

From: Tee, Angelene (Exchange)

Sent: Monday, July 23, 2007 7:20 PM

To: Alix, Michael (Exchange); Altuve-febres, Maria de fatima (Exchange); Begleiter, Steven (Exchange); Chiulli, Eugene (Exchange); Collins, Jim - Accounting (Exchange); Cuce, Angela (Exchange); Dimaggio, Sal (Exchange); Farber, Jeff - Controllers (Exchange); Feuer, Marc (Exchange); Friedman, Paul (Exchange); Furlong, Joseph (Exchange); Ilario, George (Exchange); Lesar, Joe (Exchange); Levinson, Marshall (Exchange); Lewis, Pat (Exchange); Minikes, Michael (Exchange); Molinaro, Sam (Exchange); Nardella, Anthony (Exchange); Pessa, Jack (Exchange); Quane, Thomas (Exchange); Rogers, Larry (Exchange); Stacconi, John (Exchange); Upton, Robert (Exchange)

Cc: Thi, Toan (Exchange); Noto, Joseph (Exchange); O'Neill, Alicia (Exchange); Mallet, Arthur (Exchange); Poehlman, Jennifer (Exchange); Kwasnowski, Lisa (Exchange)

Subject: Funding & Liquidity Package - June2007 (Revised)

Attachments: MnthlyFLiP 6.07.pdf

Please find the June Funding & Liquidity Package attached.

<<MnthlyFLiP 6.07.pdf>>

Please feel free to contact Joe, Lisa, or me with any questions / suggestions on the material.

Thank you.

Joseph Thi: x-6709

Angelene Tee: x-6585

Lisa Kwasnowski: x-1390

MEMORANDUM
Corporate Treasury

DATE: 7/23/07

TO: Bob Upton, Pat Lewis

Distribution

FROM: Lisa Kwasnowski, Angelene Tee, Joseph Thi,
Arthur Mallet

RE: **Funding & Liquidity Package**

Attached is the June 2007 Funding and Liquidity Package (FLiP). Highlights include:

- At the end of June, net cash capital decreased to a negative position of (\$807MM) due mainly to a post-quarter end rebound in cash capital usage combined with unchanged sources of cash capital, the result of a difficult funding environment. The cash capital usage increase was broad based. With the current negative NCC position, \$1.5B of LTD roll down in July, and a target cushion of \$2.0B, sizeable debt issuance of \$4.3B is needed immediately. \$2.5B of this need was met earlier this month with 2- and 3-year MTN's;
- The dollar cost of the firm's LTD over the applicable short-term benchmark through June 2007 was \$124.2MM, of which \$124.4MM has been allocated via cash capital charges (i.e. no shortfall);
- The liquidity ratio, including firm only unencumbered securities and calculated including and excluding the unsecured revolver, was 165% and 150%, respectively, at the end of June. Parent company only liquidity ratio and \$ excess increased as the PCO liquidity pool continues to grow. The liquidity pool of \$12.5B currently meets 50% of estimated requirements;
- Reliance on short-term unsecured funding has significantly decreased, evidenced by the 38% decrease versus June of last year. The most significant reduction is in the decline of CP from \$22.2B to \$12.0B y-o-y. At the end of June, 66% of Treasurers' short-term funding was done on a secured basis versus 18% a year ago;
- The Capital Page/TWB balance sheet remains asset sensitive, which would result in a \$31.4MM decline in net cash interest flows over a 3 month horizon with a 25 bp decrease in fed funds;
- Equity double leverage ratios rose slightly to 0.67 at the end of June versus 0.66 last month due to declining equity, while secondary double leverage increased for the same reason coupled with sub debt increases to BSJL and BSB of ~\$100MM each;
- At the end of June, gross leverage climbed to 37.8X as the balance sheet grew to \$530B. With both gross and net adjusted ratios at multi-year highs at 2Q07, effective balance sheet management grows increasingly important.

As always, we continue to encourage feedback with respect to this report's usefulness as a management tool and/or any modifications that would enhance its value. Please contact us with any questions/comments.

Funding & Liquidity Package

**The Bear Stearns Companies Inc.
June 2007**

Funding & Liquidity Package

Executive Summary

***Cash Capital & LT Debt:** At the end of June, cash capital usage increased by \$4.1B m-o-m, driving net cash capital into a deficit of (\$807MM). This increase in usage was mainly due to an increase in BSIL & BSJL commercial whole loans, equity & convertible inventory, and margin debt haircuts. Cash capital sources increased by \$154MM, with \$587 in debt issuances mostly offset by a \$264MM roll down in June.

***ST Debt & Liquidity Ratio:** Unsecured debt maturing over the next year remained the same m-o-m, while firm only available liquidity jumped by \$2.5B. This resulted in LR measures rising to 165% and 150% with and without the unsecured revolver, respectively.

***Treasury Funding & Credit Lines:** Secured funding increased to 66% from 60% and 18%, m-o-m and y-o-y, respectively. The PCO liquidity pool increased to \$12.5B at the end of June from \$7.6B in the prior month, driving PCO Excess (\$) into a positive position. At the end of June, 50% of the \$25.2B in requirements for the PCO Liquidity Pool were met.

***Investor Base:** Single investor diversification limit @ \$600MM resulted in three CP holders that exceeded the limit at the end of June (Fidelity Funds, State of Illinois, and Charles Schwab).

***Double Leverage:** Estimated EDL ticked up slightly as parent company equity declined, while SDL increased a bit more due to sub debt increases in BSB and BSJL (~ \$100MM each). Excess parent company equity is ~ \$3.9B.

***BS Leverage:** As the balance sheet continues to grow, both gross and net adjusted leverage ratios continue to increase. At 2Q, BSC had the highest gross leverage versus peers, while net adjusted was in the middle of the peer range. On a \$529B balance sheet at the end of June, gross leverage climbed to 37.8X and net adjusted to 19.3X.

***ALM & Interest Rates:** The capital page/TWB balance sheet continues to have a significant excess of fed funds repricing assets (\$98.1B). A 25 bp rate decrease in fed funds would result in an estimated decrease in net interest of \$31.4MM over a 3 month horizon, of which \$8.8MM is interest on free equity. Effective cost of LTD as a spread to fed funds has flattened out.

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Cash Capital & Long-term Debt

Net Cash Capital
As of 6/30/07 (\$ in millions)

Cash Capital Available

Stockholders Equity	13,769
Subordinated Debt from Trust Pfd.	263
Subordinated Debt	1,000
Long-term Debt > One Year	51,305
Unfunded Note Capital	<u>2,074</u>
Total Available	68,411

Cash Capital Required

Firm-wide Haircuts	55,564
Illiquid Assets/LT Investments	<u>13,654</u>
Total Required	69,218

Net Cash Capital (807)

Target Minimum 2,000

See next page for data on debt rolling into under one year over next six months.



BEAR STEARNS COMPANIES INC.

Net Cash Capital Tracking & Cushion
(Month End Data in \$ Millions)

1. Net Cash Capital Position

Cash Capital Sources	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Long-Term Debt > One Year	45,107.9	45,946.3	47,681.9	49,208.4	49,502.9	48,105.4	49,917.9	50,084.8
Callable Notes > One Year	1,184.9	1,182.6	1,181.0	1,184.9	1,184.9	1,171.7	1,221.1	1,220.0
Subordinated Debt from Trust Preferred	262.5	262.5	262.5	262.5	262.5	262.5	262.5	262.5
Subordinated Debt	1,000.0	-	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
Preferred equity	359.2	359.2	359.2	359.2	359.2	359.2	359.2	359.2
Common equity	12,586.2	12,796.1	13,047.6	13,171.7	13,236.1	13,352.3	13,392.2	13,410.4
Unfunded Note Capital	1,965.2	1,857.1	1,914.6	2,044.3	2,073.5	2,085.2	2,104.6	2,074.2
Total Sources	62,465.9	62,403.7	65,446.8	67,231.0	67,619.1	66,336.3	68,257.4	68,411.1
Cash Capital Uses								
Firm-wide Haircuts	53,452.2	55,172.7	56,685.5	51,869.5	54,411.8	56,559.5	51,273.3	55,563.5
Illiquid Assets	8,494.3	9,680.5	9,402.2	9,734.3	11,296.8	11,272.9	13,808.9	13,654.3
Total Uses	61,946.4	64,853.2	66,087.7	61,603.7	65,708.6	67,832.3	65,082.2	69,217.8
Net Cash Capital	519.5	(2,449.5)	(640.9)	5,627.3	1,910.5	(1,496.0)	3,175.2	(806.7)
Estimated Qtr. End Balance Sheet Effect	(871.0)			(1,621.2)			(1,709.4)	
Adjusted Net Cash Capital	(351.5)			4,006.1			1,465.9	

2. Long-Term Debt Analysis

	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Net Cash Capital Target Minimum*	-	-	-	-	2,000.0	2,000.0	2,000.0	2,000.0
minus Actual Net Cash Capital	351.5	2,449.5	640.9	(4,006.1)	(1,910.5)	1,496.0	(1,465.9)	806.7
plus LTD Rolling into Under One Year in Following Month	495.6	254.2	255.2	754.2	1,678.2	63.2	264.3	1,466.7
LTD Issuance Need	847.2	2,703.7	896.1	-	1,767.7	3,559.2	798.4	4,273.4

Rolling under one year over next 6 months: 8/08 - 42, 9/08 - 347, 10/08 - 185, 11/08 - 144, 12/08 -1,021, 1/09 - 1,303 Total = \$3,042 Million

* NCC target cushion was raised from zero to \$2 billion in March 07

BEAR STEARNS

3. Unfunded, Committed Funding Obligations

	<u>Nov-06</u>	<u>Dec-06</u>	<u>Jan-07</u>	<u>Feb-07</u>	<u>Mar-07</u>	<u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>
Capital Loans out of CTC (Clearance)	202.8	192.8	135.8	139.5	70.4	228.2	214.8	222.7
Capital Loans out of TBSCI (Clearance)	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Bear Hunter/Wagner Stott (Specialist)	50.0	50.0	50.0	-	-	-	-	-
Warehouse Lines Available (Fixed Income Finance)	92.7	52.7	49.1	64.2	166.4	176.5	197.3	211.5
Whole Loan Purchase Commitments - MBS	1.5	2,354.4	1,914.1	781.5	279.5	141.4	352.7	91.5
Whole Loan Purchase Commitments - EMC	-	8.5	9.1	4.0	3.2	3.2	0.2	-
Defaulted Consumer (FI Investments)	7.3	9.3	11.7	10.9	14.4	11.2	19.6	15.6
TOBs (FI Derivs. & Municipal - 10% of Aggregate)	350.9	364.6	383.7	393.4	416.2	434.2	463.0	496.5
Non-Purpose Loan Commitments	-	-	-	-	10.0	10.0	10.0	10.0
Private Equity Commitments (Corporate Unallocated)	153.4	153.4	153.4	139.0	139.0	139.0	127.5	127.5
Bank & Bridge Loans (Investment Banking & High Yield)	5,903.5	9,546.8	10,972.3	9,660.5	10,079.7	9,941.0	14,966.6	15,187.6
Probabilistic & Facility Adjustment	(2,992.6)	(4,033.7)	(4,500.9)	(4,405.3)	(4,525.7)	(4,543.4)	(5,824.5)	(5,894.3)
Total Committed Funding Exposure	3,769.6	8,698.9	9,178.4	6,787.7	6,653.2	6,541.4	10,527.2	10,468.7

