LEHMAN BROTHERS

DATE: January 22, 2008

TO: Members of the Finance and Risk Committee of Lehman Brothers Holdings Inc.

FROM: Madeline L. Shapiro, Assistant Secretary MLS

RE: **JANUARY 29, 2008 MEETING OF THE FINANCE AND RISK COMMITTEE**

Enclosed please find an Agenda for the January 29, 2008 meeting of the Finance and Risk Committee and accompanying materials.

The meeting is scheduled to be held in the Executive Conference Room on the 31st Floor, 745 Seventh Avenue (between 49th and 50th Streets), from 10:00 a.m. to 12:00 p.m. Please bring the attached materials with you.

Distribution:
- Mr. Henry Kaufman (Chairman)
- Mr. John F. Akers
- Mr. Roger S. Berlind
- Ms. Marsha Johnson Evans
- Mr. Roland A. Hernandez

Copy to:
- Ms. Erin Callan
- Mr. Richard S. Fuld, Jr.
- Mr. Joseph M. Gregory
- Mr. Ian T. Lowitt
- Mr. Christopher M. O'Meara
- Mr. Thomas A. Russo
- Mr. Paolo Tonucci
- Mr. Jeffrey A. Welikson

AGENDA

LEHMAN BROTHERS HOLDINGS INC.

FINANCE AND RISK COMMITTEE MEETING

January 29, 2008
745 Seventh Avenue
31st Floor Executive Conference Room
10:00 a.m. – 12:00 p.m.

1) Approval of Minutes of Finance and Risk Committee Meeting held September 11, 2007. (Resolution and Minutes Attached) (Kaufman)

2) 2008 Financial Plan.
(Materials Attached) (Callan, O'Meara, Tonucci)

3) (a) Increase in Common Stock Dividend
(b) Share Repurchase Plan
(Resolutions Attached) (Kaufman)

HOLDINGS

1/29/2008 FINANCE AND RISK COMMITTEE MEETING

Item 1

Holdings
Finance and
Risk Committee
1/29/08

RESOLVED, that the Minutes of the meeting of the Finance and Risk Committee held on September 11, 2007 are hereby approved in the form submitted at this meeting, and that a copy of such Minutes be placed in the appropriate Minute Book of the Corporation.

Draft 12/28/07

LEHMAN BROTHERS HOLDINGS INC.
Minutes of the Finance and Risk Committee Meeting
September 11, 2007

A meeting of the Finance and Risk Committee of Lehman Brothers Holdings Inc. (the "Corporation" and collectively with its subsidiaries, the "Firm") was held on September 11, 2007 at 9:00 am in the Executive Conference Room, 31st floor, 745 Seventh Avenue, pursuant to written notice.

PRESENT - COMMITTEE MEMBERS

Messrs.	Henry Kaufman (Chairman)
	John F. Akers
	Roger S. Berlind
Ms.	Marsha Johnson Evans
Mr.	Roland A. Hernandez

ALSO PRESENT BY INVITATION

Messrs.	Jeffrey Goodman
	Ian T. Lowitt
	Christopher M. O'Meara
	Paolo Tonucci
	Jeffrey A. Welikson

APPROVAL OF MINUTES

The first order of business was the approval of the Minutes of the meeting held on January 30, 2007. Upon motion, duly made and seconded, it was unanimously

> **RESOLVED**, that the Minutes of the meeting of the Finance and Risk Committee held on January 30, 2007 are hereby approved in the form submitted at this meeting, and that a copy of such minutes be placed in the appropriate Minute Book of the Corporation.

RISK, LIQUIDITY, CAPITAL, AND BALANCE SHEET UPDATE

Mr. O'Meara introduced the risk, liquidity, capital, and balance sheet update. He then presented an overview, noting that 2007 has seen a significant amount of risk, financing and capital activity, driven by business growth generally and high levels of activity in specific businesses. He discussed the growth in risk appetite usage, risk management stress test results for sub-prime mortgage and leveraged lending businesses, credit ratings, increase in liquidity and cash capital surplus levels, the growth in common equity, the net leverage ratio, current credit ratings, the decrease in share repurchases and other matters.

Mr. O'Meara then reviewed the Firm's risk usage, commencing with an overview of recent market stress. He noted that in late 2006, the sub-prime mortgage loan market started to experience poor loan performance resulting in significant spread widening. Contagion from the sub-prime mortgage loan market gradually spread to other mortgage loan markets, such as Alt-A mortgage loans, and eventually to the general credit market. Such difficulties in the mortgage loan markets also contributed to the failure of certain high profile hedge funds exposed to the sub-prime mortgage loan market and other highly levered credit products and subsequently led to a general de-leveraging of hedge funds across other asset classes. Mr. O'Meara also noted that the commercial paper market, particularly the asset backed commercial paper market, experienced limited liquidity and such commercial paper providers were forced to draw upon backstop liquidity facilities to fund the non-renewal of their outstanding commercial paper.

