



January 17th 2008

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LBHI_SEC07940_1954891

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Executive Summary

Key Themes:

- ◆ As of 1/17/08, FID had net assets of 317bn. After factoring in accounting gross ups, derivative mtm and fails the remaining inventory is 260bn
- ◆ 116bn or 37% of FID's total Net balance sheet is illiquid concentrated in Real Estate (55.7bn) and Mortgages (40.5)bn respectively
- ◆ Derivative MTM balance sheet has more than doubled since Q4'06 growing to 27.3bn due primarily to credit and mortgage hedges
- ◆ 115.5bn of FID's net balance sheet is classified as 'movable'
- ◆ Accounting Gross Up balance sheet grown from 22.5bn to 15.1bn in Q1'06

FID Core Global Balance Sheet Metrics

1/17 FID CORE Net Balance Sheet (\$mm)

- As of 1/17 Balance sheet utilization (defined as a % of total balance sheet vs. % of total revenue) was very strong for Rates, Credit and Asia.
- Region , balance sheet utilization was strong for Rates and Credit in the US., Liquid Markets in Europe, and Credit in Asia.

GLOBAL

BUSINESS UNIT	Limit	Net B/S 11/30	Variance (vs.Limit)	Q4 Limit	Net B/S 1/17	Variance (vs.Limit)	1/17 Revenue	RROA (YTD)	% of Total Revenue	% of Total B/S	% of B/S Limit	Q1 B/S Forecast	Q1 Limit	Variance (vs.Limit)
Global Rates	42,200	47,115	4,915	42,200	116,249	74,049	468	3.2%	27.3%	19.2%	19.2%	46,977	42,200	4,777
Foreign Exchange	3,600	5,055	1,455	3,600	5,789	2,189	107	14.5%	6.2%	1.6%	1.6%	5,117	3,600	1,517
Liquid Markets	45,800	52,170	6,370	45,800	122,038	76,238	575	3.7%	33.6%	20.8%	20.8%	52,094	45,800	6,294
Commodities	300	1,861	1,561	300	2,411	2,111	(17)	-5.4%	-1.0%	0.1%	0.1%	2,416	300	2,116
High Grade	12,900	10,191	(2,709)	12,900	15,921	3,021	416	20.5%	24.3%	5.9%	5.9%	12,727	12,900	(173)
CDO	9,000	10,302	1,302	9,000	10,365	1,365	93	7.1%	5.5%	4.1%	4.1%	10,274	9,000	1,274
High Yield	16,000	13,939	(2,061)	16,000	15,449	(551)	361	18.3%	21.1%	7.3%	7.3%	16,572	16,000	572
Credit	37,900	34,432	(3,468)	37,900	41,735	3,835	870	16.4%	50.9%	17.2%	17.2%	39,572	37,900	1,672
Real Estate	60,500	64,274	3,774	60,500	65,798	5,298	(27)	-0.3%	-1.6%	27.5%	27.5%	65,144	60,500	4,644
Securitized Products	57,500	63,194	5,694	57,500	67,622	10,122	231	2.7%	13.5%	26.1%	26.1%	62,722	57,500	5,222
Municipals	6,500	5,748	(752)	6,500	7,045	545	74	8.2%	4.3%	3.0%	3.0%	6,500	6,500	0
IBD Loans	3,700	5,004	1,304	3,700	6,014	2,314	-	0.0%	-	-	-	6,014	3,700	2,314
FID Corp Loans	7,000	1,677	(5,323)	7,000	1,981	(5,019)	-	0.0%	-	-	-	1,981	7,000	(5,019)
FID Corp	800	2,819	2,019	800	2,308	1,508	-	0.0%	-	-	-	2,304	3,800	(1,496)
FID Corporate	11,500	9,500	(2,000)	11,500	10,303	(1,197)	6	0.5%	0.3%	5.2%	5.2%	10,298	14,500	(4,202)
TOTAL FID CORE	220,000	231,179	11,179	220,000	316,952	96,952	1,711	4.2%	100.0%	100.0%	100.0%	238,747	223,000	15,747
Americas	148,900	155,673	6,773	148,900	212,075	63,175	1,307	16.2%	51.8%	67.3%	67.7%	157,339	151,900	5,439
Europe	49,000	51,839	2,839	49,000	72,530	23,530	204	6.8%	26.7%	22.4%	22.3%	56,250	49,000	7,250
Asia	22,100	23,667	1,567	22,100	32,347	10,247	200	15.3%	21.5%	10.2%	10.0%	25,157	22,100	3,057

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FID CORE Global Balance Sheet Liquidity

1/17/08 FID CORE Net Balance Sheet (\$mm) by Liquidity and Type

● Illiquid includes HG Esoteric, Auction Rate Securities, DRD's, CDO Warehouse Commitments, HY distressed and Energy Fund, all Mortgage Securities (except Agencies), Real Estate CMBS and PTG.