4. Changes in Cash Capital Usage

	<u>Nov-06</u>	<u>Dec-06</u>	<u>Jan-07</u>	<u>Feb-07</u>	<u>Mar-07</u>	<u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>
Net Derivatives Receivables	(3,133.7)	(7,164.9)	(7,563.6)	(7,477.1)	(7,880.8)	(9,992.6)	(11,613.7)	(13,116.0)
Capital Loans - CTC/TBSCI	5.6	25.6	193.7	193.6	187.7	206.5	18.2	19.7
CTC Funded Loans (with Illiquid Collateral)	364.8	1,028.5	684.9	430.4	451.1	469.3	862.6	598.6
Merchant Banking/Illiquid Investments	2,551.1	2,620.5	2,444.8	2,803.8	3,933.0	2,755.5	2,990.5	2,990.5
Unsecuritized Product	5,889.3	6,726.2	6,739.6	6,499.8	5,841.4	4,880.8	4,796.2	7,036.4
Mortgage & ABS Inventory Haircuts	3,929.9	4,356.3	4,627.7	4,567.2	5,199.1	5,847.3	4,553.9	5,168.7
Corporate Inventory Haircuts (IG and non-IG)	6,031.8	6,025.8	6,009.0	6,366.1	5,723.6	5,972.8	4,762.1	5,143.4
Equity & Convertible Inventory Haircuts	9,375.5	10,577.3	11,168.9	10,914.6	11,444.8	13,163.5	12,246.0	13,101.8
Margin Debit Haircuts	6,648.0	7,848.9	8,178.1	6,078.9	8,675.4	9,880.4	4,938.8	5,902.8
Resale Collateral Shortfall	918.0	927.5	975.8	594.7	856.4	555.5	710.4	480.0
Physical Commodities (Gold, Silver Palladium)	272.1	220.7	193.0	188.3	133.5	106.0	122.7	98.9
Corporate Loans	10,708.3	9,531.8	9,723.4	9,539.2	9,572.8	11,166.9	9,614.6	10,152.0
GCS and PCS Non-Purpose Loans	164.4	191.3	218.4	265.3	266.8	300.1	318.1	323.0
Unfunded, Committed Funding Obligations	3,769.6	8,698.9	9,178.4	6,787.7	6,653.2	6,541.4	10,527.2	10,468.7
Trapped Capital	1,154.3	1,438.3	1,463.8	1,236.8	1,523.6	2,081.0	3,737.0	3,737.0
CH Deposits	1,686.0	1,715.9	1,621.9	1,613.7	1,796.9	1,820.5	2,149.2	2,366.0
Other Assets	2,833.2	3,017.1	3,023.6	3,318.2	3,690.4	4,193.7	4,331.6	4,331.1
	53,168.2	57,785.7	58,881.6	53,921.3	58,068.9	59,948.6	55,065.4	58,802.6
% Firm-wide Total	85.8%	89.1%	89.1%	87.5%	88.4%	88.4%	84.6%	85.0%

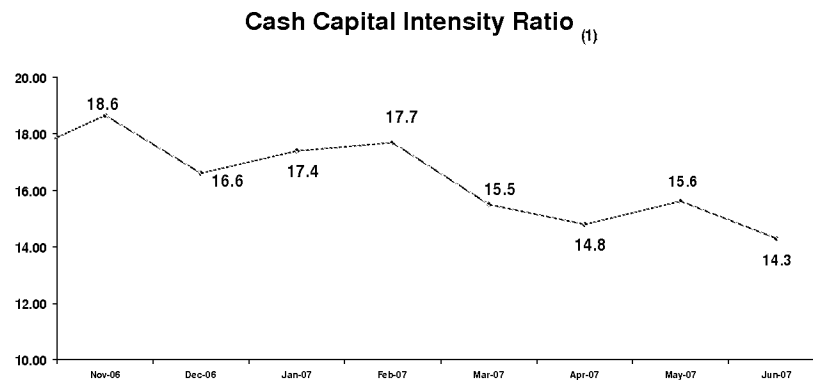
5. White Book History - Cash Capital Usage

	<u>Nov-06</u>	<u>Dec-06</u>	<u>Jan-07</u>	<u>Feb-07</u>	<u>Mar-07</u>	<u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>
Equities								
Risk Arbitrage	364.3	280.4	270.5	366.9	454.9	619.9	331.7	319.7
Block Trading & Investment	37.2	28.9	42.8	21.0	28.4	26.0	19.6	27.8
OTC Stock	3.0	4.8	3.8	5.8	5.3	4.5	3.5	4.4
SST	954.2	800.4	468.2	461.1	709.8	771.8	473.9	500.8
Int'l Equity Sales & Trdg	54.2	118.2	79.8	78.8	149.6	205.8	110.3	108.5
Energy Group	-	178.5	342.3	331.3	380.4	387.8	404.7	405.6
Equity Sales	0.9	1.2	(3.1)	2.2	4.2	4.2	4.1	4.4
Specialist	527.0	527.3	526.3	473.0	472.0	-	-	-
Total Equities	1,940.7	1,939.7	1,730.6	1,740.1	2,204.7	2,020.0	1,347.8	1,371.2
Fixed Income								
Foreign Exchange	940.0	811.9	578.8	506.9	444.0	419.6	360.3	402.4
Fixed Income Finance	1,036.3	1,099.7	1,090.6	754.5	1,149.5	828.6	988.8	817.0
GBS Trading	271.0	333.7	315.5	251.3	295.2	347.0	-	-
Corporate Bond-Trading	829.4	815.0	805.6	789.7	767.5	814.5	586.0	544.1
High Yield	12,186.9	13,461.5	14,097.0	12,626.6	12,209.2	13,693.9	16,216.1	16,336.5
Municipal	258.4	271.8	286.1	269.8	319.2	345.0	312.8	390.1
MBS	8,518.5	11,918.1	11,725.7	10,610.7	9,842.0	9,305.2	7,973.2	9,808.8
EMC	1,615.3	1,805.9	1,836.5	1,857.6	1,976.8	2,040.8	1,942.5	2,152.4
EM Fixed Income Trading	436.3	448.5	409.0	397.9	435.3	424.7	405.7	406.6
Fixed Income Investments	1,159.6	1,307.3	1,083.1	1,229.9	1,853.0	1,098.3	1,165.9	1,441.6
Debt Origination	80.6	66.4	1.9	16.0	14.9	45.1	25.2	21.0
Fixed Income Sales	0.0	0.0	0.0	0.0	0.0	0.0	12.8	38.6
Futures Sales	62.5	66.3	61.2	70.2	71.8	70.8	86.3	109.6
Total Fixed Income	27,394.9	32,406.3	32,291.0	29,381.0	29,378.3	29,433.5	30,075.6	32,468.8
Derivatives								
Derivatives Admin	428.4	-	-	0.1	0.1	0.0	250.1	250.1
Principle Strategies	-	997.1	1,398.0	1,539.8	1,510.0	1,612.6	1,503.8	1,517.9
Structured Equity Products	12,426.0	8,754.3	9,282.5	9,381.6	8,846.6	8,679.5	9,538.1	9,130.5
Fixed Income Derivatives	834.4	832.8	773.4	678.2	947.4	678.5	316.6	800.9
Credit Derivatives	2,374.4	2,408.5	2,924.8	2,873.2	2,963.2	3,161.9	2,569.8	2,852.5
Muni Derivatives	304.7	320.0	277.7	375.1	388.4	423.4	371.4	330.8
Total Derivatives	16,367.8	13,312.6	14,656.5	14,848.1	14,655.7	14,555.9	14,549.7	14,882.7
Non-Trading								
Clearance	8,503.8	9,003.8	9,041.3	6,880.2	9,243.8	10,452.7	5,802.0	6,678.2
Merchant Banking	268.2	271.5	272.4	266.9	266.8	304.5	319.4	319.4
Investment Banking	1,281.8	1,448.4	1,629.4	1,632.8	2,072.9	2,112.6	2,192.1	2,528.0
Asset Management	647.1	694.5	1,060.9	1,288.1	1,810.2	1,806.1	1,899.9	1,900.5
PCS	367.7	356.3	367.6	260.3	429.7	555.4	450.7	408.5
Total Non-Trading	11,068.5	11,774.4	12,371.5	10,328.3	13,823.3	15,231.3	10,664.0	11,834.5
Corporate Unallocated	5,174.4	5,420.2	5,038.1	5,306.3	5,646.5	6,591.7	8,445.1	8,660.6
Firm Total	61,946.4	64,853.2	66,087.7	61,603.7	65,708.6	67,832.3	65,082.2	69,217.8



The Bear Stearns Companies Inc.
Cash Capital Whitebook Summary
(\$ in Millions - Data as of 6/30/07)

	<u>Balances</u>	<u>Cash Capital Usage</u>	<u>Cash Capital Intensity Ratio</u>
Equities			
Risk Arbitrage	1,105.1	319.7	28.9%
Block Trading & Investment	107.5	27.8	25.9%
OTC Stock	15.0	4.4	29.3%
SST	4,300.8	500.8	11.6%
Int'l Equity Sales & Trdg	871.4	108.5	12.5%
Energy Group	405.6	405.6	100.0%
Equity Sales	4.4	4.4	99.9%
Specialist	-	-	N/A
Total Equities	6,809.9	1,371.2	
Fixed Income			
Foreign Exchange	2,092.5	402.4	19.2%
Fixed Income Finance	92,938.7	817.0	0.9%
GBS Trading	-	-	N/A
Corporate Bond-Trading	5,937.8	544.1	9.2%
High Yield	17,797.6	16,336.5	91.8%
Municipal	4,279.8	390.1	9.1%
MBS	72,690.4	9,808.8	13.5%
EMC	3,022.5	2,152.4	71.2%
EM Fixed Income Trading	1,215.7	406.6	33.4%
Fixed Income Investments	1,909.1	1,441.6	75.5%
Debt Origination	64.7	21.0	32.5%
Fixed Income Sales	38.6	38.6	100.0%
Futures Sales	109.6	109.6	100.0%
Total Fixed Income	202,097.0	32,468.8	
Derivatives			
Derivatives Admin	250.1	250.1	100.0%
Principle Strategies	6,967.7	1,517.9	21.8%
Structured Equity Products	50,104.5	9,130.5	18.2%
Global Interest Rates	25,519.3	800.9	3.1%
Credit Derivatives	11,348.2	2,852.5	25.1%
Muni Derivatives	2,895.2	330.8	11.4%
Total Derivatives	97,085.0	14,882.7	
Non-Trading			
Clearance	157,840.0	6,678.2	4.2%
Merchant Banking	319.4	319.4	100.0%
Investment Banking	2,542.1	2,528.0	99.4%
Asset Management	1,900.5	1,900.5	100.0%
PCS	4,702.7	408.5	8.7%
Total Non-Trading	167,304.6	11,834.5	
Corporate Unallocated	9,440.4	8,660.6	91.7%
Firm Total	482,737.0	69,217.8	14.3%