Mr. O'Meara then went on to review the Firm's risk and exposure to securitized products, high yield bonds and leveraged loans, commercial paper and hedge funds. With respect to the presentation on securitized products, Mr. O'Meara provided an overview of the origination, trading and financing activity in the Firm's mortgage capital division. Mr. O'Meara noted that U.S. sub-prime mortgages had represented 16% of the division's year-to-date originations through July 2007 and that the Firm had subsequently discontinued origination of sub-prime mortgages. He also noted that numerous mortgage originators have filed for bankruptcy or have discontinued operations and that the Firm has reserved for expected losses in the course of its usual reserve process. Mr. O'Meara stated that the Firm's commitments for warehouse facilities to sub-prime and Alt-A mortgage originators have decreased from the prior year. He also noted that the Firm had tightened its lending criteria for mortgage loans as of the second half of 2006 which should result in improved future loan performance. Mr. O'Meara stated that the risks of the securitized products business are managed within the Firm's comprehensive risk management framework and that risk appetite is measured daily and calculated at a 95% confidence level. Mr. Goodman provided an overview of the sub-prime mortgage loan weekly stress test results. He stated that the stress tests consistently forecasted greater stressed losses than actual losses. Mr. O'Meara presented an overview of the Firm's risk exposure to high yield bonds and leveraged loans and noted that the Firm's commitments in this area have increased in accordance with the growth in market share of the Firm's mergers and acquisitions business. He noted that while the Firm's net exposure to high yield bonds and leveraged loans remained relatively unchanged through July 2007, there was a material increase in such net exposure in the month of August 2007 due to recent market conditions and provided an overview of market changes in the leveraged finance market. Mr. O'Meara then went on to review the comprehensive risk framework for high yield debt products and noted the Firm's extensive risk controls, commencing from the approval process through post-closing of such products. Mr. O'Meara reviewed results of the monthly stress tests on leveraged loan exposure and noted that forecasted stressed losses were consistently greater than the stressed losses actually incurred. He also provided an overview of the comprehensive scenario analyses which are performed in addition to the monthly stress tests. Mr. O'Meara provided a general overview of the commercial paper market, including the Firm's roles and activities in this area. Mr. O'Meara then provided an overview of the Firm's exposure and activities in regards to hedge funds. He described the comprehensive credit risk framework and control systems for hedge fund risk, commencing with the initial client screening (based on know your customer principles) through to the credit monitoring stage. Mr. O'Meara noted that the Firm remains well collateralized against its hedge fund clients and its total hedge fund current credit exposure as of August 31, 2007 was less than 1% of the Firm's entire current credit exposure. He then described the recent failures of certain hedge fund clients and noted that the Firm had not experienced losses from such failures. Mr. O'Meara then went on to provide an overview of the Firm's monthly risk appetite usage in total, for each geographic region and for each risk category (market, event and counterparty risk). He noted that the Firm's overall risk appetite usage has increased but it still remains within the Firm's risk appetite limit. Mr. O'Meara went on to review the Firm's counterparty credit risk, noting that the Firm continues to have a very high quality credit portfolio with approximately 97.8% of the exposure in investment grade counterparties and that the Firm has the lowest exposure of its peers to non-investment grade derivatives. He also reviewed the various stress tests and scenario analyses regularly performed to evaluate the potential impact upon the revenue of each segment of the Firm's trading portfolio and upon the Firm's total revenue.

Mr. Tonucci provided an update on the Firm's balance sheet assets and noted the year-to-date increase in such assets. He reviewed the Firm's liquidity framework and the increase in the level of the Firm's long term debt. Mr. Tonucci noted that the Firm had a record level of liquidity and cash capital surplus as of the end of the third quarter of 2007 but stated that recent market conditions had increased borrowing costs and decreased the sources of capital for such public debt issuances. He then reviewed the Firm's Funding Framework, the set of policies which govern the Firm's liquidity risk and funding management and establish the funding requirements for different asset classes and activities. He described the key models for Cash Capital, Maximum Cumulative Outflow and Reliable Secured Funding. He reviewed the Firm's liquidity pool year-to-date and over the last four years, noting that the conservative nature of the Firm's liquidity pool as compared to its peers, which has been recognized by the leading credit rating agencies. Mr. Tonucci reviewed the structure of the Firm's debt, noting that the Firm manages refinancing risk by limiting usage of short-term debt and strictly monitoring the maturity profile of long-term debt. He then reviewed the Firm's debt issuance activity year-to-date and over the past four years and noted that such debt had in prior years been issued at extremely attractive levels on a historical basis and in comparison to our peers, reducing the cost of debt outstanding. However Mr. Tonucci noted that debt issuance costs have increased in 2007 in light of recent market conditions. He stated that the Firm had diversified its debt holder base by issuing debt in currencies other than the US Dollar and by issuing structured notes. Mr. Tonucci then went on to review the Firm's cash capital usage. He also described the Firm's three banking entities, Lehman Brothers Bank, Lehman Brothers Commercial Bank and Lehman Brothers Bankhaus and their role in the Firm's liquidity risk management. Mr. Tonucci then reviewed the Firm's contingent liquidity risks, including the sources of such risk and the funding sources that have been established by the Firm.