● Hedges include treasury positions held outside Governments and cash positions held by Rate Derivative businesses.

GLOBAL

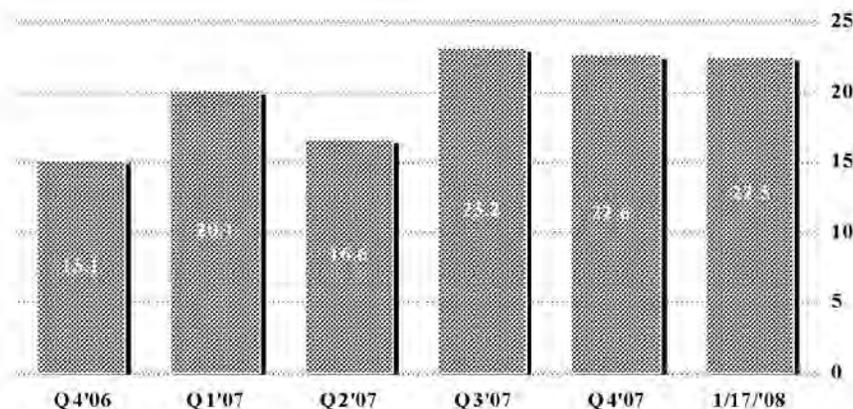
BUSINESS UNIT	Net B/S 1/17	Acct Gross Up	MTM	Fails/Other	Long Inventory	Illiquid	Dedicated Prop	Cash Hedges	'Movable'
Global Rates	116,249	0	12,536	1,354	102,359	-	7,662	17,514	77,183
Foreign Exchange	5,789	0	2,076	269	3,444	-	35	13	3,396
Liquid Markets	122,038	0	14,612	1,623	105,803	-	7,698	17,527	80,579
Commodities	2,411	0	1,915	333	163	-	-	-	163
High Grade	15,921	0	393	219	15,309	4,250	0	293	10,766
CDO	10,365	2,483	3,907	349	3,626	3,377	249	-	(0)
High Yield	15,449	0	251	66	15,132	2,875	0	5	12,252
Credit	41,735	2,483	4,551	634	34,067	10,502	249	298	23,017
Real Estate	65,798	9,407	154	488	55,748	55,747	-	2	(0)
Securitized Products	67,622	9,748	3,520	2,411	51,944	40,488	-	2,938	8,517
Municipals	7,045	885	2,506	1	3,653	-	415	67	3,171
IBD Loans	6,014	0	0	2	6,012	6,012	-	-	0
FID Corp Loans	1,981	0	0	0	1,981	1,981	-	-	0
FID Corp	2,308	0	43	1,090	1,176	1,127	-	-	48
FID Corporate	10,303	0	43	1,091	9,168	9,120	-	-	48
TOTAL FID CORE	316,952	22,523	27,300	6,583	260,547	115,857	8,362	20,832	115,496
Americas	212,075	15,361	20,325	3,998	172,391	76,563	7,898	5,808	82,123
Europe	72,530	5,366	6,942	2,289	57,933	26,010	429	12,627	18,866
Asia	32,347	1,796	33	296	30,223	13,284	35	2,396	14,508

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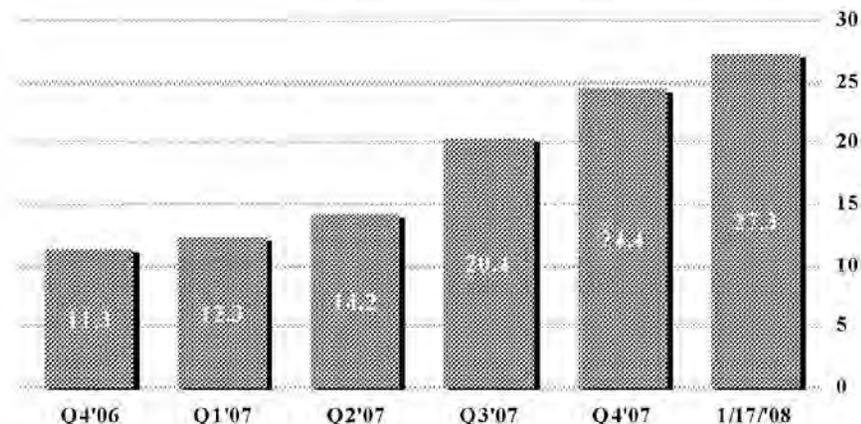
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FID Balance Sheet 'Blockage and Composition'

