

From: Gavin, Mark <mgavin@lehman.com>
Sent: Thursday, May 22, 2008 2:25 PM (GMT)
To: McGarvey, Michael <mmcgarve@lehman.com>; Silverberg, Marc <marc.silverberg@lehman.com>
Cc: Gothard, Chaz S <cgothard@lehman.com>; McManus, Patrick <patrick.mcmanus@lehman.com>
Subject: FW: Repo 105

Mike/Marc - we have a new repo 105 trade with Credit Suisse starting Tuesday 27th NB not 28th as below - do you have an account in place on MTS - if not we need to get an account opened. As you can see below there is a drive to get more Repo 105 in place and this will mean that this should not be the last request for new accounts or settlement instructions.

I'm pretty sure that we have GMRA in place between Credit Suisse & LBIE as we have traded repo on the equity side, but this needs to be confirmed

Credit Suisse's back office contact is Scott Robertson+ 44 20 7888 1187

I would like to agree the lines and size with CS as soon as possible - can you put together a list of \$550m or so TIPS only to cover the \$500m trade.

Pls note that this trades starts Tuesday - the day before the current trade with Mizhuo matures.

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>From: Michaels, Jeff
>Sent: Thursday, May 22, 2008 2:54 PM
>To: Morgan, Phil; Pinnock, Matthew; Jawad, Anthony C; Allery, Stephen; Gavin, Mark; Gothard, Chaz S; Allery, Stephen; Feraca, John; Luglio, Thomas
>Cc: McGarvey, Michael; Joshi, Tejal; King, Mitchell; Eickbush, Gregory; Amin, Kaushik
>Subject: RE: Repo 105

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>In order to avoid any processing confusion, the following are the point people for the US:

>
>Front Office Trading: Mitch King
>Finance Control: Mike McGarvey
>Balance Sheet Management: Tejal Joshi

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>A big risk in this process is that we Repo 105 securities that are subsequently sold, and thus we risk fails if we do not handle it properly. Let's make sure we stay on top of any changes in Repo 105 inventory to prevent that from happening.

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>Thanks to everyone for the hard work around this process.

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>- Jeff

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>From: Morgan, Phil
>Sent: Thursday, May 22, 2008 9:18 AM
>To: Pinnock, Matthew; Jawad, Anthony C; Allery, Stephen; Gavin, Mark; Gothard, Chaz S; Allery, Stephen; Feraca, John; Michaels, Jeff; Luglio, Thomas
>Subject: Repo 105

>
>All,

>
>Please see the update so far:

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>Euroclear - We have determined that the US Agency paper can be settled in Euroclear and the following cparts accept:
>CALYON, BK AUSTRIA, Caceis, citi, danske, dexia, dresdner, lbbw, lch, natixis, rbc, state st, west lb
>
>Chaz is determining the practicalities of delivering these from US into Euroclear but as soon as we do they can be used in 105 tri party.
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>We would have potentially \$2.5bn capacity as a result of this route.
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>Further to this we have had discussions with multiple cparts resulting in the following confirms
>
>Additional Cparts
>
>Daiwa - Indicative agreement to trade \$1bn at 1w libor - 5 (need to amend the legal agreement) bilateral (Reg agencies, Callables and TIPS ok)
>Statestreet - Will be in Euros need to agree the trade details but have appetite to 400 bilateral (need to check the practicalities of Euros) - bilateral (Agencies ok)
>CS - \$500m traded for 28th (traded) may have appetite for more. (TIPS only)
>RBC - Happy to take as part of the new \$ term trade upto \$1bn. - bilateral (All ok)
>ING - Agreed in principal \$500m we need to trade with ING Amsterdam. Firming up level (All ok)
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>WestLB - reviewing isins
>DRKW - reviewing isins
>Norges - Await feedback from Jeff Michaels but potentially more appetite.
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>To do's
>1. Confirm what capacity were looking to do (Gothard to speak with US but would appreciate a point person)
>2. Determine if we have appetite to do these trades versus Euros rather than USD (Gothard)
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>*****
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