Mr. Tonucci reviewed the Firm's capital management. He described the objectives of the Firm's capital plan as ensuring that assets are sufficient to support revenue targets, equity capital is sufficient to support that mix of assets and the risk they generate and that ROE does not fall below acceptable levels. He also provided an overview of various equity adequacy metrics, including the recent equity adequacy framework model. Mr. Tonucci also reviewed the Firm's net leverage ratio. Mr. Tonucci noted that the net leverage ratio could increase based on the increased accuracy of the Firm's equity adequacy measures and discussions with the applicable regulatory bodies and rating agencies. Mr. Tonucci then reviewed the Firm's credit ratings, including the June 2007 ratings upgrade and recent affirmation from Fitch and affirmations of credit ratings by both Standard & Poor's and Moody's in August 2007. He then reviewed the Firm's share repurchase program, including the gross and net costs, and noted that 2007 repurchases are substantially lower than projected due to a reduction in option exercises resulting in a corresponding reduction in repurchases. He also noted that the net costs of the share repurchases are expected to be lower than forecasted costs in light of the reduced repurchases and average lower repurchase prices.

The Committee directed questions to management regarding the Firm's credit portfolio, credit ratings, hedge fund exposure and risk, fair value determinations, mortgage loan exposure, leverage finance commitments, liquidity pool, funding activities and debt spreads, commercial paper exposure, exposure to SIVs (structured investment vehicles), and other matters.

PRIVATE SESSION

Management was excused, and the Committee then met in private session.

There being no further business to come before the meeting, the meeting was, upon motion duly made and seconded, adjourned.

Respectfully submitted,

Jeffrey A. Welikson
Secretary of the Meeting

HOLDINGS

1/29/2008 FINANCE AND RISK COMMITTEE MEETING

Item 2

Confidential ***Presentation to:***

Finance and Risk Committee

Additional Materials

January 29, 2008

LEHMAN BROTHERS

Overview

- The turmoil in the credit markets that we discussed in the September Finance and Risk Committee has continued, with significant volatility in spreads and tight liquidity conditions
- This has presented challenges and opportunities in the dislocated markets
- We have been able to maintain compliance with our conservative funding policies, and the reported liquidity at the end of the year was at a record level. We have been able to grow our long term sources of capital through capital markets structures, and by increasing the size of our internal banks
- The balance sheet has continued to grow with our equity base. Leverage increased from 15.4x at the mid year to 16.1x. This growth has been across a broad number of businesses. The severe slowdown in securitization and loan syndication activity has, however, meant that our mortgage and loan balance sheets have grown as a proportion of the overall Firm's balance sheet
- Balance sheet growth in December was largely in highly liquid asset classes for which we were able to source repo financing
- Financing of liquid assets in repo markets has remained strong. We have been able to grow repo financing to meet the balance sheet and leverage increases, without reducing the term of that financing
- Price transparency in certain asset classes has worsened resulting in an increase in Level 3 assets. Most of the increase from mid year has been in mortgage wholeloans (residential and commercial)
- Risk appetite increased through Q4, but over the last few weeks has reduced and is now around $3.5 billion (compared to $3.3 billion at end of Q3)

Lehman Net Assets and Leverage

The balance sheet has continued to grow across almost all asset classes and businesses. Leverage has also increased, although at a lesser rate than our peer group

Lehman Net Assets ($ millions)

	FY 2005		FY 2006		Q1 2007	Q2 2007	Q3 2007	FY 2007	
$ millions	$	%	$	%	$	$	$	$	%
Mortgages, mortgage-backed and real estate	62,216		67,134		81,946	95,524	108,051	111,023	
Commercial	*22,195*	*10%*	*33,548*	12%	*39,561*	*47,701*	*56,962*	*63,211*	17%
Residential and Other	*40,021*	*19%*	*33,586*	12%	*42,385*	*47,823*	*51,089*	*47,812*	13%
Corporate Debt	30,182		43,764		48,807	55,298	52,151	54,098	
High Yield	*5,987*	*3%*	*15,929*	6%	*18,449*	*20,519*	*27,949*	*32,732*	9%
Investment Grade	*24,195*	*11%*	*27,835*	10%	*30,358*	*34,779*	*24,202*	*21,366*	6%
Corporate Equities	33,426	16%	43,087	16%	52,471	58,552	64,283	58,521	16%
Government and Agencies	30,079	14%	47,293	18%	47,764	44,705	37,108	40,892	11%
Derivatives and other contracts	18,045	9%	22,696	8%	22,586	28,335	35,711	44,595	12%
CDs and Money Markets	3,490	2%	2,622	1%	3,064	3,270	4,993	4,000	1%
Other Assets	33,986	16%	42,341	16%	44,160	51,983	54,806	59,830	16%
Net Assets	211,424	100%	268,937	100%	300,798	337,667	357,103	372,959	100%
Equity (Including Preferreds & Hybrids)	15,564		18,567		19,485	21,880	22,164	23,112	
Net Leverage	13.6x		14.5x		15.4x	15.4x	16.1x	16.1x	

