

<b>Components of Net Leverage Across Peer Firms</b>					
	<b>LEH</b>	<b>GS</b>	<b>BSC</b>	<b>MER</b>	<b>MS</b>
<u>Net Assets:</u>					
<b>Total Assets</b>	√	√	√	√	√
Less:					
<b>(Cash and securities segregated and on deposit for regulatory and other purposes)</b>	√	√	√	√	√
<b>(Securities purchased under agreement to resell)</b>	√	√	√	√	√
<b>(Identifiable intangible assets and goodwill)</b>	√	√	√	√	√
<b>(Securities received as collateral)</b>	√	x	√	√	√
<b>(Securities borrowed)</b>	√	√	√	√	√
Add:					
Financial instruments sold, but not yet purchased	x	√	√	√	√
Less:					
(Derivative liabilities)	x	√	√	√	√
(Receivables from customers)	x	x	√	x	x
(Assets of VIEs/mortgage loan SPEs/SFAS 140/FIN 46R)	x	x	√	x	√
(Separate account assets)	x	x	x	√	x
<u>Tangible Equity Capital:</u>					
Add:					
<b>Total Stockholder's Equity</b>	√	√	√	√	√
<b>Junior subordinated notes</b>	√	√	√	√	√
Less:					
<b>(Identifiable intangible assets and goodwill)</b>	√	√	√	√	√
<b>Net Leverage (2Q 07)</b>	<b>15.4x</b>	<b>17.0x</b>	<b>15.5x</b>	<b>14.3x</b>	<b>17.5x</b>