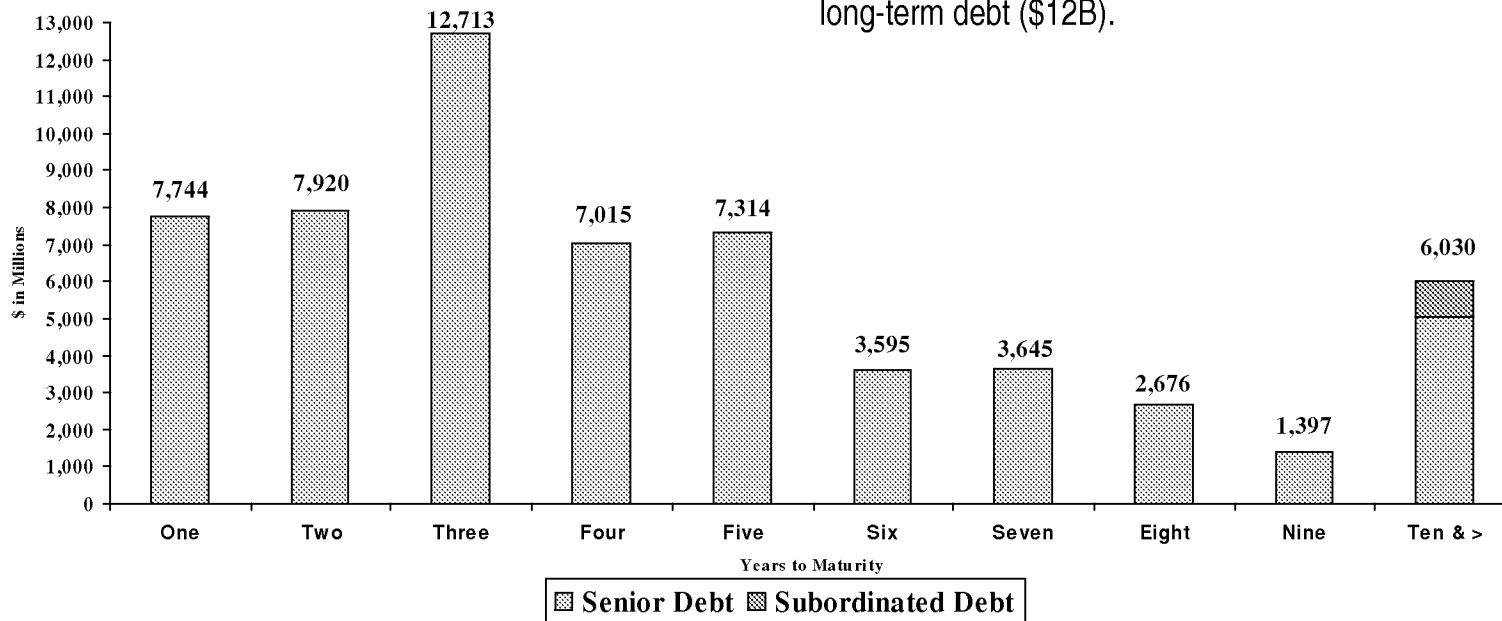


(1) Cash Capital Intensity Ratio shown as a percentage

**Long-term Debt Maturity Profile
As of June 30, 2007**

Guideline

No single year materially greater than 20% of total long-term debt (\$12B).

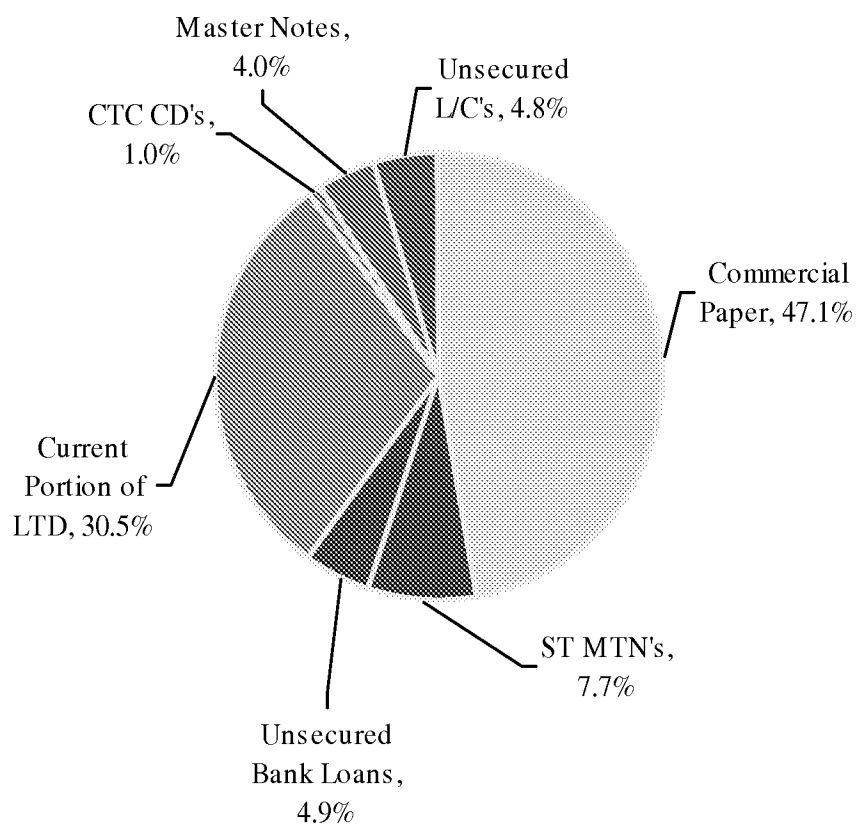


Represents debt maturing within the indicated number of years as of June 30, 2007 (i.e. Year One includes debt maturing in 0-1 year, Year Two includes debt maturing in 1-2 years, etc.)

Total Long-term Debt = \$60 Billion

Short-term Debt & Liquidity Ratio

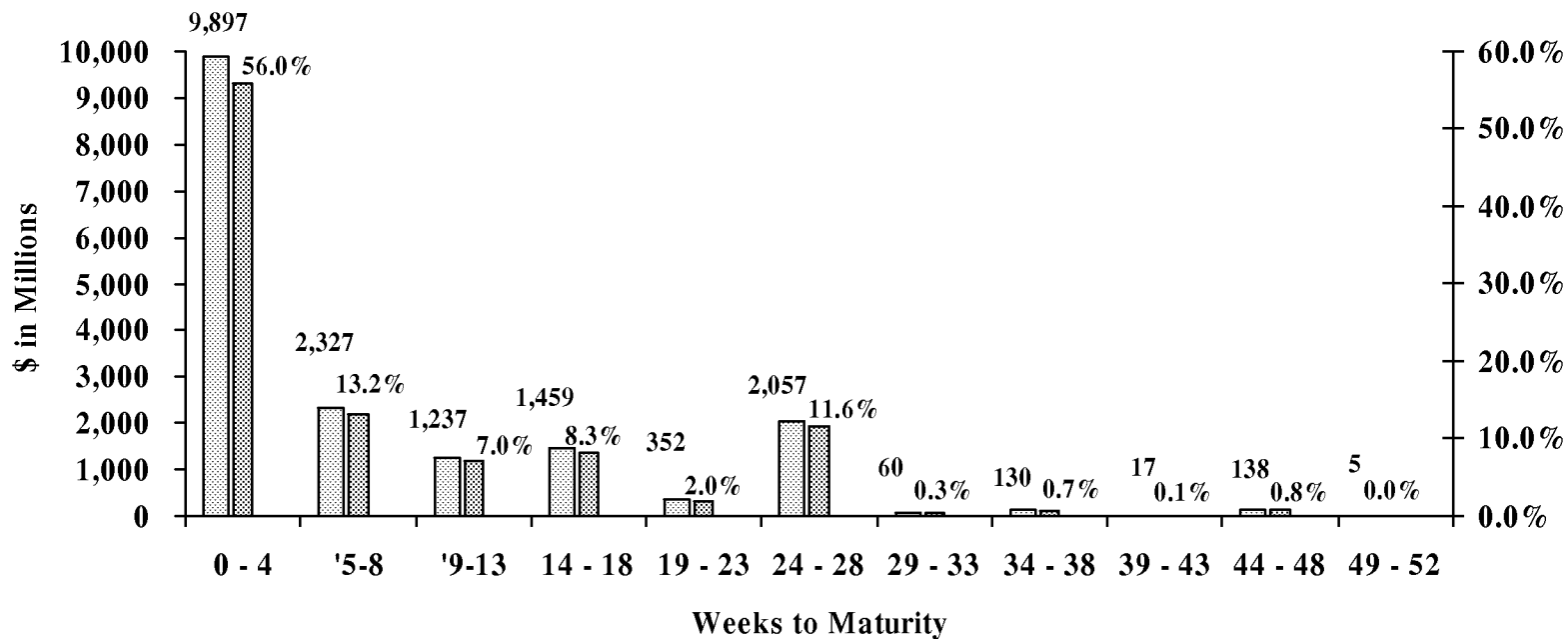
Unsecured Debt Maturing < One Year
As of June 30, 2007 (\$ in millions)



•Commercial Paper	\$ 11,982
•Short MTNs	1,958
•Unsecured Bank Loans	1,245
•Master Notes	1,035
•CTC CDs	242
•Unsecured L/Cs	1,217
•Unsecured ST Borrowings	17,679
•Current Portion of LTD	7,744
•Total Unsecured ST Funding	25,423

**Short-term, Unsecured Debt Maturity Profile ⁽¹⁾
As of June 30, 2007**

Total STD = \$17.7 Billion



(1) Represents debt maturing in the indicated number of weeks as of June 30, 2007 & includes unsecured letters of credit.

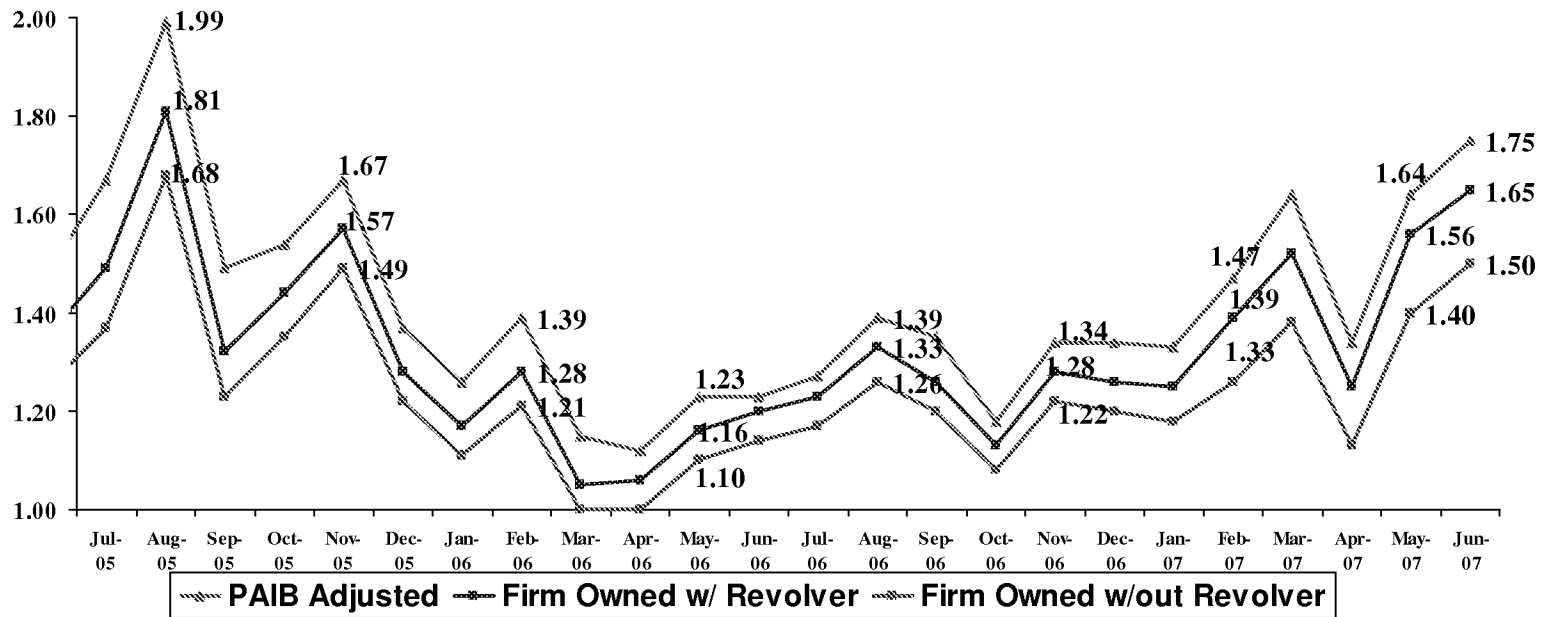
**Consolidated Liquidity Ratio
As of 6/30/07**