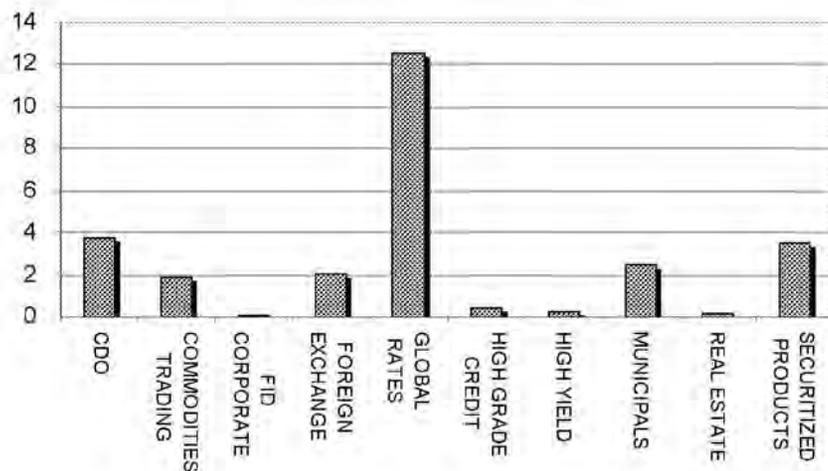
Accounting Gross Ups



MTM Balance Sheet



MTM Balance Sheet by BPM



- Balance Sheet usage for accounting gross ups has grown \$7.4bn between Q1'06 and Q1'08. This increase was primarily driven by FAS140 Gross-up for Securitized Products QSPE with Derivatives.

- MTM Balance sheet has increased from 11.3bn in Q4'06 to 27.3bn due to growth in Mortgage, FX and Credit hedges with counterparties that do not post cash collateral

- The combined Balance Sheet usage of gross ups and MTM is 47.8bn as of Q4

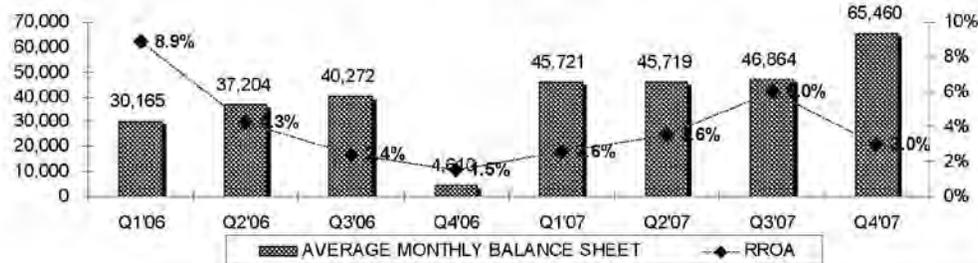
Business Level Balance Sheets

Global Rates Balance Sheet

01/17/08 (in millions)

Region	BPAL Level 1	Net Balance Sheet	Net Limit	Net Over/(Under)	MFM	Other	Long Inventory	Illiquid	Dedicated Prop	Cash Hedge	**Avalable**
GLOBAL RATES											
	RATES DERIVATIVES AMERICAS	8,503			5,918		2,584			2,584	0
	LIQUID MKTS PROP AMERICA	7,236	1,500	5,736			7,236		7,236		0
	PASSTHRU JV	34,466	5,000	29,466	1,498	481	32,487				32,487
	GOVERNMENTS AMERICAS	20,217				496	19,721				19,721
	SHORT TERM RATES AMERICAS	2,344					2,344				2,344
GLOBAL RATES AMERICAS		72,735	22,900	49,835	7,416	977	64,342	0	7,236	2,584	54,522
	CAPITAL MKTS FUNDS JV EUR	2,274					2,274			2,274	0
	RATES DERIVATIVES EUROPE	15,566			5,120	113	10,334			10,334	0
	LIQUID MKTS PROP EUROPE	427	1,000	(573)			427		427		0
	GOVERNMENTS EUROPE	11,756				183	11,572				11,572
GLOBAL RATES EUROPE		30,025	12,300	17,725	5,120	296	24,607	0	427	12,608	11,572
	RATES DERIVATIVES ASIA	2,321					2,321			2,321	0
	GOVERNMENTS ASIA	11,168				81	11,087				11,087
GLOBAL RATES ASIA		13,490	7,000	6,490	0	81	13,409	0	0	2,321	11,087
TOTAL RATES BALANCE SHEET		116,249	42,200	74,049	12,536	1,354	102,357	0	7,662	17,514	77,181
FOREIGN EXCHANGE											
	FX AMERICAS	2,319	1,800	519	2,044	234	41				41
	FX EM AMERICAS	906					906			13	893
	FX EUROPE	18	700	(682)			18				18
	FX EEMEA	932			32		900				900
	LIQUID MKTS PROP ASIA	0		0			0				0
	FX ASIA	1,615	1,000	615	0	35	1,580		35		1,545
FOREIGN EXCHANGE		5,789	3,500	2,289	2,076	269	3,444	0	35	13	3,396