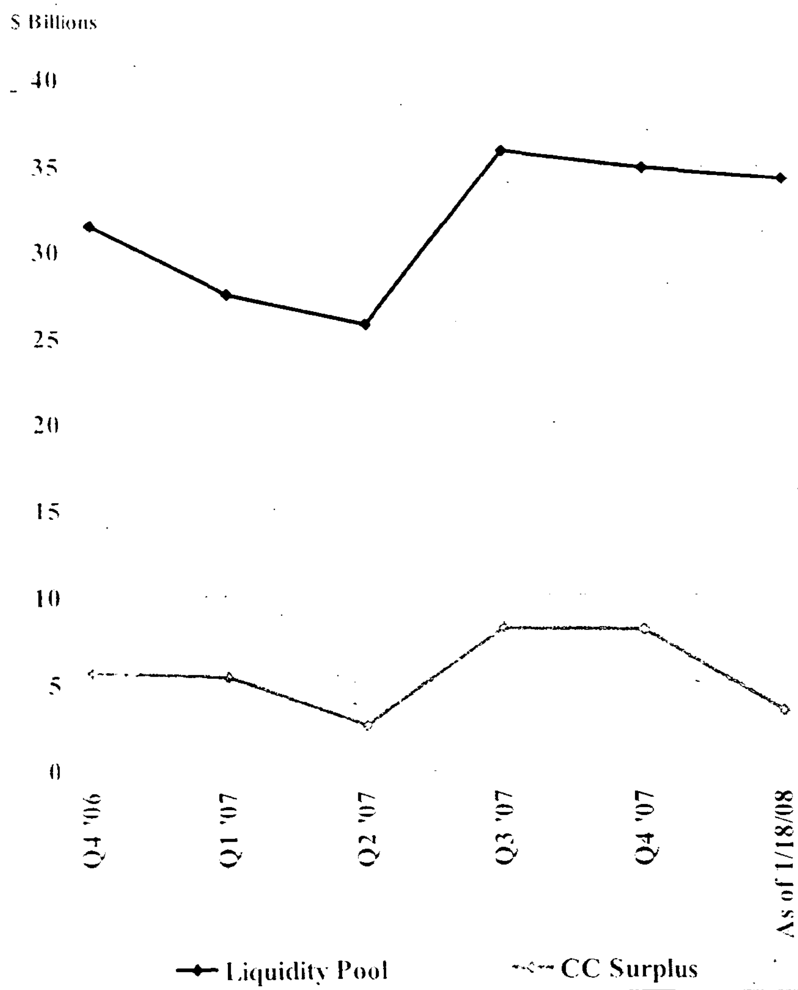
Leverage Trend

	FY 2005	Q1 2006	Q2 2006	Q3 2006	FY 2006	Q1 2007	Q2 2007	Q3 2007	FY 2007
Lehman:									
Net Leverage	13.6x	13.5x	13.8x	13.5x	14.5x	15.4x	15.4x	16.1x	16.1x
Gross Leverage	24.4x	25.1x	25.4x	25.8x	26.2x	28.1x	28.7x	30.3x	30.7x
Peer Average:									
Net Leverage	14.0x	14.3x	14.6x	14.0x	14.5x	15.3x	15.8x	16.9x	N/A

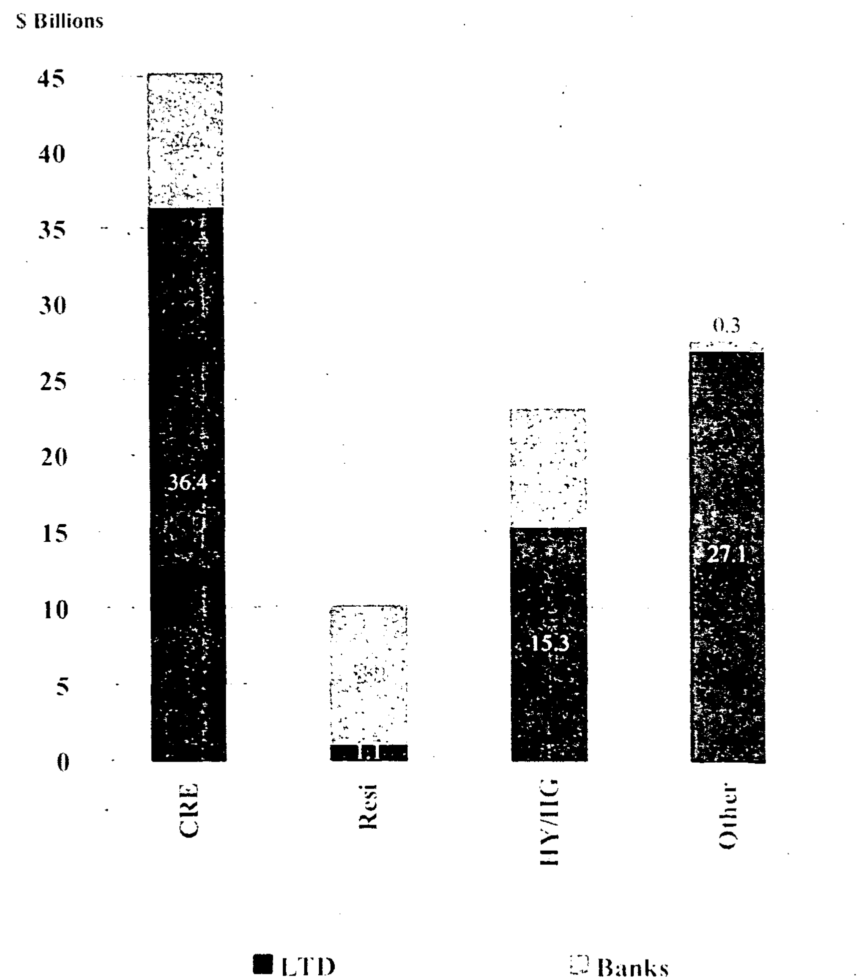
Liquidity Pool and Illiquid Asset Funding

