

**DAILY RISK APPETITE REPORT**

**95% Annual Risk (\$Millions)**

	Usage												Limit
	9/11/2007				Dly Chng				YE 2006	2007			
	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Global	High	Low	Avg	
<b>FIXED INCOME</b>													
IR Products	253	229	83	435	(9)	(55)	(16)	(84)	369	519	239	305	600
Liquid Market Prop	150	60	24	168	15	(2)	0	9	101	249	86	133	275
Foreign Exchange	65	93	42	180	(7)	5	(3)	5	122	258	121	181	280
Commodities Trading	157	47	13	171	0	(11)	(0)	(0)	104	233	74	148	270
Liquid Markets Total	408	270	108	644	(12)	(47)	(14)	(68)	479	712	349	461	940
High Grade Including Pipeline	304	150	54	369	(20)	(3)	(0)	(33)	459	641	305	450	675
-- High Grade (EM)	92			92	4			4		204	49	94	110
-- High Grade Trading	173	122	54	186	(3)	(0)	(0)	(10)	426	607	181	338	480
-- High Grade Loans, Pipeline & Commitments <sup>[1]</sup>	213	80		249	(0)	0		0	52	432	51	172	200
High Yield Including Pipeline & Commitments	1,283	293	111	1,488	16	(6)	(0)	5	545	1,488	518	753	850
-- High Yield (EM)	11	29		33	(0)	0		0		88	32	58	220
-- High Yield Trading	142	107	91	264	13	(2)	(0)	5	404	1,114	238	409	495
-- High Yield Loans, Pipeline & Commitments <sup>[1]</sup>	1,291	189	28	1,379	(4)	(0)	(0)	(8)	317	1,387	242	437	420
CDO	139	155	3	227	4	14	0	14	117	364	138	217	295
Credit Markets Total	1,293	454	146	1,584	(4)	24	3	23	775	1,605	812	1,102	1,265
Securitized Products	419	77	15	431	(1)	0	0	(15)	271	645	234	391	465
Real Estate	1,030	408	176	1,258	3	(0)	0	5	614	1,258	469	660	720
Municipals	150			150	0			0	141	163	102	127	200
Fixed Income Corporate <sup>[2]</sup>	22	0		22	(0)			(0)	51	51	1	19	90
Alternative Portfolio Solutions		158		158		2			156	173	77	114	200
Fixed Income Strategic Investments	2			2				2	15	15	2	8	
<b>TOTAL FIXED INCOME</b>	<b>1,803</b>	<b>989</b>	<b>321</b>	<b>2,550</b>	<b>(24)</b>	<b>22</b>	<b>(9)</b>	<b>(87)</b>	<b>1,611</b>	<b>2,637</b>	<b>1,393</b>	<b>1,781</b>	<b>2,500</b>
<b>EQUITIES</b>													
Cash	43	37	60	99	(0)	(1)	16	20	98	181	67	121	
Portfolio	12	56	22	62	3	(1)	(2)	(2)	26	129	34	72	
Event Driven	33	19		44	1	2		4	52	88	37	63	
Volatility Flow	147			147	42			42	57	290	58	134	
Systematic Trading	17			17	(1)			(1)	22	28	9	18	
LM/Execution Services	189	115	77	330	53	3	11	94	138	486	158	286	
Convertibles	116	16	54	137	3	1	12	8	26	386	89	133	
Volatility	60	222	113	276	2	7	1	(5)	190	337	186	246	
Equity Strategy	93	61	29	119	(1)	17	(1)	6	149	359	107	204	
Corporate	11			11	(0)			(0)		23		14	
Syndicate	15	15	10	27	(13)	(0)	(0)	(8)	32	284	18	77	
Equities Strategic Investments	17			17					7	17	7	9	