Average B/S vs. RROA

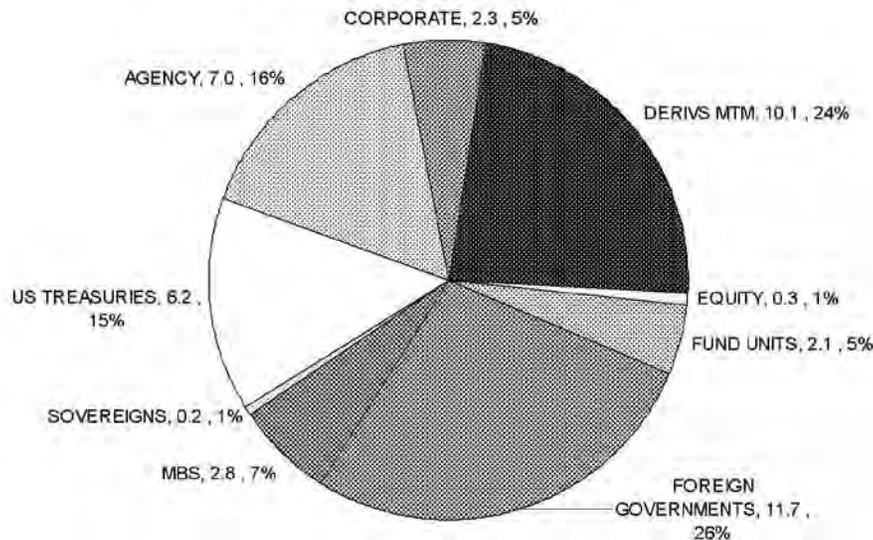


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Global Rates Balance Sheet

GLOBAL RATES	KEY CAPITAL RETURN METRICS							
	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	Q4'07
NET BALANCE SHEET	30,554	33,808	32,447	39,601	39,032	40,472	36,143	115,219
LIMIT	30,000	35,950	35,950	40,850	40,850	38,000	43,700	42,200
OVER/UNDER	554	(2,142)	(3,503)	(1,249)	(1,818)	2,472	(7,557)	73,019
AVERAGE MONTHLY B/S	30,165	37,204	40,272	46,100	45,721	45,719	46,864	115,219
REVENUE RETURN ON ASSETS	8.9%	4.3%	2.4%	1.5%	2.6%	3.6%	6.0%	3.0%

B/S by Asset Type (12/31/07)



● Global Rates net balance sheet has grown to 42.5bn in Q4 2007 a 28% increase since Q1'06

● Currently the Pass thru desk has accumulated a \$32bn fmma 30yr 5.0-6.0% position (long Dec settled/short Jan TBA) from a variety of clients (GSAM, Blackrock, etc). With the overnight rate on pools between 4.8%-4.9% the position generated strong carry. The desk intends to deliver the pools received into the January TBA settlement cycle to bring down balance sheet by February 12th

● RROA has improved for Q4 to 3.0% from 2.6% in Q1 due to strong derivatives revenue growth in the regions and prop gains on USD basis strategies which are largely off balance sheet

Securitized Products Balance Sheet

SECURITIZED PRODUCTS 'MOVABLE' BALANCE SHEET

As of 1/17/2007

AGENCIES	% of Total
CMO/ACCRU	91
CMO/IO	478
CMO/PI	1,727
CMO/PO	1,107
CMO/WI	340
FHLMC	1,404
FNMA	1,981
GNMA	35
MORTGAGE	45
ORIGFACE	80
STRIP	1,230
AGENCY Total	8,517