Liquidity Available	PAIB Adjusted	Firm Only with Revolver	Firm Only without Revolver
Cash & Cash Equivalents	12,303	12,303	12,303
BV of Unencumbered Securities ⁽¹⁾	25,756	25,756	25,756
Unsecured Revolver	4,000	4,000	
BV of PAIB ⁽²⁾	2,489		
Total Available	44,548	42,058	38,058
Liquidity Required			
Unsecured Short-term Debt	17,679	17,679	17,679
Current Portion of Long-term Debt	7,744	7,744	7,744
Total Required	25,423	25,423	25,423
Liquidity Ratio	175%	165%	150%

(1) Includes borrowing value of firm only unencumbered securities

(2) Represents only currently available portion of PAIB borrowing value

Consolidated Liquidity Ratio ⁽¹⁾
Target Minimum > 1.10



(1) Liquidity Ratio = (Cash + borrowing value of unencumbered collateral) / Unsecured debt maturing over next twelve months

Parent Company Only Liquidity Ratio

6/30/2007

Target > 105%

(\$ in millions)

TBSCI or BSSC Excess Cash (1)	972.6
Parent Company Liquidity Pool	12,475.0
BV Non-Regulated Unencumbered (2)	8,362.9
Unsecured Revolver	4,000.0
Liquidity Available	25,810.4
Short-Term Debt	14,975.0
CPLTD	7,743.6
Liquidity Needs (12 mos.)	22,718.7

PCO Liquidity Ratio (%)	113.6%
--------------------------------	---------------

PCO Excess (\$)	3,091.8
------------------------	----------------

Stress Items (Potential Liquidity Outflows)

Incremental Margin Required - Fixed Income (50%)	(1,727.9)
Incremental Margin Required - Equity & Corp. Bond (50%)	(1,484.5)
Derivatives Collateral	(2,249.5)
Unfunded Committed Funding Obligations (3)	(2,783.0)
Loss of Internalization (50%)	(515.8)

Stressed PCO Excess (\$)	(5,668.9)
---------------------------------	------------------

(1) Excess cash at BSSC only included to the extent it is less than I/C Payable

(2) Excludes any borrowing value from regulated subsidiary's unencumbered collateral, pending establishment of

Formal collateral pledge mechanism to TBSCI securing the I/C Payable

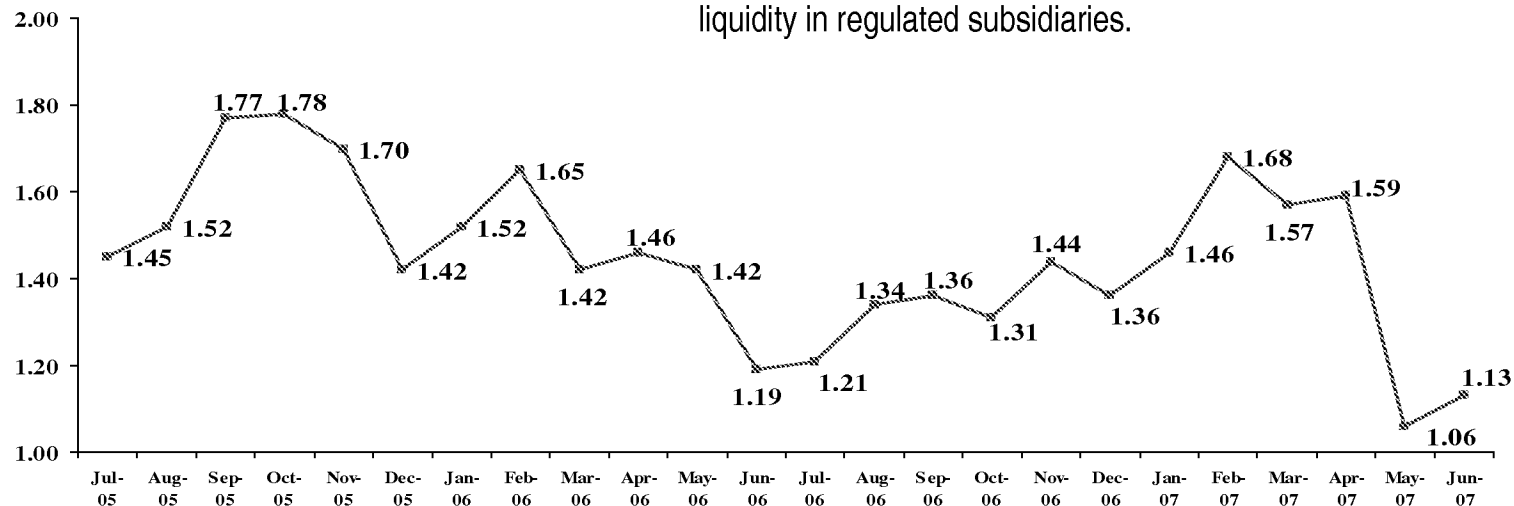
(3) UCFO = Probability-weighted relationship & transaction loans (closed only) + unfunded capital loans

Parent Company Only Liquidity Ratio

Target Minimum > 1.10

Liquidity Ratio for The Bear Stearns Companies Inc.

This ratio takes into account legal entity restrictions that could prevent parent access to liquidity in regulated subsidiaries.



* Calculation Methodology changed to exclude reliance on regulated Broker Dealers beginning in May 2007.

Requirements for Parent Company Liquidity Pool

As of 6/30/07 (In Millions)

<u>Pool Component</u>	<u>Estimated Liquidity</u>
Current Excess Derivatives Collateral / Margin Calls	2,140
Derivative Collateral Calls on 2-Notch Downgrade (to A-)	110
Market Stress Driven Derivatives Collateral	2,770
Potential Draws on Unfunded Loan Commitments	9,250
Repo Haircut Widening	6,425
Unsecured L/C's	1,216
Partial Gross Transactions Designation Facility (BSFP)	250
Target NCC	2,000
Flight of Customer ⁽¹⁾ Shorts That Fund Firm Longs	1,031
Total: Liquidity Pool	25,192

(1) Customer broadly interpreted to mean shorts in 15c3-3 / ESL / PAIB

PCO Liquidity Pool Details

(\$ in billions)

	<u>10/31/2006</u>	<u>11/30/2006</u>	<u>12/31/2006</u>	<u>1/31/2007</u>	<u>2/28/2007</u>	<u>3/31/2007</u>	<u>4/30/2007</u>	<u>5/31/2007</u>	<u>6/30/2007</u>
Cash (Generic; through May-07)	2.0	2.0	2.0	2.0	2.0	2.0	3.5	7.6	n/a
Time Deposit	-	-	-	-	-	-	-	-	2.0
Certificates of Deposit	-	-	-	-	-	-	-	-	0.8
Commercial Paper	-	-	-	-	-	-	-	-	4.5
Bank Deposits	-	-	-	-	-	-	-	-	3.1
Money Funds	-	-	-	-	-	-	-	-	1.0
Fed Funds Sold	-	-	-	-	-	-	-	-	1.2
BV of Liquid Collateral	3.6	3.6	3.6	3.6	3.5	3.5	2.7	0.0	0.0
	<u>5.6</u>	<u>5.6</u>	<u>5.6</u>	<u>5.6</u>	<u>5.5</u>	<u>5.5</u>	<u>6.2</u>	<u>7.6</u>	<u>12.5</u>

Current Month WAM of Liquidity Pool

	<u>Balance</u>	<u>WAM</u>
Cash (Generic; through May-07)	n/a	1.0
Time Deposit	2.0	27.3
Certificates of Deposit	0.8	56.3
Commercial Paper	4.5	39.9
Bank Deposits	3.1	1.0
Money Funds	1.0	1.0
Fed Funds Sold	1.2	1.0
BV of Liquid Collateral	0.0	1.0
	<u>12.5</u>	<u>22.6</u>

Treasurer's Funding & Credit Lines

Treasurers' Short-Term Funding Composition

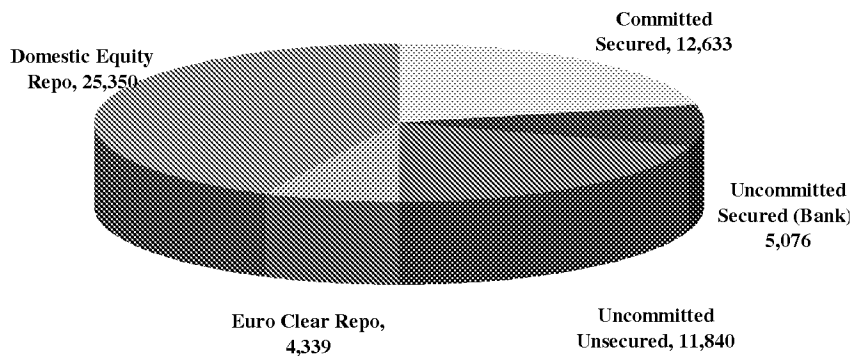
	June 30, 2007	May 31, 2007	June 30, 2006	m-o-m	y-o-y
Domestic Repo ⁽¹⁾	25,350	16,650	3,350	52%	657%
Foreign Repo ⁽¹⁾	4,339	2,802	1,187	55%	266%
Bank Loans - Secured	2,274	1,934	1,250	18%	82%
Subtotal Secured	31,963	21,386	5,787	49%	452%
Bank Loans - Unsecured	1,245	331	2,096	276%	-41%
CP & Short MTNs	13,940	12,846	22,501	9%	-38%
Other Unsecured	1,276	1,243	1,760	3%	-27%
Subtotal Unsecured	16,461	14,420	26,357	14%	-38%
Total Secured & Unsecured	48,425	35,806	32,144	35%	51%
Secured	66%	60%	18%		
Unsecured	34%	40%	82%		

* Firm owned inventory only, consisting of Equity & Corporate Securities.

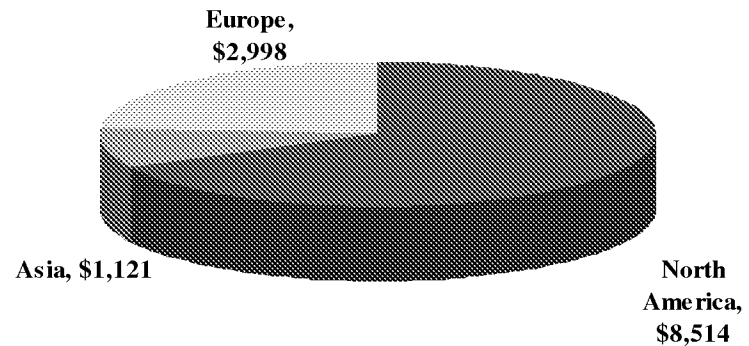
Credit Lines and Secured Treasurers' Funding (1)

June 30, 2007 (\$ in millions)

Total Lines/ Uses = \$56.2 Billion



Total Committed Secured = \$12.6 Billion



(1) Excludes Fixed Income Finance Secured Funding

Committed Secured Credit Lines @ 6/30/07

- \$4.0 Billion domestic revolver - available in its entirety on a secured basis or up to 100% unsecured at the holding company (2/07*)
- \$1.5 Billion European facility - committed revolving securities repo facility (8/06*)
- \$350 Million Pan-Asian facility - committed, secured revolving credit facility (12/06*)
- \$6.8 Billion of one-off committed credit facilities to support asset specific liquidity needs (Details next page)
- All have one year term out options at expiration

*Reflects date of most recent renewal.