Equities Emerging Markets		7		7		(0)		(0)					
<b>TOTAL EQUITIES</b>	<b>269</b>	<b>225</b>	<b>196</b>	<b>449</b>	<b>9</b>	<b>(13)</b>	<b>13</b>	<b>52</b>	<b>382</b>	<b>932</b>	<b>397</b>	<b>636</b>	<b>800</b>
<b>CAPITAL MARKETS PRIME SERVICES</b>													
Firm Financing	60	29	17	66	(7)	0		(4)	57	110	46	76	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	26	
Structured Transaction	0	0		0									
<b>TOTAL PRIME SERVICES</b>	<b>81</b>	<b>40</b>	<b>20</b>	<b>92</b>	<b>(6)</b>	<b>0</b>		<b>(4)</b>	<b>71</b>	<b>140</b>	<b>65</b>	<b>103</b>	<b>150</b>
<b>GLOBAL PRINCIPAL STRATEGIES</b>	<b>311</b>	<b>121</b>	<b>66</b>	<b>351</b>	<b>(9)</b>	<b>6</b>	<b>(4)</b>	<b>(0)</b>	<b>392</b>	<b>406</b>	<b>200</b>	<b>286</b>	<b>500</b>
<b>INVESTMENT MANAGEMENT</b>	<b>859</b>	<b>217</b>		<b>1,028</b>	<b>(0)</b>	<b>(0)</b>		<b>(0)</b>	<b>451</b>	<b>1,029</b>	<b>451</b>	<b>647</b>	<b>800</b>
<b>GLOBAL TRADING STRATEGIES</b>	<b>620</b>	<b>53</b>	<b>148</b>	<b>676</b>	<b>(7)</b>	<b>(1)</b>	<b>(1)</b>	<b>(10)</b>	<b>392</b>	<b>718</b>	<b>312</b>	<b>474</b>	<b>700</b>
<b>INVESTMENT BANKING</b>	<b>52</b>			<b>85</b>	<b>(0)</b>			<b>(0)</b>	<b>87</b>	<b>95</b>	<b>60</b>	<b>78</b>	<b>100</b>
<b>NON-CORE</b>	<b>125</b>	<b>0</b>		<b>126</b>					<b>7</b>	<b>126</b>	<b>7</b>	<b>62</b>	
<b>TOTAL FIRM</b>	<b>2,566</b>	<b>1,075</b>	<b>487</b>	<b>3,597</b>	<b>(78)</b>	<b>18</b>	<b>(7)</b>	<b>19</b>	<b>2,277</b>	<b>3,732</b>	<b>2,142</b>	<b>2,754</b>	<b>3,500</b>

[1] "Commitments" refers to mandated commitment letter and contingent. "Pipeline" refers to conditional and potential.  
 [2] It includes Insurance Product, HY FID Corporate, FID management positions (if any) and legacy positions (if any).

95% Annual Risk Appetite Usage in \$Millions

	09/11/07				
	Global				
	CounterParty Credit Risk				Total Risk Appetite Usage
	Market Risk	Event Risk	EMG/Hedge Funds	All Other	
<b>FIXED INCOME</b>					
IR Products	358		35	77	435
Liquid Market Prop	168		0	0	168
Foreign Exchange	139		28	23	180
Commodities Trading	130	14	1	54	171
<b>Liquid Markets Total</b>	542	14	47	88	644
High Grade Including Pipeline & Commitments	273	118	25	2	369
-- High Grade (EM)	63	25	14	1	92
-- High Grade Trading	150	38	15	2	186
-- High Grade Loans, Pipeline & Commitments	202	79			249
High Yield Including Pipeline & Commitments	647	1,057	22	1	1,488
-- High Yield (EM)	18	19	1	0	33
-- High Yield Trading	182	98	22	1	264
-- High Yield Loans, Pipeline & Commitments	484	1,087			1,379
CDO	154	67	31	6	227
