2	7.4	4.0	7.7		1.8	9.1	6.1	8.7	(0.3)	0.4	2.0	0.4
Equity Strategies	5.4	2.8	10.1	12.3	(0.3)	(0.1)	1.0	0.8	4.6	3.1	7.6	10.1		6.8	3.0	11.0	15.0	0.2	(0.1)	0.8	0.9
Corporate	1.3			1.3	0.2			0.2	4.6	3.1	7.6	10.1		1.2			1.2	0.2			0.2
Syndicate	3.7	0.0	3.8	5.4	(0.3)	0.0	(0.0)	(0.4)	5.9	0.3	2.3	6.4		4.6	0.0	4.1	6.3	(0.4)	0.0	(0.0)	(0.2)
Equities Strategic Investments	0.6			0.6	0.1			0.1	0.5			0.5		0.6			0.6				
TOTAL EQUITIES	12.5	14.2	18.8	28.1	(6.2)	0.3	2.7	(7.0)	19.1	10.8	10.6	26.5	35.0	15.8	14.8	19.2	33.2	(8.0)	(0.1)	2.1	(7.3)
CAPITAL MARKETS PRIME SERVICES	2.6	0.2		2.7	(0.2)	0.0		(0.3)	3.0	0.2		3.1	5.0	3.3	0.1		3.4	0.1	(0.0)		0.1
Firm Financing	2.6	0.2		2.7	(0.2)	0.0		(0.3)	3.0	0.2		3.1	5.0	3.3	0.1		3.4	0.1	(0.0)		0.1
GLOBAL PRINCIPAL STRATEGIES	8.6	2.9	1.0	10.1	(0.0)	(0.0)	(0.0)	(0.0)	7.4	4.0	1.4	9.5	15.0	9.8	3.5	1.1	12.0	(0.0)	(0.0)	0.0	(0.0)
INVESTMENT MANAGEMENT	10.2	6.4		14.3	(0.0)	0.0		(0.0)	8.1	6.2		11.4	12.0	10.3	6.5		13.6				
GLOBAL TRADING STRATEGIES	17.4	1.1	4.6	17.8	0.2	0.0	0.0	(0.4)	15.1	1.8	4.3	16.0	25.0	18.8	1.3	5.0	19.5	(0.1)	0.0	0.1	0.2
INVESTMENT BANKING	5.2			5.2	(0.8)			(0.8)	5.8			5.8		5.2			5.2	(0.8)			(0.8)
NON-CORE	5.6	0.0		5.6	(1.0)	0.0		(1.0)	4.7	0.0		4.7	25.0	5.6	0.0		5.6	(1.0)	0.0		(1.0)
TOTAL FIRM	52.6	35.1	24.9	98.7	(8.0)	(0.7)	0.9	(3.9)	53.9	29.7	15.7	79.6	85.0	65.7	39.9	26.0	108.7	(6.7)	(1.4)	1.3	(6.3)

[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.