Our liquidity position has remained strong with record levels of liquidity at the year end. The funding of illiquid assets is entirely with long term reliable sources

Liquidity Pool and Cash Capital Surplus



Illiquid Asset Funding Composition as of FY 2007



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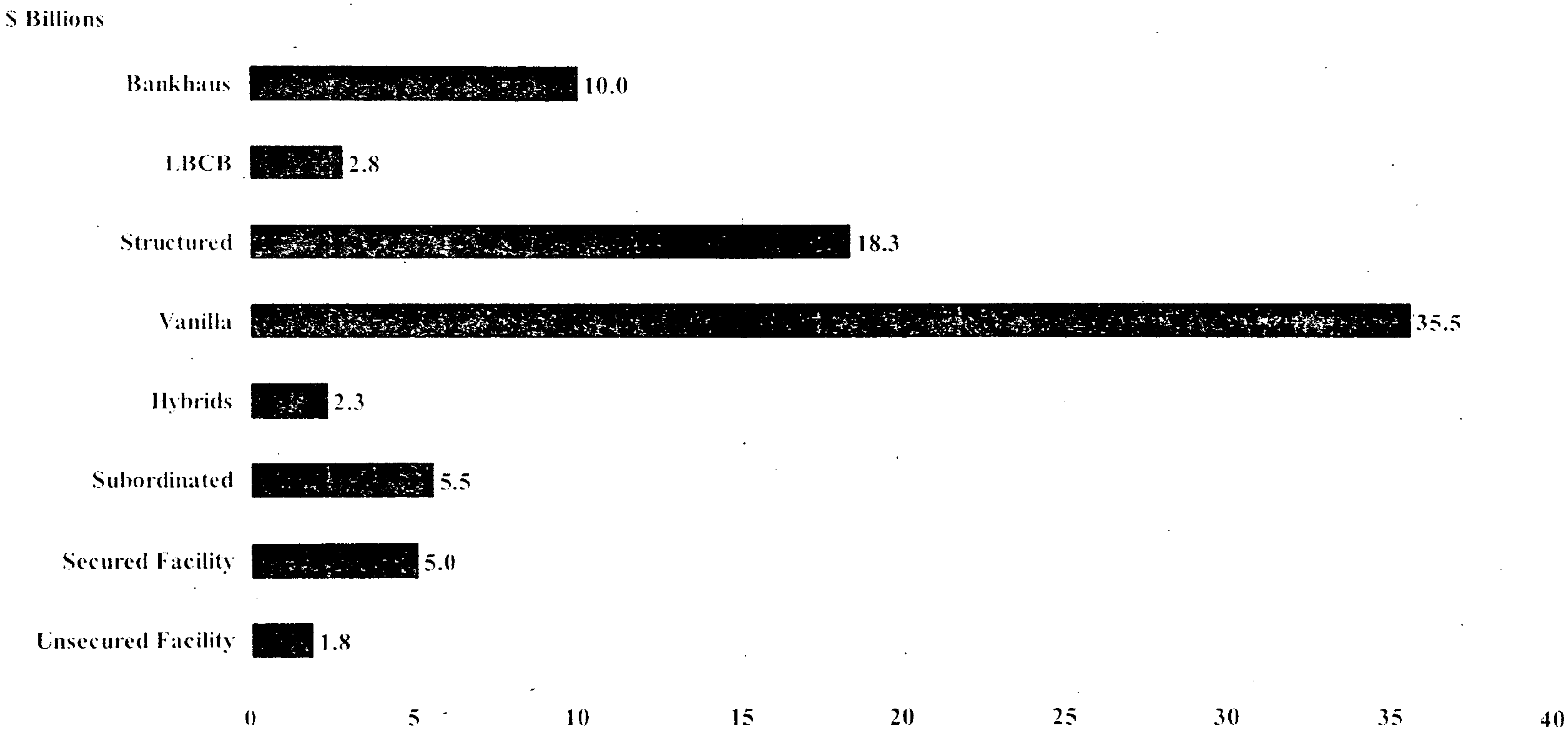
FY 2007 Sources of Liquidity