<b>Credit Markets Total</b>	835	965	45	10	1,584
Securitized Products	360	90	19	2	431
Real Estate	134	1,187	0	0	1,258
Municipals	124	21	3	21	150
Fixed Income Corporate	22		0	0	22
Alternative Portfolio Solutions		158			158
Fixed Income Strategic Investments	2				2
<b>TOTAL FIXED INCOME</b>	<b>1,164</b>	<b>1,631</b>	<b>101</b>	<b>100</b>	<b>2,550</b>
<b>EQUITIES</b>					
Cash	98	1	0	0	99
Portfolio	62	0			62
Event Driven	39	9		0	44
Volatility Flow	147			0	147
Systematic Trading	17	0			17
<b>LM/Execution Services</b>	<b>290</b>	<b>8</b>	<b>24</b>	<b>22</b>	<b>330</b>
Convertibles	105	51	0	0	137
Volatility	198	32	40	38	276
Equity Strategy	105	25	0	0	119
Corporate	11				11
Syndicate	27				27
Equities Strategic Investments	17				17
Equities Emerging Markets	7				7
<b>TOTAL EQUITIES</b>	<b>361</b>	<b>60</b>	<b>33</b>	<b>43</b>	<b>449</b>
<b>CAPITAL MARKETS PRIME SERVICES</b>					
Firm Financing	33		29	7	66
Futures					
Equity Financing			11	18	25
Equity Synthetics			17	8	22
Clearing and Execution			3	0	3
Structured Transaction				0	0
<b>TOTAL PRIME SERVICES</b>	<b>33</b>		<b>40</b>	<b>31</b>	<b>92</b>
<b>GLOBAL PRINCIPAL STRATEGIES</b>	<b>190</b>	<b>220</b>			<b>351</b>
<b>INVESTMENT MANAGEMENT</b>	<b>233</b>	<b>896</b>	<b>0</b>	<b>0</b>	<b>1,028</b>
<b>GLOBAL TRADING STRATEGIES</b>	<b>538</b>	<b>229</b>		<b>0</b>	<b>676</b>
<b>INVESTMENT BANKING</b>	<b>85</b>				<b>85</b>
<b>NON-CORE</b>	<b>117</b>		<b>8</b>	<b>1</b>	<b>126</b>
<b>TOTAL FIRM</b>	<b>1,965</b>	<b>1,973</b>	<b>145</b>	<b>165</b>	<b>3,597</b>

	DAILY VAR												UNWEIGHTED DAILY VAR[6]											
	Usage				Usage				Usage				Limit				Usage				Usage			
	9/11/2007				Dly Chng				60 Day Avg								9/11/2007				Dly Chng			
	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global	Americas	Europe	Asia	Global				
<b>FIXED INCOME</b>																								
IR Products	14.2	12.2	4.6	24.1	(0.5)	(3.6)	(0.9)	(5.4)	9.3	9.9	4.1	16.6	27.0	18.5	13.0	5.1	28.5	(2.0)	(3.5)	(1.3)	(5.1)			
Liquid Market Prop	9.4	3.5	1.5	10.3	0.9	(0.1)	0.0	0.5	9.7	3.0	2.3	10.3	16.0	10.3	4.7	1.6	10.8	1.0	0.0	(0.0)	0.6			
Foreign Exchange	3.2	4.5	1.8	8.2	(0.6)	0.5	(0.2)	0.4	2.5	6.1	1.9	8.5	12.0	3.6	5.3	2.1	8.4	(1.3)	0.5	(0.0)	(0.6)			
Commodities Trading	7.9	2.1	0.7	7.8	0.0	(0.8)	(0.0)	(0.0)	7.3	2.1	1.5	7.7	13.0	7.9	2.1	0.7	7.8	0.0	(0.8)	(0.0)	(0.0)			
Liquid Markets Total	23.0	13.5	5.7	34.9	(0.9)	(2.9)	(0.9)	(4.4)	16.5	12.6	5.7	24.3	49.0	26.1	14.2	6.3	36.7	(1.3)	(2.3)	(1.3)	(4.7)			
High Grade Total <sup>[1]</sup>	14.6	6.4	2.9	17.7	(0.4)	(0.3)	(0.0)	(1.3)	18.3	6.1	2.6	21.6	22.0	14.0	5.9	2.7	14.7	0.7	(0.1)	0.1	0.3			
