

**From:** Barrio, Maria [mbarrio@lehman.com]  
**Sent:** Thursday, September 11, 2008 1:37 PM (GMT)  
**To:** Ullman, Neal (NY) [Neal.Ullman@lehman.com]; Barker Goldie, Garth [garth.barkergoldie@lehman.com]; Searle, Kate [kate.searle@lehman.com]  
**Cc:** Fielding, Stirling [sfieldin@lehman.com]; Healy-Waters, Jaime [jhealywa@lehman.com]; Durrant, Steve [sdurrant@lehman.com]  
**Subject:** RE: Daily Funding Call - UPDATE

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All,

Update for today.

HSBC

- \* Trsy have reduced cash deposit with HSBC to GBP200m in order to release liquidity in to the Firm.

Citibank

- \* Yesterday evening Citibank requested a further \$1BN from Lehman which was deposited overnight taking the total cash deposit to \$4BN;
- \* Uncertain on the intraday credit limit but reaches approx. \$6BN;
- \* Citibank are due to all again later today with an update their side.

DnB

- \* All settlements have gone through without any issues;
- \* NOK200 collateral has been requested for intraday credit but not yet deposited;
- \* Further discussion with the agent bank will agree cash deposit if required based on further analysis of long securities positions.

Standard Bank

- \* Further discussions with Standard Bank to be held today and tomorrow to review the cash deposit of \$200m to cover intraday credit;
- \* Additional analysis has been provided by Standard Bank showing Lehman long securities positions value (similar to Lehman analysis of approx USD130m);
- \* Intention is to further negotiate down cash deposit based on the long positions and that reviewed Custody Agreement will give Standard lien over the assets.

Thanks  
Maria

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> From: Barrio, Maria  
> Sent: Wednesday, September 10, 2008 4:10 PM  
> To: Ullman, Neal (NY); Barker Goldie, Garth; Searle, Kate  
> Cc: Fielding, Stirling; Healy-Waters, Jaime; Durrant, Steve

> Subject: Daily Funding Call - UPDATE  
> Importance: High  
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>  
> All,  
>  
> These are the banks we have had issues with to date (HSBC and Standard  
> prior to today, DnB and Citi are from yesterday evening/today):  
>  
> HSBC  
> \* Cut all unsecured credit lines on all Lehman Credit Lines;  
> \* GBP50m pledged to Gilt acct.  
>  
> Citibank  
> \* Lehman provide \$2BN collateral and Citibank provide approx \$10BN  
> intraday credit (THIS IS A GLOBAL LINE);  
> \* Yesterday evening Citibank requested an additional \$1BN on the  
> \$2BN and the intraday funding would be reduced to less than \$3BN;  
> \* This level will continue as is;  
> \* Trades failed to settle in Poland Fixed Income until later in  
> the daily cycle and one missed settlement (value small, approx \$20m);  
> \* Trsy are in constant contact with Snr RM in London.  
>  
> DnB Bank in Norway  
> \* Norwegian agent Den Norske Bank have cut unsecured credit;  
> \* Will need to watch settlement from tomorrow onwards - in order  
> to cover shorts we normally trade with Den Norske in a mixture of  
> financial products - they are now refusing to trade with us - leaving  
> themselves further exposed;  
> \* DnB may start blocking settlement in order to reduce this  
> exposure - will be monitored by settlements tomorrow;  
> \* Trsy in contact with RM at DnB.  
>  
> Standard Bank  
> \* SB have requested and received \$200m (Monday 08/09) as pledged  
> collateral from Lehman to protect vs intraday exposure;  
> \* They have raised concern around FI flows esp free of payment  
> movements where securities move from Euroclear FOP (unwind causes  
> short);  
> \* Short cash is funded - SB is concerned around intraday exposure;  
>  
> \* Next steps are to reduce \$200m. Analysis by Trsy has shown that  
> value of long positions has been average of ZAR 1.1BN ZAR average over  
> the last three months (approx USD130m);  
> \* Trsy are due to meet SB Friday 12/09 to review the amount of  
> pledged collateral.  
> \* Custody agreement between LBIE and Standard Bank to be updated  
> to reduce agent bank risk. LBIE agreement did not give lien to SB  
> over long securities therefore increasing SBs risk. Allie  
> McCombie-Lawrence is in the process of updating the agreement to  
> include a lien over assets.  
>  
> Thanks  
> Maria  
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> \_\_\_\_\_  
> From: Ullman, Neal (NY)  
> Sent: Wednesday, September 10, 2008 3:37 PM  
> To: Barrio, Maria; Barker Goldie, Garth  
> Cc: Fielding, Stirling; Fielding, Stirling; Durrant, Steve  
> Subject: RE: Daily Funding Call

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> Good idea - will someone bullet out take aways, status for the day

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> \_\_\_\_\_  
> From: Barrio, Maria  
> Sent: Wednesday, September 10, 2008 10:36 AM  
> To: Barker Goldie, Garth; Ullman, Neal (NY)  
> Cc: Fielding, Stirling; Fielding, Stirling; Durrant, Steve  
> Subject: Daily Funding Call

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> Garth - after discussion with Stirling we have agreed to set up a  
> daily call to keep everyone in the loop about any funding issues.  
> Will set this up for 1pm just for 5mins. Pls let me know if there  
> should be anyone else that the above on the call.

>  
> Thanks  
> Maria