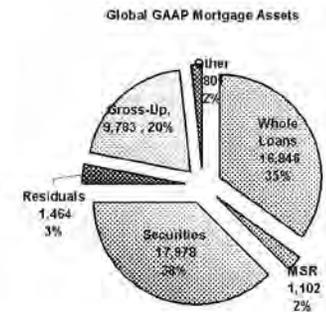
SECURITIZED PRODUCTS BALANCE SHEET by ASSET TYPE

As of 12/31/2007

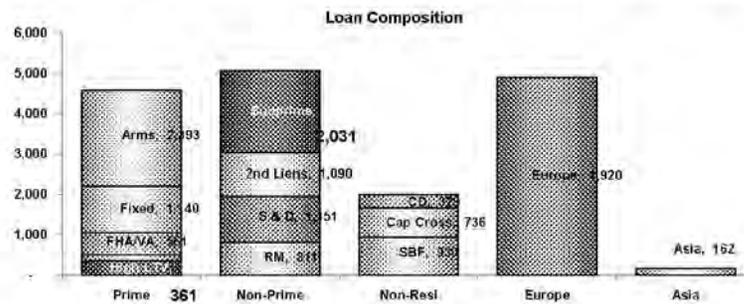
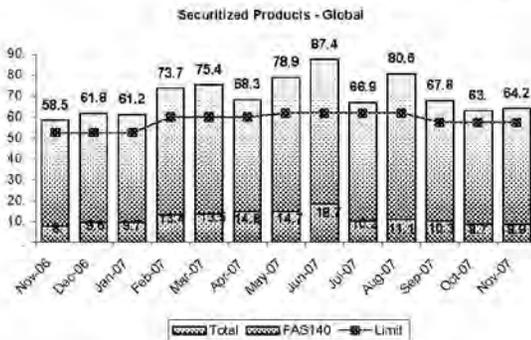
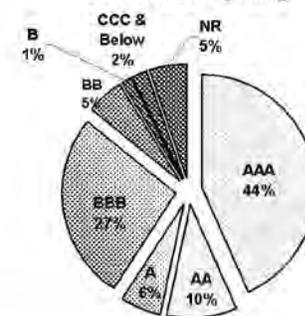
(all figures in \$MM)

Inventory & Other Asset Detail - 12/31/07

	Prime	Non-Prime	Non-Res	MSB New	MSB Sec	MSB Deriv	RMBS	FFB	Spec Opp	Other	Europe	Asia	Total
Agencies	2,477				45		5,279			98			7,899
Sec - IG	9,851	1,143	668	1,918	1,062	183	241		73	2	4,451	506	16,100
WL	4,604	5,082	2,078								4,920	162	16,846
Prin. Loans								161	907		118	945	2,132
MSR	1,035	32	35								621		1,102
Gross Lp	4,861	3,752	548										9,783
Sec - NIG	185	81	79	199	673	73				1	581	6	1,878
Residuals	958	65	74								370		1,464
Deriv B/S		791			328	3,164							4,283
REO	202	280											482
Op. Co.	385	60	247										692
Cash Collat					331								331
Other	81	434		-992			244	-	57	67	931	218	1,049
Total	20,637	11,721	3,730	1,125	2,439	3,430	5,765	159	1,037	169	11,992	1,837	64,041



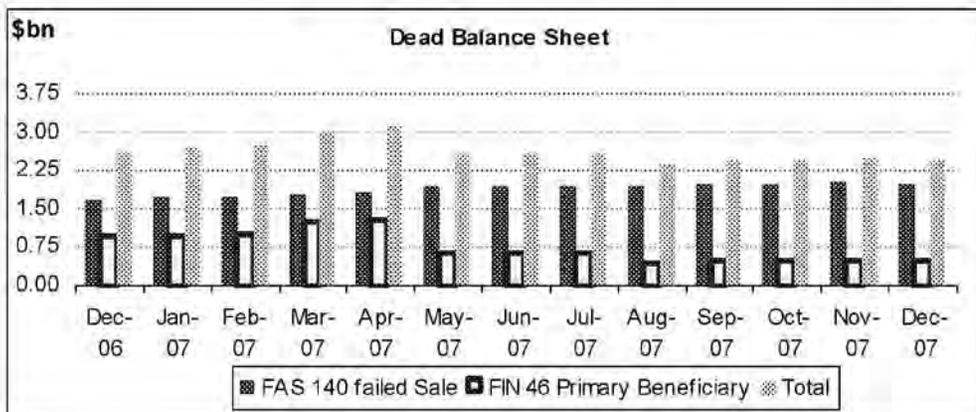
Global Securities by Rating



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CDO (excluding EMG)