Through 2007 we were able to grow our long term sources of liquidity through both the capital markets, and internal and external banks

FY 2007 Change in Source of Liquidity

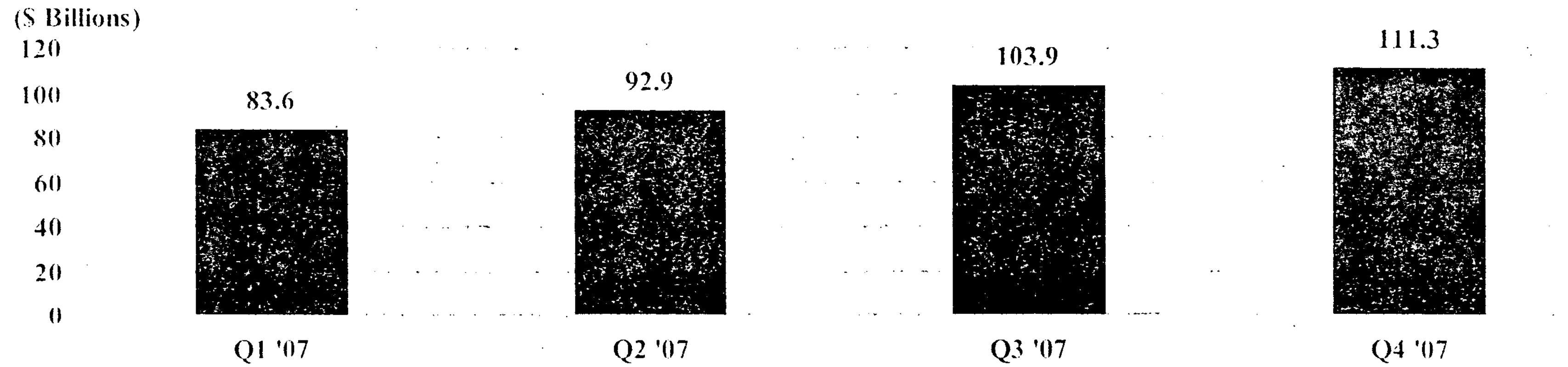


1. LBB decreased its source by $0.7 billion in FY 2007

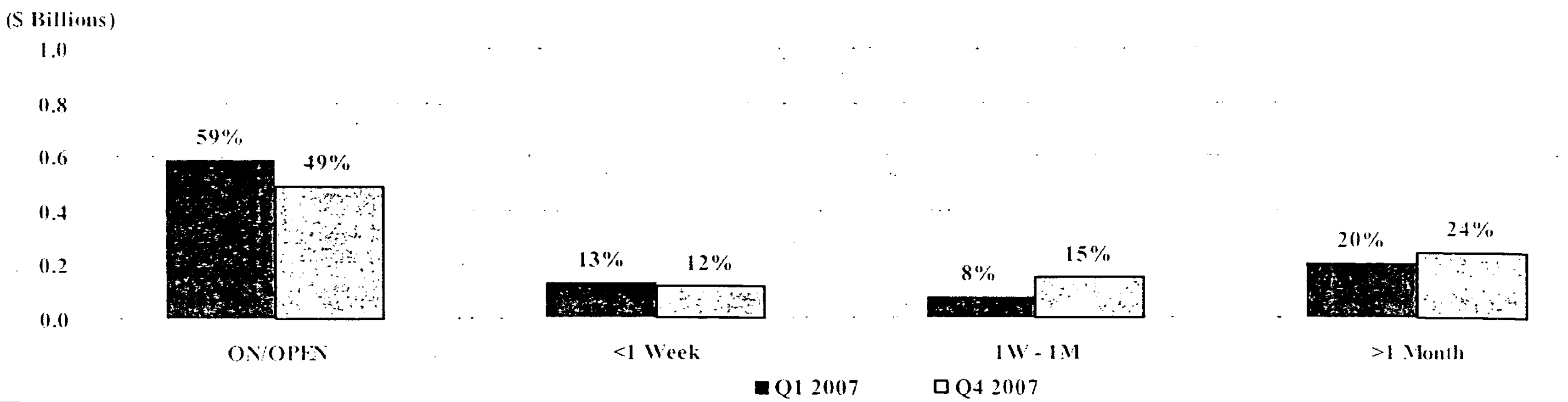
Secured Funding Trend

- The $28bn increase in funding volumes between Q1 and Q4 2007 was mainly attributed to Investment Grade securities
- The tenor profile has shifted from Overnight and Open to greater than 1 Week

Secured Funding Volumes (Q1 to Q4 2007)



Secured Funding Tenor Profile (Q1 versus Q4 2007)



1. *Based on global cash repo trades and Government Upgrade Collateral Swaps, excluding products traded special, Governments, Treasuries, Government/MBS Agencies, Sovereigns, and Commercial Wholeloans.*