Asset Specific Committed Credit Facilities

As of June 30, 2007 (In Millions)

Credit Provider	Asset Class/ Category	COMMITTED AMOUNT
Paribas	BS Commercial Mortgage	1,000
BOTM	Non-IG Corporate Loans	750
BNS	Canadian Auto Loans	614
Citibank CLO	Non-IG Corporate Loans	600
Danske	BSIL Commercial Mortgages	594
Fleet	IG Corporate Loans	500
Danske	US Auto Loans	500
Syndicated Facility	Tax Lien	450
Mizuho	BSJ Commercial Mortgages	406
Danske	BSIL Residential Mortgages	402
HSH Nordbank	BSIL Residential Mortgages	301
Alliance & Leicester	BSIL Residential Mortgages	201
SMBC	BSJ Commercial Mortgages	162
BOTM	BSJ Commercial Mortgages	122
BOM	Derivatives options	100
Shinkin	BSJ Commercial Mortgages	81
		\$ 6,783

Major Debt Investors

Investor Diversification***Top Ten CP Holders as of 6/30/07 (\$ in millions)***

Investor	Holdings
Fidelity Funds	1,500
State of Illinois	800
Charles Schwab	652
Morgan Stanley	600
Chase Asset Mgmt.	575
FHLB San Francisco	550
BONY	500
Mellon Capital Mgmt.	500
GSAM	444
Wells Capital Mgmt.	425

Single Investor Limit 3QFY07 - \$600MM (Approximately 5% of CP Outstanding & Unsecured Master Notes)

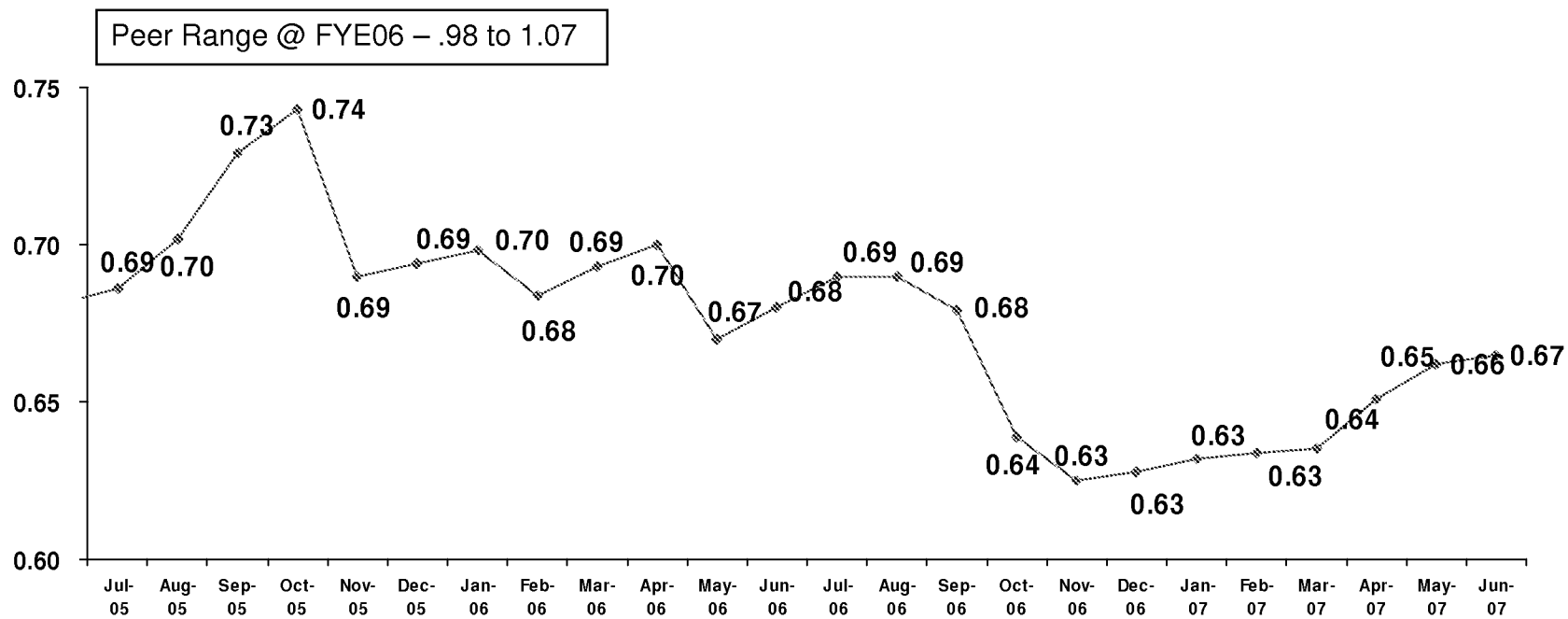
Investor Diversification***Top Ten MTN Buyers at 6/30/07 (\$ in millions)***

Investor	Purchases
Halifax Bank of Scotland (HBOS)	2,370
BONY Securities Lending/Trust	1,270
Chase Securities Lending/Trust	1,250
SAFE	1,040
Citibank Securities Lending	1,000
PIMCO	910
Northern Trust	833
China Construction	755
FNMA	695
Evergreen	660

Represents purchases on a new issue basis of currently outstanding MTNs.

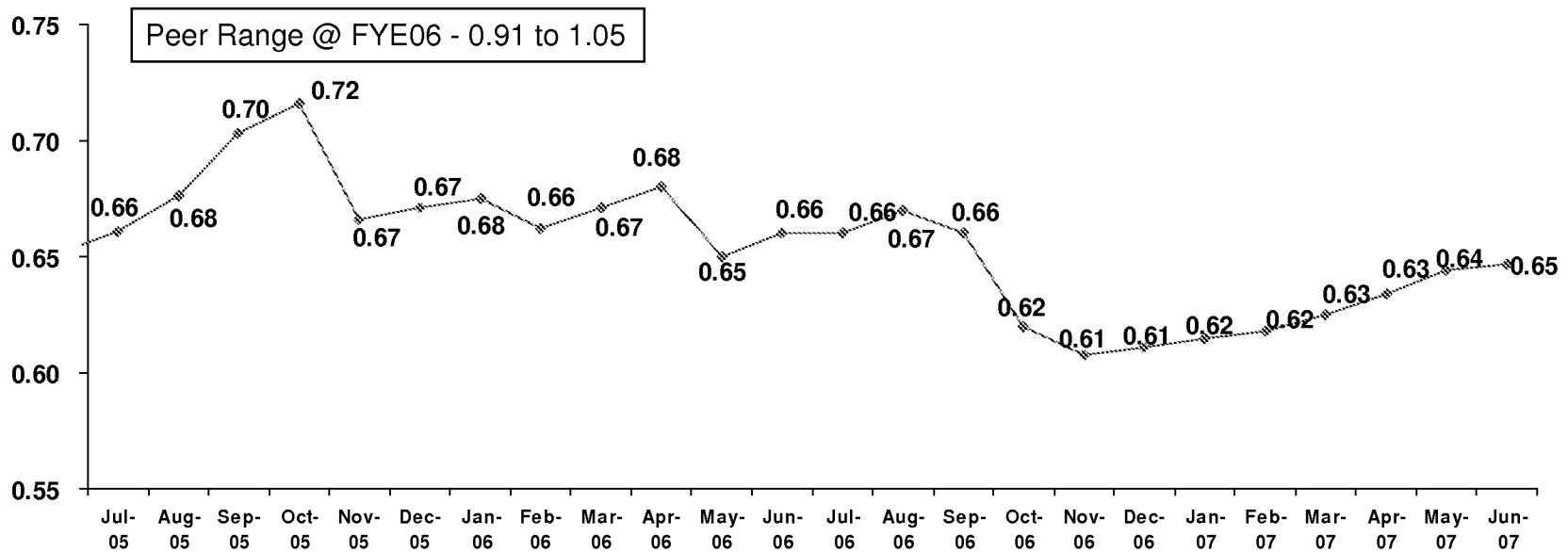
Double Leverage

**Equity Double Leverage (common only)
Equity Investment in Subsidiaries / Parent Common Equity**



Common Equity includes unallocated CAP/RSU plan.

**Equity Double Leverage (without Trust Pfd)
Equity Investment in Subsidiaries / Parent Common & Pfd.**



Parent Equity includes unallocated CAP/RSU plan and preferred stock.



The Bear Stearns Companies Inc.
Broker/Dealer Comparative Ratios

Primary Double Leverage (Common Only)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Bear Stearns (1)	0.68	0.70	0.70	0.91	1.06	1.19	1.17
Goldman Sachs (1)	1.05	0.90	0.94	0.95	0.94	0.93	0.89
Lehman Brothers Holdings (1)	1.07	1.02	1.00	1.03	0.97	1.03	1.07
Merrill Lynch (2)	0.98	0.89	1.01	0.92	1.12	1.14	1.20
Morgan Stanley (1)	1.05	1.01	1.10	1.10	1.08	1.09	1.07
2006 Average	0.96						

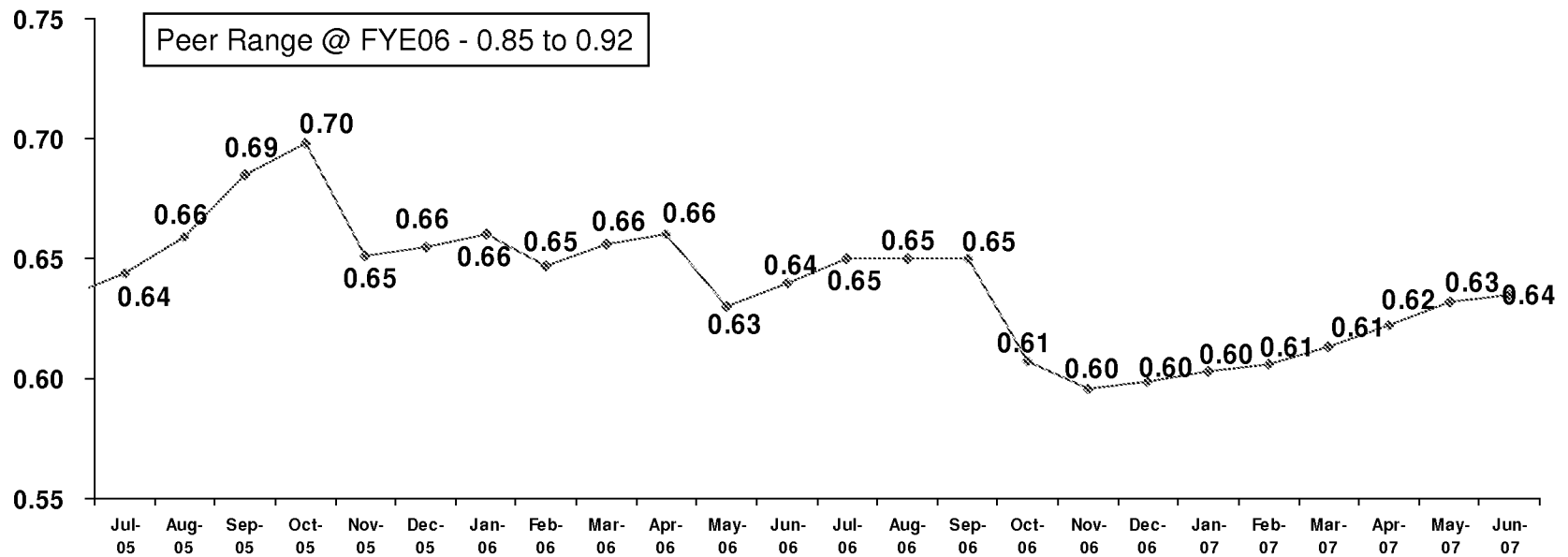
Primary Double Leverage (Without trust Preferred)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Bear Stearns (1)	0.66	0.67	0.66	0.84	0.96	1.05	1.03
Goldman Sachs (1)	0.91	0.90	0.94	0.95	0.94	0.93	0.89
Lehman Brothers Holdings (1)	1.01	0.96	0.91	0.95	0.90	0.94	0.97
Merrill Lynch (2)	0.90	0.82	0.99	0.91	1.10	1.11	1.17
Morgan Stanley (1)	1.05	1.01	1.10	1.10	1.08	1.07	1.04
2006 Average	0.90						

(1) Fiscal year end is November 30.

