

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

(\$ in Millions)

2007

	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	\$3,654	\$3,536	\$3,771	\$3,506	\$14,467
	b. Commissions on transactions in exchange listed equity securities executed over-the-counter	3937	469	512	647	791	2,419
	c. Commissions on listed option transactions	3938	392	446	536	511	1,885
	d. All other securities commissions	3939	2,599	2,463	2,209	2,805	10,076
	e. Total securities commissions	3940	7,114	6,957	7,163	7,613	28,847
2.	Gains or losses on firm securities trading accounts	3950	8,034	6,558	(6,117)	(18,809)	(10,334)
	a. Includes gains or (losses) from market making in options on a national securities exchange	3945	303	80	(221)	3	165
3.	Gains or losses on firm securities investment accounts	3952	844	1,035	821	483	3,183
4.	Profits or losses from underwriting and selling groups	3955	6,400	6,580	4,560	5,642	23,182
5.	Margin interest	3960	5,432	7,258	8,136	8,354	29,180
6.	Income from sale of investment company shares	3970	2,181	1,895	1,952	2,022	8,050
7.	Fees for account supervision, investment advisory and administrative services	3975	4,838	5,419	5,472	5,859	21,588
8.	Revenue from research services	3980	9	8	11	17	45
9.	Other revenue related to securities business	3985	46,656	50,385	48,766	66,747	212,554
10.	Commodities revenue	3990	451	(114)	(285)	527	579
11.	Other revenue unrelated to securities business	3995	7,876	9,259	8,313	9,726	35,174
12.	Total revenue	4030	\$89,835	\$95,240	\$78,792	\$88,181	\$352,048
<b>EXPENSES</b>							
13.	Registered representatives' compensation	4110	\$7,466	\$7,436	\$5,676	\$6,816	\$27,394
14.	Clerical and administrative employees' expenses	4040	12,251	11,638	7,050	9,496	40,435
15.	Salaries and other employment costs for general partners and voting stockholder officers	4120	241	249	260	279	1,029
16.	Other employee compensation and benefits	4115	177	180	201	194	752
17.	Commission paid to other brokers	4140	12	11	12	13	48
18.	Floor brokerage paid to certain brokers	4055	350	326	365	360	1,401
19.	Commissions and clearance paid to all other brokers	4145	989	998	1,256	1,308	4,551
20.	Clearance paid to non-brokers	4135	302	336	393	409	1,440
21.	Communications	4060	1,250	1,338	1,325	1,415	5,328
22.	Occupancy and equipment costs	4080	1,292	1,346	1,342	1,444	5,424
23.	Promotional costs	4150	383	365	365	419	1,532
24.	Interest expense	4075	54,143	60,613	58,736	76,296	249,788
25.	Losses in error account and bad debts	4170	48	(173)	119	141	135
26.	Data processing costs (including service bureau service charges)	4186	696	706	734	817	2,953
27.	Non-recurring charges	4190	12	(5)	0	97	104
28.	Regulatory fees and expenses	4195	317	345	369	374	1,405
29.	Other expenses	4100	5,243	5,300	4,417	4,672	19,632
30.	Total expenses	4200	\$85,172	\$91,009	\$82,620	\$104,550	\$363,351
<b>NET INCOME</b>							
31.	Unconsolidated net income (loss) before Federal income taxes, extraordinary gains, and changes in accounting principles	4210	\$4,663	\$4,231	(\$3,828)	(\$16,369)	(\$11,303)
32.	Capital and subordinated liabilities(1800,1710,1720,1730,1740,1750)		\$219,501	\$231,056	\$249,023	\$250,063	
	Number of Firms Profitable		136	137	141	313	
	Number of Firms Loss		63	56	55	76	
	TOTAL NUMBER OF FIRMS		199	193	196	195	