Lehman Fair Value Assets

Level 3 assets have grown as a proportion of the inventory of the Firm. This has been primarily in mortgages, both residential and commercial, where liquidity and price transparency have reduced significantly

Lehman Fair Value Assets ($millions)

$ millions	Q2 2007				Q3 2007				Q4 2007			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Mortgages and asset-backed securities	24	69,678	9,932	79,634	222	65,039	22,746	88,007	240	64,662	24,204	89,106
Government and agencies	41,001	3,704	-	44,705	24,092	13,016	-	37,108	25,393	15,499	-	40,892
Corporate debt and other	2,785	47,008	5,505	55,298	946	48,171	3,034	52,151	324	50,692	3,082	54,098
Corporate equities	43,931	10,499	4,122	58,552	42,973	16,255	5,055	64,283	39,573	10,602	8,346	58,521
Commercial paper/other money market	3,270	-	-	3,270	4,993	-	-	4,993	4,000	-	-	4,000
Non Derivative Assets	91,011	130,889	19,559	241,459	73,226	142,481	30,835	246,542	69,530	141,455	35,632	246,617
Derivative assets	3,801	22,076	2,458	28,335	5,928	25,936	3,847	35,711	3,281	35,678	5,636	44,595
Total Fair Value Inventory	**94,812**	**152,965**	**22,017**	**269,794**	**79,154**	**168,417**	**34,682**	**282,253**	**72,811**	**177,133**	**41,268**	**291,212**
% of Fair Value Inventory	35%	57%	8%	100%	28%	60%	12%	100%	25%	61%	14%	100%
% of Net Assets	28%	45%	7%		22%	47%	10%		20%	47%	11%	

Lehman Securitization Activity

Securitization Volume ($millions)

Total Securitizations Volume

	US	Europe	Asia	Total
Q1	23,669	1,376	366	25,410
Q2	38,974	3,142	650	42,766
Q3	30,290	5,752	550	36,592
Q4	12,187	7,792	1,118	21,097
FY 2007	**105,120**	**18,061**	**2,684**	**125,865**

Residential Mortgage Securitizations

	US	Europe	Asia	Total
Q1	21,206	1,376	-	22,581
Q2	36,532	1,151	-	37,683
Q3	22,836	3,276	-	26,112
Q4	10,487	2,920	270	13,677
FY 2007	**91,061**	**8,722**	**270**	**100,054**

Commercial Mortgage Securitizations

	US	Europe	Asia	Total
Q1	2,463	-	366	2,829
Q2	2,442	1,991	650	5,083
Q3	7,454	2,476	550	10,480
Q4[1]	1,700	4,872	848	7,420
FY 2007	**14,059**	**9,339**	**2,414**	**25,812**

Retained Interests ($millions)

Total Retained Interests Balance

	Investment Grade	Non-Investment	Total
Q1	6,143	1,451	7,594
Q2	9,675	1,759	11,434
Q3	12,441	1,787	14,228
Q4	14,898	1,950	16,848
FY 2007	**14,898**	**1,950**	**16,848**

Residential Mortgage Retained Interests

	Investment Grade	Non-Investment	Total
Q1	5,435	1,420	6,855
Q2	9,088	1,744	10,832
Q3	9,223	1,709	10,932
Q4[1]	7,135	1,596	8,731
FY 2007	**7,135**	**1,596**	**8,731**

Commercial Mortgage Retained Interests

	Investment Grade	Non-Investment	Total
Q1	708	31	739
Q2	587	14	602
Q3	3,218	78	3,296
Q4[2]	7,763	354	8,117
FY 2007	**7,763**	**354**	**8,117**

1. *Residential Securitization Residuals Certificates (First -Loss Piece of Securitizations) account for only $927million of Retained Interests in Q4 2007*
2. *Commercial Mortgages include securitizations that were not actively marketed in Q4 2007*

Lehman Retained Interests

The majority of retained interest at the end 2007 were either Agency-backed or AAA quality

Q4 2007 Residential Retained Interests ($millions)

Security Ratings	Americas	Europe	Asia	Total
AGENCY	2,453			2,453
AAA	2,366			2,366
AA	1,047	496		1,543
A	519			519
BBB	253			253
Below BBB- Non-Investment Grade	1,279	317		1,596
Total	**7,918**	**812**	**0**	**8,731**

Q4 2007 Commercial Retained Interests ($millions)

Security Ratings	Americas	Europe	Asia	Total
AAA	2,181	3,660	5	5,846
AA	168	382		550
A	286	347		633
BBB	397	337		734
Below BBB- Non-Investment Grade	104	207	43	354
Total	**3,136**	**4,933**	**48**	**8,117**

1. Rating of European Residential Investment Grade Retained Interests are assumed AA for presentation

Lehman Peer Comparison

FY 2007 Lehman versus Peers ($ millions)