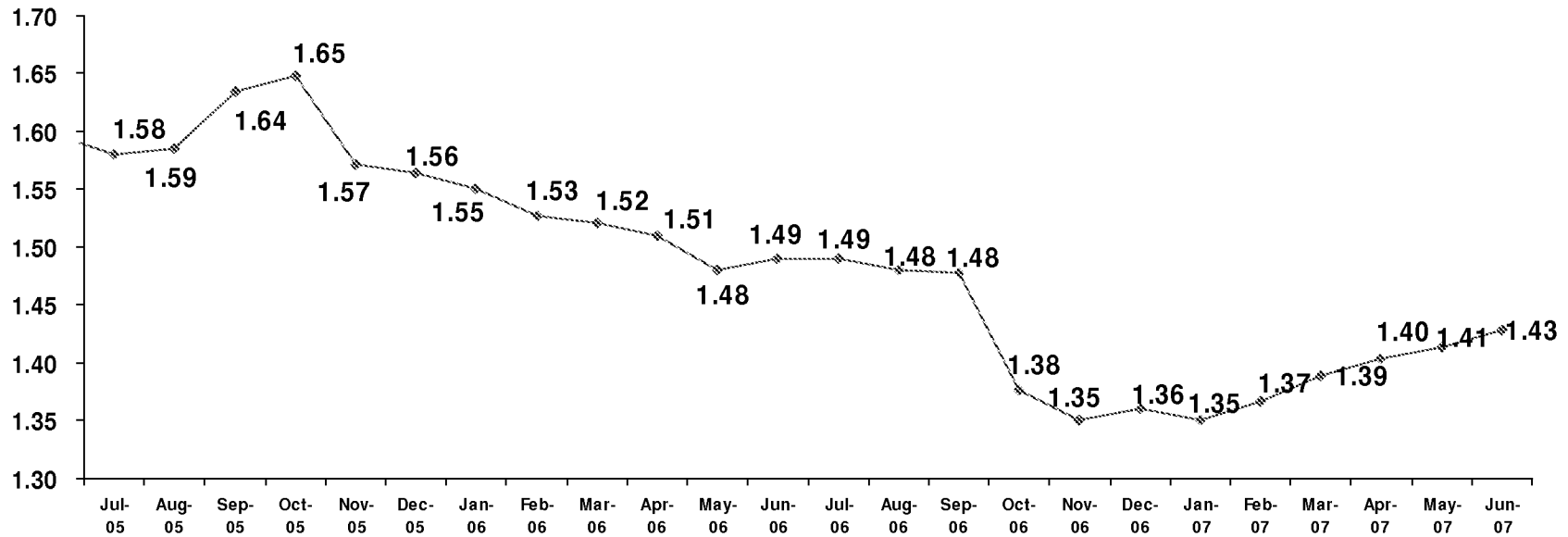
(2) Fiscal Year end is December 31.

Equity Double Leverage (with Trust Pfd)
Equity Investment in Subsidiaries / Parent Equity & Trust Pfd.



Parent Equity includes unallocated CAP/RSU plan, preferred stock and trust preferred.

Secondary Double Leverage
Equity in & Subordinated debt to Subsidiaries / Parent Equity



Parent Equity includes unallocated CAP/RSU plan, preferred stock and trust preferred.



The Bear Stearns Companies Inc.
Broker/Dealer Comparative Ratios

Primary Double Leverage (All Preferred) (X)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Bear Stearns (1)	0.64	0.66	0.64	0.78	0.89	0.92	0.94
Goldman Sachs (1)	0.85	0.82	0.85	0.95	0.94	0.93	0.89
Lehman Brothers Holdings (1)	0.88	0.85	0.85	0.86	0.83	0.87	0.88
Merrill Lynch (2)	0.83	0.77	0.91	0.83	0.99	0.98	1.02
Morgan Stanley (1)	0.92	0.92	1.00	0.99	1.02	1.01	1.02
2006 Average	0.82						

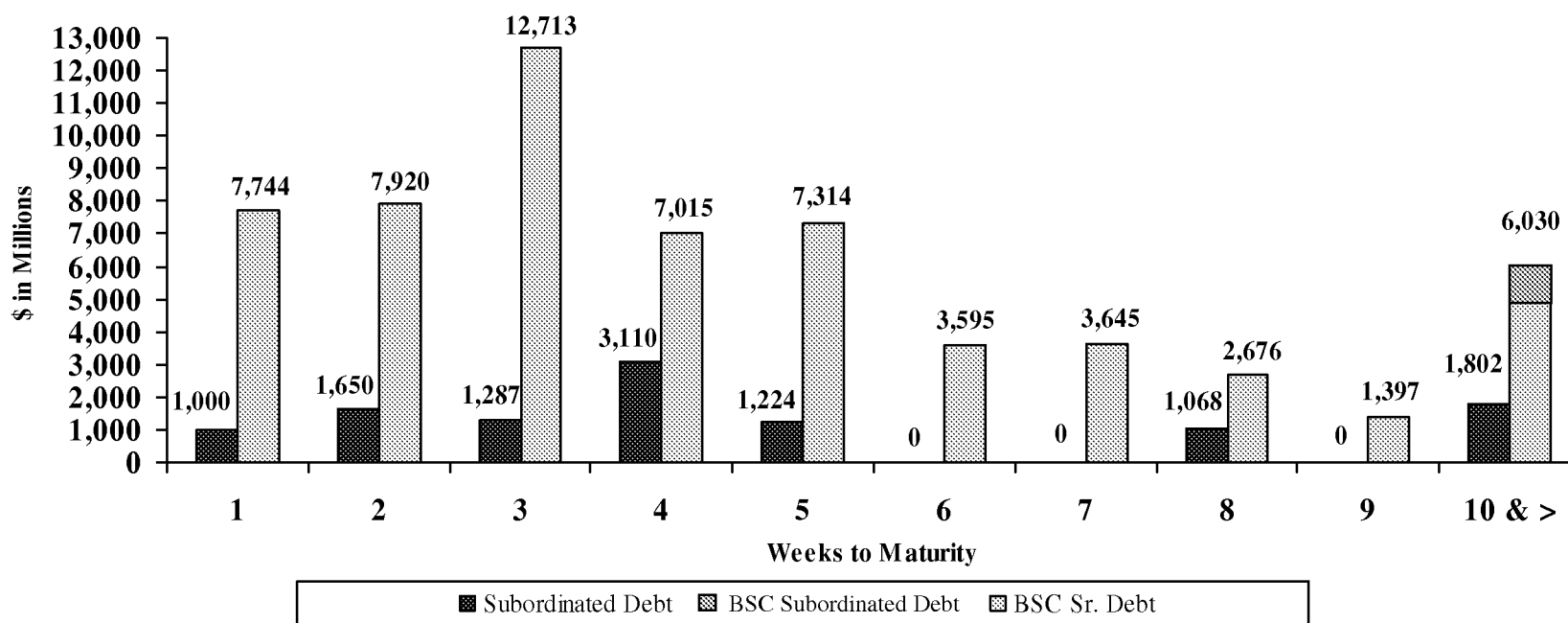
Secondary Double Leverage

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Bear Stearns (1)	1.45	1.58	1.59	1.57	1.64	1.68	1.67
Goldman Sachs (1)	1.91	1.83	1.68	1.73	1.64	1.59	1.64
Lehman Brothers Holdings (1)	-	-	-	-	-	-	-
Merrill Lynch (2)	1.25	1.26	1.43	1.23	1.59	-	-
Morgan Stanley (1)	-	-	-	-	-	-	-
2006 Average	1.54						

(1) Fiscal year end is November 30.

(2) Fiscal Year end is December 31.

**Parent Company Funding Structure
Matched Funding of Subsidiary Subordinated Debt @ 6/30/07**

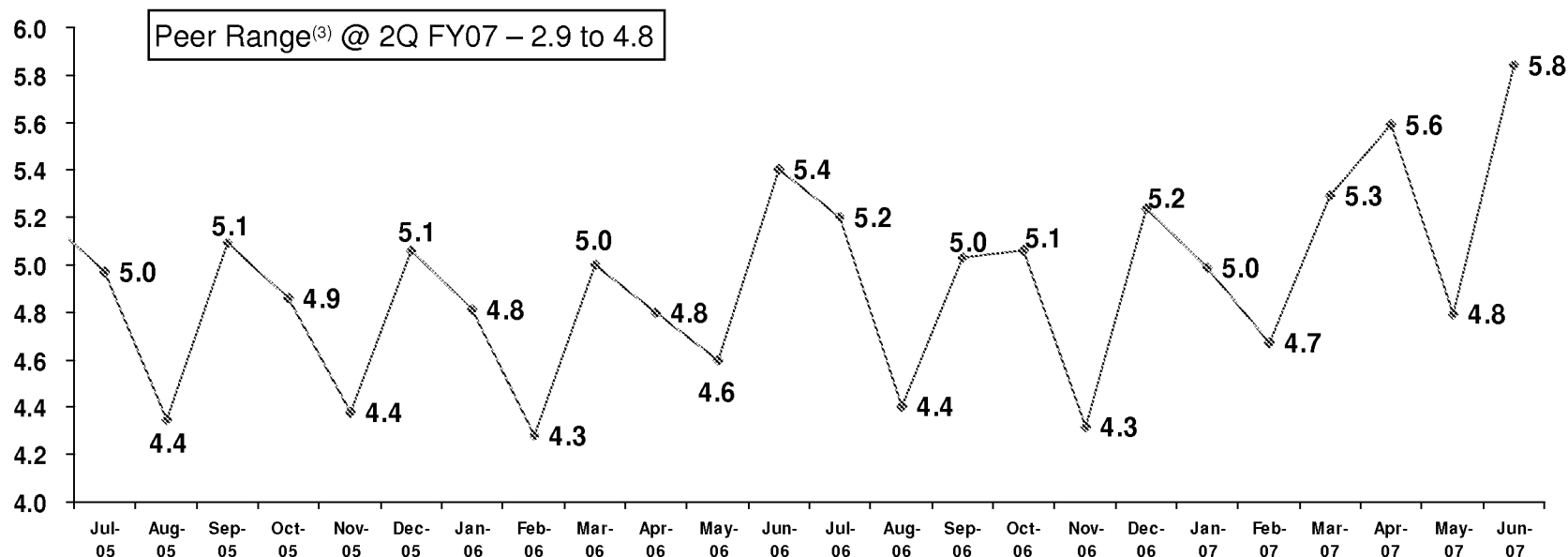


Represents debt maturing within the indicated number of years as of June 30, 2007 (i.e. Year One includes debt maturing in 0-1 year, Year Two includes debt maturing in 1-2 years, etc.)

Cumulative excess of senior debt versus subsidiary subordinated debt advances is \$49 billion.

