

**From:** Scott, Teri: Finance (NYK)  
**Sent:** Fri, 19 Sep 2008 06:25:11 GMT  
Stone, Jonathan: Barclays Treasury (LDN); Storey, Miles: Barclays Treasury (LDN); Sillett, Jez: Barclays Treasury (LDN); Dearlove, Mark: Markets (LDN);  
**To:** Garcha, Sarvjeet: Treasury (LDN); Petrie, David: Markets (NYK); Wadlow, Scott: Treasury (LDN); Akhtar, Yaseen: Treasury (NYK); Maher, Brian: Treasury (SGP)  
**CC:** Garcha, Sarvjeet: Treasury (LDN)  
**Subject:** Fw: Lehman funding - Transactions summary

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Re below

I will revert with more info after i speak with Ops to gain more insight

I understand that because of the \$ 7B shortfall of collateral described in John's email below, Ops had to pull all the collateral allocated to London and were therefore over our unsecured limit by \$1.9B. Part of this overage can also be attributed to EFG as they were unsecured by \$1B.

Will revert with more clarity in AM new york time

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**From:** Haley, John: Operations (NYK)  
**To:** Scott, Teri: Finance (NYK); LaRocca, Gerard: Barclays Capital (NYK); Walker, James: Finance (NYK); Westwood, Jai: Barclays Capital (NYK); Drubel, Elaine: Finance (NYK); Rodefeld, John: Operations (NYK); Beckenhaupt, Jim: Operations (NYK); Gavenda, TJ: Finance (NYK); Hughey, Matthew: Finance (NYK); Grbic, Susan: Finance (NYK); Morton, Marcus: Finance (NYK)  
**Cc:** Garcha, Sarvjeet: Treasury (LDN)  
**Sent:** Fri Sep 19 00:52:05 2008  
**Subject:** RE: Lehman funding - Transactions summary

Thursday activity:

We have no traditional TriParty between Barclays and Lehman.

We funded 45b to Lehman against various collateral, we were expecting a total of 49.6 of collateral to cover this obligation:

27.25b in Fed collateral (US Govt, Agy & Agy MBS) was delivered to our account at BoNY

7.0b of 'cash subbed TriParty' pledged to us in our account at JP Chase. This was a result of difficulties in moving the remaining collateral to us, this will be completed Friday morning.

15.98b in DTC collateral in various asset classes:

<u>Collateral Type Total (MM)</u>	
Comm Stock	5,713
CMO	2,892
Corp Bds	1,873
ABS	1,611
ETF's	1,583
Convert	1,028
ADR's	501
Muni Bd	246
MTN	165
Conv Pref	136
FIC	51
Money Fd	47
Misc	43
Preferred	40
Comm Paper	30
	<b>15,959</b>

7.0b of 'cash subbed triparty' pledged to us in our account at JP Chase. This was a result of difficulties in moving the remaining collateral to us, this will be completed Friday morning.

We did hold up the system this evening to accomplish this activity and transaction will need to be adjusted in the morning. We expect to have this clean by batch tomorrow so the calc runs smoothly on Monday.

john

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**From:** Scott, Teri: Finance (NYK)  
**Sent:** Thursday, September 18, 2008 6:16 PM  
**To:** LaRocca, Gerard: Barclays Capital (NYK); Walker, James: Finance (NYK); Westwood, Jai: Barclays Capital (NYK); Haley, John: Operations (NYK); Drubel, Elaine: Finance (NYK); Rodefeld, John: Operations (NYK); Beckenhaupt, Jim: Operations (NYK); Gavenda, TJ: Finance (NYK); Hughey, Matthew: Finance (NYK); Grbic, Susan: Finance (NYK); Morton, Marcus: Finance (NYK)

**Cc:** Garcha, Sarvjeet: Treasury (LDN)  
**Subject:** FW: Lehman funding - Transactions summary  
**Importance:** High

FYI

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**From:** Scott, Teri: Finance (NYK)  
**Sent:** Thursday, September 18, 2008 6:10 PM  
**To:** Stone, Jonathan: Barclays Treasury (LDN)  
**Cc:** Storey, Miles: Barclays Treasury (LDN); Sillett, Jez: Barclays Treasury (LDN); Dearlove, Mark: Markets (LDN); Garcha, Sarvjeet: Treasury (LDN); Petrie, David: Markets (NYK); Wadlow, Scott: Treasury (LDN); Akhtar, Yaseen: Treasury (NYK); Maher, Brian: Treasury (SGP)

**Subject:** Lehman funding - Transactions summary  
**Importance:** High

Jon,

In speaking with Dave Petrie and Kevin Walker, the following summarizes the 2 trades with Lehman.

Barclays established a tri-party arrangement w/ JP Morgan Chase, Lehman, BBPLC on Monday

1) \$15.8b tri party with Lehman - overnight

- Trade has been on since Monday, initially at \$2b Mon, \$10b Tues and \$15.8B Wed
- Collateral held at JPM Chase. Ops were unable to re-hypothecate from this account and will be working to be able to get collateral into BONY to then re-hypothecate
- Reverse done on PLC NY Branch (Rick Frisbee)
- John Haley (US Ops) have advised that the transaction was unwound today, pending outcome of funding described in 2 below.

2) \$47b intraday requirement - one week term

- Lehman have collateral against 3 Fed programmes : OMO, PDCF and TSLF
- Fed would like Barclays to step into these transactions
- PLC to send cash to BCI, upto \$47b
- BCI will place cash with Lehman a/c at JPM Chase as part of reverse repo
- Fed will release collateral and pass to BCI
- BCI will place collateral with Fed against PDCF programme. Dave Petrie has received assurances from Fed that they will honour this transaction
- **A list of cusips to be excluded has been provided to ensure collateral we are not purchasing, is excluded in this transfer.**
- There is an intraday overdraft cap, but Fed have agreed to a temp increase if required
- The Repo desk is looking to replace the PDCF, Fed borrowing over the next 2 weeks

Operations will be sending me a summary of today's end position with Lehman once all the trades have settled. I expect sometime after 8PM NY Time, and I will forward onto this group.

Regarding the following:

- Funding the actual acquisition - I have spoken to Rupert and to our local Head of Tax and understand there is a group addressing this. I have asked to be include in the discussion, this way, we ensure we stay hooked up/in sync.
- Assessing funding needs/process after deal closes - BarCap Treasury will liaise/coordinate with the Mark's team.

Regards  
Teri

**\$47bn deal flow:**

<< OLE Object: Picture (Metafile) >>