-- High Grade (EM)	4.2			4.2	0.3			0.3					6.0	4.2			4.2	0.1			0.1			
-- High Grade Trading	8.7	5.6	2.9	8.6	0.2	(0.1)	(0.0)	(0.2)					13.0	9.9	4.8	2.7	9.0	0.9	(0.1)	0.1	0.3			
-- High Grade Loans, Pipeline & Commitments <sup>[2]</sup>	11.7	2.6		13.0	(0.0)	0.0		(0.0)					10.0	7.4	2.7		8.8	(0.0)	(0.0)		(0.0)			
High Yield Total <sup>[3]</sup>	29.8	13.3	4.6	42.9	1.4	(0.4)	(0.0)	0.4	14.8	13.7	4.0	29.9	27.0	24.3	9.4	3.7	34.1	0.5	(0.2)	(0.0)	0.2			
-- High Yield (EM)	0.4	0.9		1.2	(0.0)	0.0		0.0					7.0	0.4	0.9		1.2	0.0			0.0			
-- High Yield Trading	6.5	3.2	3.8	11.8	0.9	(0.2)	(0.0)	0.6					20.0	5.8	2.8	2.9	9.7	0.5	(0.1)	0.0	0.4			
-- High Yield Loans, Pipeline & Commitments <sup>[4]</sup>	24.6	10.2	1.3	32.2	(0.2)	(0.0)	(0.0)	(0.5)					10.0	20.8	7.4	1.0	26.2	(0.1)	0.0	0.0	(0.2)			
CDO	2.9	7.1	0.1	7.9	(0.1)	1.0	(0.0)	1.1	2.6	5.4	0.2	5.4	11.0	3.1	6.3	0.1	5.9	(0.1)	0.6	(0.0)	0.1			
Credit Markets Total	30.3	22.6	6.7	51.6	(0.0)	1.5	0.2	0.0	25.6	20.6	6.0	46.1	42.0	25.6	17.5	5.7	41.9	0.1	0.4	0.1	1.1			
Securitized Products	22.6	4.9	0.3	23.4	0.1	0.0	(0.0)	(0.8)	24.7	3.1	0.3	25.1	22.0	15.7	4.8	0.2	16.8	(1.1)	0.0		(1.0)			
Real Estate	8.3	1.0	0.5	7.7	0.4	(0.0)	(0.0)	0.7	5.2	0.9	0.5	5.5	7.0	5.0	3.9	0.3	7.1	0.1			0.0			
Municipals	7.0			7.0	0.1			0.1	7.3			7.3	10.0	8.8			8.8	0.1			0.1			
Fixed Income Corporate <sup>[5]</sup>	0.1			0.1	(0.0)			(0.0)	0.0			0.0	3.0	0.1			0.1							
Fixed Income Strategic Investments	0.2			0.2					0.2			0.2		0.2			0.2							
<b>TOTAL FIXED INCOME</b>	<b>44.8</b>	<b>29.1</b>	<b>11.0</b>	<b>72.7</b>	<b>(3.3)</b>	<b>1.5</b>	<b>(0.6)</b>	<b>(5.0)</b>	<b>41.6</b>	<b>24.2</b>	<b>8.8</b>	<b>62.8</b>	<b>75.0</b>	<b>41.4</b>	<b>27.4</b>	<b>9.5</b>	<b>67.3</b>	<b>(3.4)</b>	<b>(0.1)</b>	<b>(1.1)</b>	<b>(7.2)</b>			
<b>EQUITIES</b>																								
Cash	2.7	2.1	3.4	5.6	(0.0)	(0.1)	0.9	1.1	3.9	3.5	3.4	6.3		2.7	2.2	3.1	4.9	0.0	(0.1)	0.8	0.5			
Portfolio	0.7	3.1	1.2	3.2	0.2	(0.1)	(0.1)	(0.2)	1.0	3.9	2.4	4.7		0.8	2.6	1.0	3.0	0.2	(0.1)	(0.1)	(0.1)			
Event Driven	2.0	1.0		2.6	0.1	0.1		0.3	1.7	1.7		2.7		1.6	0.9		1.9	(0.0)	0.1		0.0			
Volatility Flow	9.1			9.1	3.7			3.7	6.0			6.0		6.2			6.2	1.8			1.8			
Systematic Trading	0.8			0.8	(0.1)			(0.1)	1.0			1.0		0.5			0.5	(0.0)			(0.0)			
LM/Execution Services	11.4	4.3	3.6	16.7	4.4	0.1	0.7	6.8	7.6	5.8	4.5	11.0		7.6	4.0	3.4	9.4	2.1	0.2	0.7	2.1			
Convertibles	6.1	0.6	1.4	6.0	0.1	0.0	(0.2)	(0.1)	6.9	1.1	1.9	7.5		6.1	0.6	1.5	6.2	(0.0)	0.0	(0.1)	0.1			