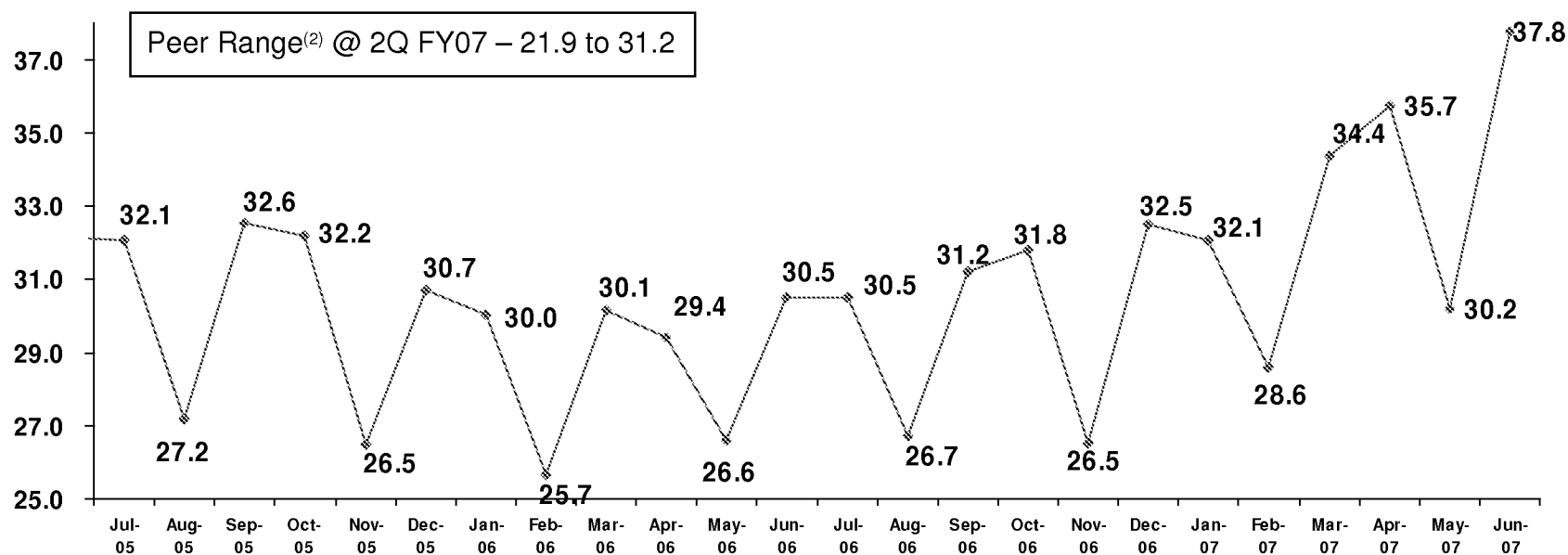
Balance Sheet Leverage

Liquidity / Funding Capitalization⁽¹⁾
(Total Assets - Resales) / (Total Equity⁽²⁾ + Long-term Debt)



(1) Compares Non-Matched Book Assets to longer-term sources of funding
 (2) Total Equity includes unallocated CAP/RSU plan, preferred stock and trust preferred.
 (3) Peer ratios based on Tangible Equity.

Gross Balance Sheet Leverage
Total Assets / Total Equity ⁽¹⁾



(1) Total Equity includes unallocated CAP/RSU plan, preferred stock and trust preferred.

(2) Peer ratios shown as reported in each firm's respective financial statements.



The Bear Stearns Companies Inc.
Broker/Dealer Comparative Ratios

Liquidity/Funding Capital (Net Assets/(Equity + LTD)) (X) ⁽⁴⁾

	<u>2Q 2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Bear Stearns ⁽¹⁾	4.8	4.3	4.2	4.3	4.6	4.7	4.8
Goldman Sachs ⁽¹⁾	4.5	3.9	4.5	3.6	4.4	4.9	5.0
Lehman Brothers Holdings ⁽¹⁾	3.4	3.4	3.8	3.6	3.8	3.4	3.5
Merrill Lynch ⁽²⁾⁽⁵⁾	2.9	2.8	2.9	3.4	3.7	3.6	3.7
Morgan Stanley ⁽¹⁾	3.7	4.6	4.4	4.2	4.9	5.0	5.3
2Q 2007 Average	3.9						

Gross Leverage (Assets/Equity) (X) ⁽³⁾

	<u>2Q 2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Bear Stearns ⁽¹⁾	31.2	26.5	26.0	27.7	26.4	26.6	33.0
Goldman Sachs ⁽¹⁾	24.5	23.4	25.2	21.2	24.3	18.7	17.1
Lehman Brothers Holdings ⁽¹⁾	28.7	26.2	24.4	23.9	28.6	27.0	27.0
Merrill Lynch ⁽²⁾⁽⁵⁾	21.9	19.9	17.9	18.5	18.6	17.6	19.2
Morgan Stanley ⁽¹⁾	29.8	30.4	30.5	25.9	23.0	22.9	22.0
2Q 2007 Average	27.2						

(1) Fiscal year end is November 30.

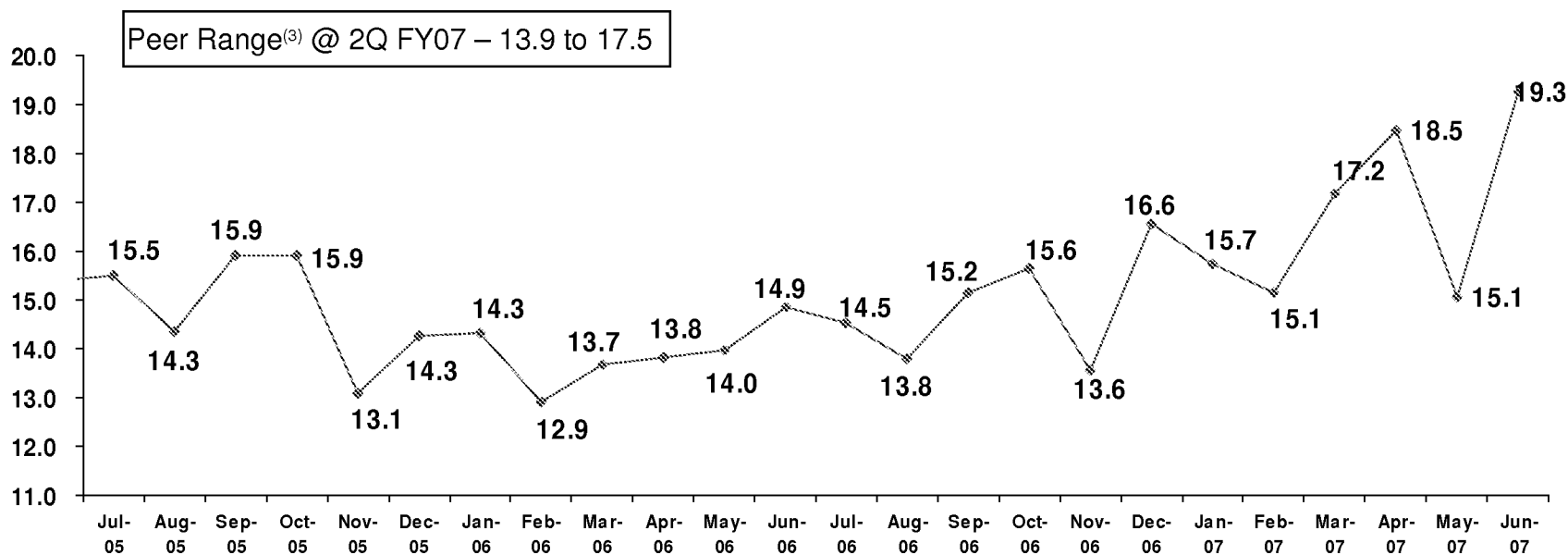
(2) Fiscal Year end is December 31.

(3) For FYE04 & FYE05 Ratios are shown as reported in each firm's respective financial statements.

(4) BSC data excludes Unallocated CAP/RSU in denominator; Ratios based on Tangible Equity beginning in 2003.

(5) Merrill Lynch data as of 1Q 2007

Net Adjusted Leverage
(Net Adjusted Assets⁽¹⁾ / Tangible Equity Capital⁽²⁾)

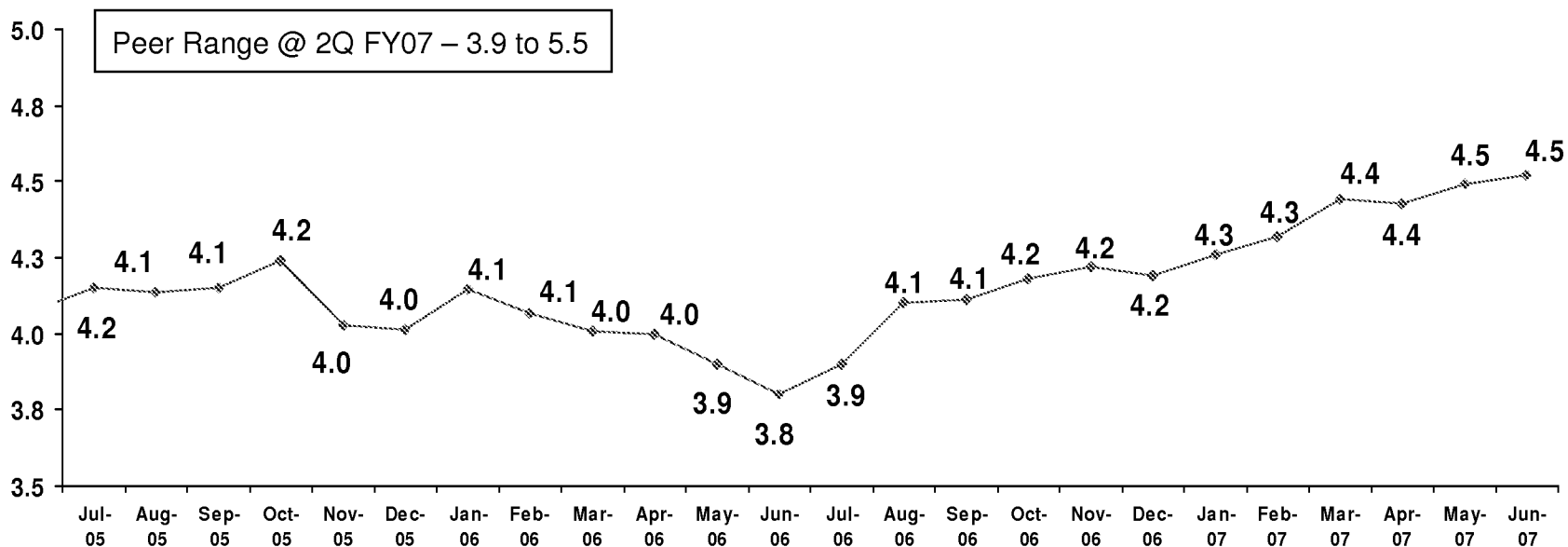


⁽¹⁾Net Adjusted Assets = Total Assets – (Segregated Cash + Resales + Securities Received as Collateral + Securities Borrowed + Customer Receivables + Goodwill & Intangible) + (Financial Instruments sold, but not yet purchased – Derivative Financial Instruments sold, but not yet purchased). Beginning in Nov. 05, Net VIE and SPE assets were also excluded from total assets.

⁽²⁾Total Equity includes unallocated CAP/RSU plan, preferred stock and trust preferred.

⁽³⁾Peer ratios shown as reported in each firm’s respective financial statements.

Long Term Debt / Equity
(Total Long Term Debt⁽¹⁾ / Total Shareholder's Equity⁽²⁾)



⁽¹⁾ Total Long term Debt includes trust preferred.
⁽²⁾ Total Equity includes unallocated CAP/RSU plan and preferred stock.



The Bear Stearns Companies Inc.
Broker/Dealer Comparative Ratios

Net Adjusted Leverage ⁽³⁾

	<u>2Q 2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Bear Stearns ⁽¹⁾	15.5	13.6	13.1	12.9	12.4	12.9	13.9
Goldman Sachs ⁽¹⁾	17.0	16.1	17.9	15.1	14.9	10.3	10.1
Lehman Brothers Holdings ⁽¹⁾	15.4	14.5	13.6	13.9	12.9	12.1	12.1
Merrill Lynch ⁽²⁾⁽⁵⁾	13.9	13.8	13.5	16.7	13.8	12.9	13.6
Morgan Stanley ⁽¹⁾	17.5	17.7	16.4	14.2	13.1	13.4	13.4
2Q 2007 Average	15.9						

LT Debt / Equity (X) ⁽⁴⁾

	<u>2Q 2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Bear Stearns ⁽¹⁾	4.6	4.4	4.0	4.1	4.0	3.8	4.3
Goldman Sachs ⁽¹⁾	3.9	3.7	3.6	3.9	3.0	2.3	2.1
Lehman Brothers Holdings ⁽¹⁾	5.4	4.9	3.7	3.8	3.4	4.4	4.6
Merrill Lynch ⁽²⁾⁽⁵⁾	4.8	4.7	3.8	3.9	3.0	3.5	4.0
Morgan Stanley ⁽¹⁾	5.5	5.1	3.8	3.4	2.8	2.6	2.5
2Q 2007 Average	4.8						

(1) Fiscal year end is November 30.

