

From: Cosaitis, Mark.

Sent:2/8/2008 12:33 PM.

To: Stabenow, Sigrid M; Mitrokostas, Paul.

Cc: .

Bcc: .

Subject: FW: FID End Q1 Balance Sheet Forecast.

Latest view from Europe

From: Gibb, Dominic
Sent: Friday, February 08, 2008 5:11 PM
To: Cosaitis, Mark; Higgins, Kieran; Assi, Georges
Cc: Chokshi, Divyesh
Subject: FID End Q1 Balance Sheet Forecast

As discussed with Mark, Divyesh and his balance sheet team here in Finance have drawn up a FID balance sheet forecast for quarter end following a meeting with Anthony Jawad.

Jock and his team are aggressively working to obtain repo 105 funding for all eligible govvnies positions. If they are successful then we will have \$23bn of assets on repo 105 at quarter end (a record amount). This would leave FID with a net balance sheet of \$51.7bn, \$4.7bn above the FID limit of \$47bn. The overage would predominantly be in Real Estate (\$2.8bn), Sec Products (\$1.3bn) and FID Corporate re relationship loans (\$1.5bn). This assumes that \$1.1bn of short term European Commercial Paper positions in High Grade are exited pre quarter end.

A prudent assumption would be that some governments bonds prove difficult to repo105 given the current market and so we have forecast (see attached file) that we only achieve \$21bn of 105 benefit leaving us \$6.7bn over limit.

Regards

Dominic

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