

STATEMENT OF INCOME (LOSS) AND EXPENSE UNCONSOLIDATED

(\$ in Millions)

		2006				
		Item	1st QTR	2nd QTR	3rd QTR	Total
REVENUE						
1.	Commissions:					
	a. Commissions on transactions in listed equity securities executed on an exchange	3935	\$3,562	\$3,482	\$3,306	\$10,350
	b. Commissions on transactions in exchange listed equity securities executed over-the-counter	3937	547	507	447	1,501
	c. Commissions on listed option transactions	3938	355	366	335	1,056
	d. All other securities commissions	3939	2,700	2,624	1,954	7,278
	e. Total securities commissions	3940	7,164	6,979	6,042	20,185
2.	Gains or losses on firm securities trading accounts	3950	9,578	6,704	9,148	25,430
	a. Includes gains or (losses) from market making in options on a national securities exchange	3945	133	37	-48	122
3.	Gains or losses on firm securities investment accounts	3952	1,189	355	694	2,238
4.	Profits or losses from underwriting and selling groups	3955	4,759	5,454	4,152	14,365
5.	Margin interest	3960	4,304	3,855	5,483	13,642
6.	Income from sale of investment company shares	3970	2,061	2,051	1,805	5,917
7.	Fees for account supervision, investment advisory and administrative services	3975	4,073	4,441	4,720	13,234
8.	Revenue from research services	3980	55	52	40	147
9.	Other revenue related to securities business	3985	40,520	41,761	43,923	126,204
10.	Commodities revenue	3990	81	736	-350	467
11.	Other revenue unrelated to securities business	3995	3,779	6,247	6,103	16,129
12.	Total revenue	4030	\$77,563	\$78,635	\$81,760	\$237,958
EXPENSES						
13.	Registered representatives' compensation	4110	\$6,917	\$6,715	\$6,298	\$19,930
14.	Clerical and administrative employees' expenses	4040	12,263	10,298	9,092	31,653
15.	Salaries and other employment costs for general partners and voting stockholder officers	4120	295	288	515	1,098
16.	Other employee compensation and benefits	4115	370	299	159	828
17.	Commission paid to other brokers	4140	147	116	14	277
18.	Floor brokerage paid to certain brokers	4055	365	412	367	1,144
19.	Commissions and clearance paid to all other brokers	4145	868	943	793	2,604
20.	Clearance paid to non-brokers	4135	249	305	296	850
21.	Communications	4060	1,190	1,197	1,219	3,606
22.	Occupancy and equipment costs	4080	1,229	1,263	1,391	3,883
23.	Promotional costs	4150	368	429	328	1,125
24.	Interest expense	4075	43,001	46,711	51,575	141,287
25.	Losses in error account and bad debts	4170	72	59	67	198
26.	Data processing costs (including service bureau service charges)	4186	699	715	748	2,162
27.	Non-recurring charges	4190	51	39	14	104
28.	Regulatory fees and expenses	4195	289	328	313	930
29.	Other expenses	4100	4,456	3,983	4,508	12,947
30.	Total expenses	4200	\$72,829	\$74,100	\$77,697	\$224,626
NET INCOME						
31.	Unconsolidated net income (loss) before Federal income taxes, extraordinary gains, and changes in accounting principles	4210	\$4,734	\$4,535	\$4,063	\$13,332
32.	Capital and subordinated liabilities(1800,1710,1720,1730,1740,1750)		\$199,194	\$204,959	\$207,613	
	Number of Firms Profitable		170	151	133	
	Number of Firms Loss		46	62	73	
	TOTAL NUMBER OF FIRMS		216	213	206	