

**STATEMENT OF INCOME (LOSS) AND EXPENSE UNCONSOLIDATED**

(\$ in Millions)

2008

	Item	1st QTR	2nd QTR	3rd QTR	4th QTR	Total	
<b>REVENUE</b>							
1.	Commissions:						
	a. Commissions on transactions in listed equity securities executed on an exchange	3935	\$3,734	\$3,212	\$3,400	\$3,330	\$13,676
	b. Commissions on transactions in exchange listed equity securities executed over-the-counter	3937	976	905	1,106	1,122	4,109
	c. Commissions on listed option transactions	3938	549	514	522	523	2,108
	d. All other securities commissions	3939	2,587	2,398	2,572	2,718	10,275
	e. Total securities commissions	3940	7,846	7,029	7,600	7,693	30,168
2.	Gains or losses on firm securities trading accounts	3950	(25,710)	(4,065)	(17,501)	(24,520)	(71,796)
	a. Includes gains or (losses) from market making in options on a national securities exchange	3945	364	104	(839)	(1,230)	(1,601)
3.	Gains or losses on firm securities investment accounts	3952	(29)	135	19	(141)	(16)
4.	Profits or losses from underwriting and selling groups	3955	3,817	6,279	3,589	2,777	16,462
5.	Margin interest	3960	6,287	4,476	4,208	1,777	16,748
6.	Income from sale of investment company shares	3970	1,934	1,902	1,622	1,219	6,677
7.	Fees for account supervision, investment advisory and administrative services	3975	5,429	5,328	5,495	4,647	20,899
8.	Revenue from research services	3980	15	16	14	18	63
9.	Other revenue related to securities business	3985	41,600	33,058	29,155	21,368	125,181
10.	Commodities revenue	3990	630	201	1,667	1,216	3,714
11.	Other revenue unrelated to securities business	3995	7,599	6,651	8,257	7,461	29,968
12.	Total revenue	4030	\$49,418	\$61,010	\$44,125	\$23,515	\$178,068
<b>EXPENSES</b>							
13.	Registered representatives' compensation	4110	\$6,804	\$6,358	\$6,368	\$4,859	\$24,389
14.	Clerical and administrative employees' expenses	4040	8,964	11,021	8,126	5,457	33,568
15.	Salaries and other employment costs for general partners and voting stockholder officers	4120	294	254	228	271	1,047
16.	Other employee compensation and benefits	4115	201	193	213	182	789
17.	Commission paid to other brokers	4140	20	20	26	18	84
18.	Floor brokerage paid to certain brokers	4055	363	320	269	244	1,196
19.	Commissions and clearance paid to all other brokers	4145	1,159	1,096	1,229	1,290	4,774
20.	Clearance paid to non-brokers	4135	315	404	415	406	1,540
21.	Communications	4060	1,321	1,349	1,268	1,394	5,332
22.	Occupancy and equipment costs	4080	1,334	1,380	1,402	1,436	5,552
23.	Promotional costs	4150	356	353	267	279	1,255
24.	Interest expense	4075	44,421	30,999	28,078	11,035	114,533
25.	Losses in error account and bad debts	4170	440	115	133	412	1,100
26.	Data processing costs (including service bureau service charges)	4186	767	625	608	650	2,650
27.	Non-recurring charges	4190	194	188	151	174	707
28.	Regulatory fees and expenses	4195	376	354	397	332	1,459
29.	Other expenses	4100	4,473	4,337	5,636	6,235	20,681
30.	Total expenses	4200	\$71,802	\$59,366	\$54,814	\$34,674	\$220,656
<b>NET INCOME</b>							
31.	Unconsolidated net income (loss) before Federal income taxes, extraordinary gains, and changes in accounting principles	4210	(\$22,384)	\$1,644	(\$10,689)	(\$11,159)	(\$42,588)
32.	Capital and subordinated liabilities(1800,1710,1720,1730,1740,1750)		\$251,309	\$257,239	\$254,767	\$244,531	
	Number of Firms Profitable		118	127	117	99	
	Number of Firms Loss		78	65	78	95	
	TOTAL NUMBER OF FIRMS		196	192	195	194	