	LEH	GS	MS	BSC	MER
Net Revenues					
FY 2006	17,583	37,665	29,839	9,227	33,781
FY 2007	19,257	45,987	28,026	5,945	11,250
Y-to-Y growth (decline)	9.5%	22.1%	(6.1%)	(35.6%)	(66.7%)
LEH Rank 2007	2				
Net Income					
FY 2006	4,007	9,537	7,472	2,054	7,499
FY 2007	4,192	11,599	3,209	233	(7,777)
Y-to-Y growth (decline)	4.6%	21.6%	(57.1%)	(88.7%)	(203.7%)
LEH Rank 2007	2				
Net Margin					
FY 2006	22.8%	25.3%	25.0%	22.3%	22.2%
FY 2007	21.8%	25.2%	11.5%	3.9%	0.0%
LEH Rank 2007	2				
ROE					
FY 2006	23.4%	32.8%	23.5%	19.1%	21.3%
FY 2007	20.8%	32.7%	8.9%	1.8%	NM
LEH Rank 2007	2				

Lehman Ratings

Lehman Ratings

Moody's Investor Service	LBHI
Short-term	P-1
Long-term (Senior)	A1
Long-term (Subordinated)	A2
Standard & Poor's	
Short-term	A-1
Long-term (Senior)	A+
Long-term (Subordinated)	A
Fitch Ratings	
Short-term	F-1+
Long-term (Senior)	AA-
Long-term (Subordinated)	A+
Dominion Bond Rating Service	
Short-term	R-1 (Middle)
Long-term (Senior)	AA (low)
Long-term (Subordinated)	A (high)

Recent Rating Actions

(Listed Chronologically)

Moody's Investor Service

September 2007 - Ratings Affirmed
June 2006 - Outlook Change to Positive
October 2003 - Ratings Upgrade

Standard & Poor's

November 2007 - Ratings Affirmed
August 2007 - Ratings Affirmed
October 2005 - Ratings Upgrade

Fitch Ratings

August 2007 - Ratings Affirmed
June 2007 - Ratings Upgrade
July 2005 - Ratings Upgrade

Dominion Bond Rating Service

December 2007 - Ratings Upgrade
September 2007 - Ratings Affirmed
September 2006 - Outlook Change to Positive

1. *As of January 25, 2008*

Monoline Summary

We face exposure to monolines in four ways:

Type of Risk	Definition	Net Exposure
Market Risk	CDS, Bonds, Money Market Preferreds, and other instruments issued by monolines	Effectively small long exposure with value in default assuming 50% recovery (VoD 50%) ~ ($50 million)
Counterparty Risk (Direct exposure)	We have multiple OTC trades with monolines as counterparties. The market value of these trades is driven by reference credits	Long exposure with VoD (50%) ~ ($265 million)
Credit Enhancement (Indirect exposure)	We hold securities, insured against default by monolines: munis, CDO wrapping, etc.	Long exposure with VoD (50%) ~ ($235 million)
Surety Bond	No P/L with subsidiaries, but will affect their capital structure	Zero exposure. Nominal capital of $225million Replacement capital needed for $100 million

Note: All data as of January 16, 2008

Diversified Monoline Exposure

Exposure is well diversified across seven monolines with the largest exposure measured by default value assuming 50% recovery (VoD 50%) slightly less than $150 million, including counterparty risk and credit enhancement

Monoline Exposures, VoD 50% ($ million)

Monoline	Market Risk	Counterparty Risk	Credit Enhancement	Total [1]
AMBAC	(51)	(19)	(77)	(147)
MBIA	(79)	(3)	(55)	(137)
Assured	-	(71)	(38)	(109)
FGIC	(16)	(11)	(31)	(59)
XL	95	(135)	(14)	(54)
FSA	(4)	(6)	(21)	(31)
ACA	0	(20)	0	(20)
Total	**(55)**	**(265)**	**(236)**	**(556)**

1. Numbers may not add due to rounding

HOLDINGS

1/29/2008 FINANCE AND RISK COMMITTEE MEETING

Item 3

Holdings
Finance and
Risk Committee
1/29/08

RESOLVED, that the Finance and Risk Committee hereby recommends that the Board of Directors adopt the following Common Stock dividend policy, effective for dividends payable on or after December 1, 2007: that it be the policy of the Corporation to declare and pay an annual Common Stock dividend of $0.68 per share (which equates to $0.17 per share per quarter).

FURTHER RESOLVED, that the Finance and Risk Committee hereby recommends that the Board of Directors approve a Common Stock repurchase plan under which the Corporation may repurchase, subject to market conditions, up to 100 million shares of its Common Stock for the management of the Corporation's equity capital, including offsetting dilution due to employee stock awards, as proper officers of the Corporation deem necessary or advisable. This resolution shall supersede and replace the Committee's previous share repurchase resolution adopted on January 30, 2007.

FURTHER RESOLVED, that the Finance and Risk Committee hereby recommends that the Board of Directors authorize, as part of such repurchase plan and subject to the limit on the number of shares which may be repurchased, the entry into call options on shares of the Corporation's Common Stock, as proper officers of the Corporation may deem advisable.