

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

(\$ in Millions)

2008

<b>REVENUE</b>		Item	1st QTR	2nd QTR	3rd QTR	Total
1.	Commissions:					
	a. Commissions on transactions in listed equity securities executed on an exchange	3935	\$3,734	\$3,212	\$3,400	\$10,346
	b. Commissions on transactions in exchange listed equity securities executed over-the-counter	3937	976	905	1,106	2,987
	c. Commissions on listed option transactions	3938	549	514	522	1,585
	d. All other securities commissions	3939	2,587	2,398	2,572	7,557
	e. Total securities commissions	3940	7,846	7,029	7,600	22,475
2.	Gains or losses on firm securities trading accounts	3950	(25,710)	(4,065)	(17,501)	(47,276)
	a. Includes gains or (losses) from market making in options on a national securities exchange	3945	364	104	(839)	(371)
3.	Gains or losses on firm securities investment accounts	3952	(29)	135	19	125
4.	Profits or losses from underwriting and selling groups	3955	3,817	6,279	3,589	13,685
5.	Margin interest	3960	6,287	4,476	4,208	14,971
6.	Income from sale of investment company shares	3970	1,934	1,902	1,622	5,458
7.	Fees for account supervision, investment advisory and administrative services	3975	5,429	5,328	5,495	16,252
8.	Revenue from research services	3980	15	16	14	45
9.	Other revenue related to securities business	3985	41,600	33,058	29,155	103,813
10.	Commodities revenue	3990	630	201	1,667	2,498
11.	Other revenue unrelated to securities business	3995	7,599	6,651	8,257	22,507
12.	Total revenue	4030	\$49,418	\$61,010	\$44,125	\$154,553
<b>EXPENSES</b>						
13.	Registered representatives' compensation	4110	\$6,804	\$6,358	\$6,368	\$19,530
14.	Clerical and administrative employees' expenses	4040	8,964	11,021	8,126	28,111
15.	Salaries and other employment costs for general partners and voting stockholder officers	4120	294	254	228	776
16.	Other employee compensation and benefits	4115	201	193	213	607
17.	Commission paid to other brokers	4140	20	20	26	66
18.	Floor brokerage paid to certain brokers	4055	363	320	269	952
19.	Commissions and clearance paid to all other brokers	4145	1,159	1,096	1,229	3,484
20.	Clearance paid to non-brokers	4135	315	404	415	1,134
21.	Communications	4060	1,321	1,349	1,268	3,938
22.	Occupancy and equipment costs	4080	1,334	1,380	1,402	4,116
23.	Promotional costs	4150	356	353	267	976
24.	Interest expense	4075	44,421	30,999	28,078	103,498
25.	Losses in error account and bad debts	4170	440	115	133	688
26.	Data processing costs (including service bureau service charges)	4186	767	625	608	2,000
27.	Non-recurring charges	4190	194	188	151	533
28.	Regulatory fees and expenses	4195	376	354	397	1,127
29.	Other expenses	4100	4,473	4,337	5,636	14,446
30.	Total expenses	4200	\$71,802	\$59,366	\$54,814	\$185,982
<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)	(\$31,429)
32.	Capital and subordinated liabilities(1800,1710,1720,1730,1740,1750)		\$251,309	\$257,239	\$254,767	
	Number of Firms Profitable		118	127	117	
	Number of Firms Loss		78	65	78	
	TOTAL NUMBER OF FIRMS		196	192	195	