(2) Fiscal Year end is December 31.

(3) For FYE04 & FYE05 Ratios are shown as reported in each firm's respective financial statements.

(4) BSC data excludes Unallocated CAP/RSU in denominator.

(5) Merrill Lynch data as of 1Q 2007

ALM and Interest Rates

Consolidated Treasurer's/ Capital Page
Executive Summary
at June 30th, 2007

Assets:

Total Assets not funded via Repo	\$	331,617	million
Weighted Average Repricing Maturity (Duration)		3.8	days

Liabilities

Total Liabilities	\$	317,787	million
Total Equity and Equity Equivalents	\$	13,830	million
Weighted Average Repricing Maturity (Duration)		13.9	days

Effect of 25 basis point increase in rates to Net Cash Interest (1)

Three month horizon (cumulative)	\$	31,445,484	⁽²⁾
Six month horizon (cumulative)	\$	50,551,507	⁽²⁾

(1) A decrease in rates will bring about a symmetrical decrease in net cash interest flows

(2) \$8.79 mm and \$17.48 mm of these totals represent incremental earnings on net non-interest bearing items (net free equity) in 3 and 6 months, respectively

Net Interest Attribution Analysis

	Three Month Horizon		Six Month Horizon	
	June 2007	May 2007	June 2007	May 2007
Assets				
Total Assets	\$ 331,616,713,994	\$ 311,339,777,995	\$ 331,616,713,994	\$ 311,339,777,995
Non-interest bearing	(6,857,425,672)	(6,732,333,828)	(6,857,425,672)	(6,732,333,828)
Reprices outside measured horizon	-	-	-	-
Assets repricing within 3 month horizon	324,759,288,322	304,607,444,167	324,759,288,322	304,607,444,167
# days in repricing horizon	93.00 days	92.00 days	185.00 days	183.00 days
Average Repricing Days	3.83 days	2.59 days	3.83 days	2.59 days
Interest days	89.17	89.41	181.17	180.41
25 basis point rise in Asset Earnings	\$ 201,104,130	\$ 189,142,050	\$ 408,589,231	\$ 381,637,033
Liabilities and Equity				
Total Liabilities and Equity	\$ 331,616,713,994	\$ 311,339,777,995	\$ 331,616,713,994	\$ 311,339,777,995
Non-interest bearing	(6,585,519,048)	(6,263,050,275)	(6,585,519,048)	(6,263,050,275)
Equity	(13,882,311,250)	(13,776,111,250)	(13,882,311,250)	(13,776,111,250)
Reprices outside measured horizon	(2,827,413,000)	(4,396,352,505)	(2,005,556,000)	(1,824,146,800)
	308,321,470,696	286,904,263,966	309,143,327,696	289,476,469,670
# days in repricing horizon	93.00 days	92.00 days	185.00 days	183.00 days
Average Repricing Days	9.66 days	8.84 days	10.08 days	9.80 days
Interest days	83.34	83.16	174.92	173.20
25 basis point rise in Liability Expense	\$ 178,448,699	\$ 165,684,394	\$ 375,523,313	\$ 348,179,941
Net Repricing Balance	16,437,817,626	17,703,180,202	15,615,960,626	15,130,974,497
Net Repricing Days	5.83	6.26	6.25	7.21
Net effect	\$ 22,655,431	\$ 23,457,657	\$ 33,065,918	\$ 33,457,092
Net NIB/Equity	13,610,404,626	13,306,827,697	13,610,404,626	13,306,827,697
25 bp	8,790,053	8,501,584	17,485,589	16,910,760
Total Effect	\$ 31,445,484	\$ 31,959,241	\$ 50,551,507	\$ 50,367,852



Consolidated Treasurer's/ Capital Page

Basis Mismatch Analysis

at June 30th, 2007

(in USD millions)

ASSETS	Amount	Overnight/ Fed Funds	LIBOR Based	Fixed		Non-Interest Bearing
				< 14 days	> 14 days	
Cash in Bank	\$ 5,478.9	\$ 3,466.0		\$ 275.0	\$ 1,737.9	
Money Market Funds	1,048.7	-	1,048.7			
Fed Funds Sold (Street)	335.9	335.9				
15c3-3 Deposit	-	-				
Other Exchange Deposits	3,513.7	3,513.7				
Total Cash and Deposits	10,377.2	7,315.6	1,048.7	275.0	1,737.9	-
Securities Borrowed	90,482.9	90,482.9				
Customer Margin Balances	89,508.1	89,508.1				
Advances to Business Units - Non Derivatives	35,101.0	35,101.0				
Advances to Business Units - Derivatives	64,684.5	64,684.5				
Advances to Business Units - Term Funding	7,636.1	-				
Currency Swaps Receivable	14,684.5	-	14,684.5	938.0	2,109.1	
Corp Unallocated Assets	5,391.0	-				5,391.0
Resale Agreements	2,774.8	2,774.8				
Deferred Taxes	1,550.9	-				1,550.9
Asset Backed CP	-	-				
Funds Sold to FIF	7,848.9	7,848.9				
Borrow Pledge Resale	1,171.8	1,171.8				
Funds Sold CTC	335.0	335.0				
Employee Loans	17.6	-	17.6			
Fails to Deliver	52.1	-				52.1
Total Assets	\$ 331,616.7	\$ 299,222.8	\$ 20,339.8	\$ 1,213.0	\$ 3,847.0	\$ 6,994.1
LIABILITIES AND EQUITY						
Customer Short Credit Balances (Type 5)	\$ 107,807.7	\$ 107,807.7				
Customer Credit Balances	33,838.6	33,838.6				
Proprietary Shorts - Non Derivatives	2,633.9	2,633.9				
Proprietary Shorts - Derivatives	31,249.8	31,249.8				
Currency Swaps Payable	14,713.7	-	14,713.7			
Current Portion of Long Term Debt	4,930.8	570.0	4,317.7	5.4	37.7	
Commercial Paper	12,164.3	2,633.0	9,531.3			
Repurchase Agreements	2,631.7	2,631.7				
Customer Cash Collateral (Derivatives)	8,319.7	8,319.7				
Accrued Compensation	1,583.3	-				1,583.3
Other Liabilities	1,225.7	-				1,225.7
Stock Loan	7,548.9	7,548.9				
Bank Loans	1,184.9	1,184.9				
Tri-Party Repo	5,015.9	-				
Equity Repo	24,427.1	-	8,977.1	1,350.0	3,665.9	
Taxes Payable	295.5	-		6,250.0	9,200.0	
Overdrafts	1,350.0	1,350.0				295.5
Fails to Receive	134.6	-				134.6
Total Current Liabilities	261,056.1	199,768.3	37,539.8	7,605.4	12,903.6	3,239.0
Cap Trust	262.5	-	262.5			
Long Term Debt	56,468.0	1,263.0	52,950.0		2,255.0	
Total Long Term Liabilities	56,730.5	1,263.0	53,212.5	-	2,255.0	-
Total Liabilities	317,786.5	201,031.3	90,752.3	7,605.4	15,158.6	3,239.0
Preferred Stock	313.7	-				313.7
Equity	13,516.5	-				13,516.5
Total Equity	13,830.2	-	-	-	-	13,830.2
Equity + Total Liabilities	\$ 331,616.7	\$ 201,031.3	\$ 90,752.3	\$ 7,605.4	\$ 15,158.6	\$ 17,069.2
Basis Mismatch Asset/ (Liability)	0.0	98,191.5	(70,412.5)	(6,392.4)	(11,311.6)	(10,075.1)



THE BEAR STEARNS COMPANIES, INC.

LONG TERM DEBT EFFECTIVE RATES

By Month & 12 Months Rolling

Fiscal Year 2005

	<u>Dec-04</u>	<u>Jan-05</u>	<u>Feb-05</u>	<u>Mar-05</u>	<u>Apr-05</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>
Average Index	2.1673%	2.2883%	2.5156%	2.6290%	2.7979%	3.0040%	3.0458%	3.2681%	3.4778%	3.6313%	3.7944%	4.0063%
Average 3 Month Libor	2.4991%	2.6668%	2.8195%	3.0235%	3.1533%	3.2740%	3.4263%	3.6130%	3.7990%	3.9057%	4.1674%	4.3522%
Effective Rate LTD	2.6118%	2.8985%	3.0763%	3.2146%	3.3911%	3.5439%	3.6577%	3.7547%	4.0235%	4.1247%	4.3058%	4.5129%
Effective Rate Over Average Index	0.4445%	0.6102%	0.5607%	0.5856%	0.5932%	0.5399%	0.6119%	0.4866%	0.5457%	0.4934%	0.5114%	0.5066%
Effective Rate Over / (Under) 3 Month Libor Rate	0.1127%	0.2317%	0.2568%	0.1911%	0.2378%	0.2699%	0.2314%	0.1417%	0.2245%	0.2190%	0.1384%	0.1607%
Rolling 12 Months Over Average Index		0.6279%			0.6045%			0.5758%			0.5456%	
Rolling 12 Months Over 3 Month Libor		0.3449%			0.2643%			0.2418%			0.2046%	

Fiscal Year 2006

	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>	<u>Jul-06</u>	<u>Aug-06</u>	<u>Sep-06</u>	<u>Oct-06</u>	<u>Nov-06</u>
Average Index	4.1613%	4.2883%	4.5045%	4.5726%	4.7875%	4.9617%	5.0208%	5.2621%	5.2581%	5.2583%	5.2601%	5.2542%
Average 3 Month Libor	4.4910%	4.6053%	4.7555%	4.9203%	5.0712%	5.1855%	5.3848%	5.4953%	5.4207%	5.3837%	5.3733%	5.3721%
Effective Rate LTD	4.6577%	4.7945%	4.9469%	5.0257%	5.1696%	5.3881%	5.4759%	5.6330%	5.7359%	5.6957%	5.6213%	5.6185%
Effective Rate Over Average Index	0.4964%	0.5062%	0.4424%	0.4531%	0.3821%	0.4264%	0.4551%	0.3709%	0.4778%	0.4374%	0.3612%	0.3643%
Effective Rate Over / (Under) 3 Month Libor Rate	0.1667%	0.1892%	0.1914%	0.1054%	0.0984%	0.2026%	0.0911%	0.1377%	0.3152%	0.3120%	0.2480%	0.2464%
Rolling 12 Months Over Average Index		0.5361%			0.4984%			0.4661%			0.4430%	
Rolling 12 Months Over 3 Month Libor		0.2017%			0.1780%			0.1604%			0.1850%	

Fiscal Year 2007

	<u>Dec-06</u>	<u>Jan-07</u>	<u>Feb-07</u>	<u>Mar-07</u>	<u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>
Average Index	5.2042%	5.1907%	5.1775%	5.1992%	5.2121%	5.1936%	5.2528%
Average 3 Month Libor	5.3600%	5.3600%	5.3594%	5.3471%	5.3548%	5.3589%	5.3600%
Effective Rate LTD	5.6753%	5.6700%	5.6115%	5.5863%	5.6086%	5.6169%	5.6035%
Effective Rate Over Average Index	0.4711%	0.4793%	0.4340%	0.3871%	0.3965%	0.4233%	0.3507%
Effective Rate Over / (Under) 3 Month Libor Rate	0.3153%	0.3100%	0.2521%	0.2392%	0.2538%	0.2580%	0.2435%
Rolling 12 Months Over Average Index		0.4268%			0.4218%		
Rolling 12 Months Over 3 Month Libor		0.2150%			0.2437%		

Cash Capital Surcharge Trend
 Surcharge = Effective Cost of LTD - (FF+8)