Volatility	1.4	7.9	4.5	7.8	0.1	(0.1)	(0.1)	(0.9)	2.3	7.9	5.4	8.8		1.5	8.7	5.2	9.5	0.1	(0.5)	0.2	(0.2)			
Equity Strategies	4.3	3.2	1.4	5.0	(0.0)	1.0	(0.0)	0.4	4.1	3.8	4.6	7.6		4.6	3.0	1.7	5.6	(0.1)	0.9	(0.0)	0.5			
Corporate	0.7			0.7	(0.0)			(0.0)	4.1	3.8	4.6	7.6		0.6			0.6	(0.0)			(0.0)			
Syndicate	0.9	0.9	0.7	1.7	(0.7)	(0.0)	(0.0)	(0.4)	2.9	0.6	1.6	3.6		0.9	0.9	0.7	1.6	(0.7)	(0.0)	(0.0)	(0.5)			
Equities Strategic Investments	1.1			1.1					0.7			0.7												
Equities Emerging Markets	0.2			0.2	(0.0)			(0.0)	0.7			0.7												
<b>TOTAL EQUITIES</b>	<b>12.6</b>	<b>6.7</b>	<b>6.5</b>	<b>14.1</b>	<b>1.7</b>	<b>(1.4)</b>	<b>0.1</b>	<b>3.4</b>	<b>12.5</b>	<b>11.2</b>	<b>10.6</b>	<b>21.0</b>	<b>35.0</b>	<b>11.5</b>	<b>8.0</b>	<b>6.9</b>	<b>13.7</b>	<b>1.8</b>	<b>(1.4)</b>	<b>0.4</b>	<b>1.6</b>			
<b>CAPITAL MARKETS PRIME SERVICES</b>																								
Firm Financing	2.2	1.6		2.4	(0.4)	0.0		(0.3)	2.0	0.3		2.1	5.0	2.3	1.6		1.9	(0.3)	0.0		(0.2)			
	2.2	1.6		2.4	(0.4)	0.0		(0.3)	2.0	0.3		2.1	5.0	2.3	1.6		1.9	(0.3)	0.0		(0.2)			
<b>GLOBAL PRINCIPAL STRATEGIES</b>	<b>10.6</b>	<b>6.4</b>	<b>3.9</b>	<b>12.1</b>	<b>(0.2)</b>	<b>0.4</b>	<b>(0.3)</b>	<b>0.4</b>	<b>8.1</b>	<b>5.4</b>	<b>1.7</b>	<b>10.5</b>	<b>15.0</b>	<b>10.9</b>	<b>3.3</b>	<b>3.7</b>	<b>11.2</b>	<b>(0.5)</b>	<b>0.1</b>	<b>(0.1)</b>	<b>0.2</b>			
<b>INVESTMENT MANAGEMENT</b>	<b>10.4</b>	<b>7.2</b>		<b>15.1</b>	<b>(0.0)</b>	<b>(0.0)</b>		<b>(0.0)</b>	<b>10.1</b>	<b>6.8</b>		<b>14.3</b>	<b>12.0</b>	<b>9.0</b>	<b>6.6</b>		<b>12.3</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>			
<b>GLOBAL TRADING STRATEGIES</b>	<b>25.8</b>	<b>1.8</b>	<b>8.2</b>	<b>27.5</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.8)</b>	<b>22.1</b>	<b>1.5</b>	<b>6.5</b>	<b>22.3</b>	<b>25.0</b>	<b>23.9</b>	<b>1.7</b>	<b>8.2</b>	<b>25.0</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.9)</b>			
<b>INVESTMENT BANKING</b>	<b>3.3</b>	<b>2.1</b>		<b>5.4</b>	<b>(0.0)</b>	<b>(0.0)</b>		<b>(0.0)</b>	<b>4.7</b>	<b>0.5</b>		<b>5.2</b>	<b>5.0</b>	<b>3.3</b>	<b>2.1</b>		<b>5.3</b>	<b>(0.0)</b>	<b>(0.0)</b>		<b>(0.0)</b>			
<b>NON-CORE</b>	<b>7.4</b>	<b>0.0</b>		<b>7.4</b>					<b>6.1</b>	<b>0.0</b>		<b>6.1</b>	<b>25.0</b>	<b>7.4</b>	<b>0.0</b>		<b>7.4</b>							
<b>TOTAL FIRM</b>	<b>72.6</b>	<b>27.0</b>	<b>16.9</b>	<b>107.5</b>	<b>(7.4)</b>	<b>0.5</b>	<b>(0.7)</b>	<b>1.0</b>	<b>61.8</b>	<b>30.0</b>	<b>18.5</b>	<b>91.5</b>	<b>125.0</b>	<b>59.1</b>	<b>27.1</b>	<b>17.9</b>	<b>85.4</b>	<b>(0.8)</b>	<b>0.3</b>	<b>(1.0)</b>	<b>(1.4)</b>			

[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.