BPM Level 1	2007				Usage				Usage		
	Avg Daily BS (\$MM's)	Revenues (\$MM's)	RROA	Dead B/S	Derivative MTM	Warehouse/Comm. Items	Regional Split	Other	17-Jan-08	BS Limit	O/(U) Limit
CDO - ASIA	1,736	125	7.2%	1,496	3	0	522	2	2,022	1,500	522
CDO - EUROPE	3,539	171	4.8%	982	1,523	635	(1,043)	333	2,431	4,000	(1,569)
CDO AMERICAS	5,061	179	3.5%	5	2,381	1,541	522	1,211	5,659	3,475	2,184
	10,336	475	4.6%	2,483	3,907	2,176	0	1,546	10,112	8,975	1,137



The increases in March and April were as a result of:

- (i) Minibond 31 Consolidation
- (ii) CPPI Antara3 consolidation
- (iii) CDO164 buybacks

- The reduction in May07 is as a result of the derecognition of Credit CPPI trades.
- The reduction in Aug07 is as a result of the change in FIN46 accounting policy.
- Current dead balance sheet: 2.0bn due to Minibond trades in Asia and structured trades in Europe; 482mm : Lehman holds more than 50% of issuance and so must consolidate under FIN46.

• Warehouse is split between ABS (2.2bn) and CLO (1.4bn). The primary contributors to the balance sheet are: (Ceago ABS:625m, Oakhill:100m, Adagio:99m, Hudson CLO: 97m, Standfield Zagato 77m, GSC 116m)

• Derivative MTM is primarily being driven by SPV's that do not post any cash collateral. Total derivative MTM is 4.6bn, this is adjusted down by (-700mm) to account for derivative reserves.

• Other balance sheet primarily consists of CLO Secondary (343m); CDO Structured Products (487m); Synthetic Hybrids (135m); and CDO Liquid Arb (213m) (Primarily corporate inventory)

High Grade (excluding EMG)

BPM Level 1	2007			Usage					Usage		
	Avg Daily	Revenues (\$MM's)	RROA	Derivative MTM	Short Term	Syndicate	Illiquid	Other	17-Jan-08	BS Limit	O/(U) Limit
	BS (\$MM's)										
HIGH GRADE CREDIT ASIA	1,112	42	3.7%	30			0	958	989	1,100	(111)
HIGH GRADE CREDIT EUROPE	842	65	7.7%	337	2,357	1	0	432	3,127	1,000	2,127
HIGH GRADE CREDIT US	9,393	583	6.2%	26	2,746	1,453	4,250	2,200	10,675	9,300	1,375
	11,347	689	6.1%	393	5,103	1,454	4,250	3,590	14,790	11,400	3,390

- Short Term inventory is fairly liquid and historically has been reduced globally anywhere to 2bn - 500mm.
- Current, syndicate Inventory is expected to be reduced by 350m. Imperial Tobacco (2.7bn) is expected to fund by end of Q1. Still waiting on confirmation regarding this being off the balance sheet before quarter end.
- Illiquid inventory : Primarily consisting of Auction rate securities (2bn), Muni Inventory 1.2bn, DRD inventory 959m, Esoterics 129m
- Most of the "U.S. Other" inventory is Corporate bonds and is liquid. Still waiting to confirm the liquidity on the "Other" inventory in Europe & Asia.

Regional Break out of Other Inventory

EUROPE	
Asset Category 1	Total
ASSET BACKS	586,343
CMO AGENCIES	6,079,521
CONVERTIBLES	54,373
CORPORATE	330,893,026
CORPORATE - NON G7	1,155,386
EQUITY	1,145,969
FUNDED LOAN	638,347
GOVERNMENTS	89,942,793
TREASURIES	754,411
Grand Total	431,250,169

ASIA	
Asset Category 1	Total
AGENCY	5,394
CMO AGENCIES	10,602,140
CONVERTIBLES	159,837,250
CORPORATE	515,844,759
CORPORATE - NON G7	66,477,756
EQUITY	1,832,669
FUND UNITS	105,742,562
FUNDED LOAN	6,469,416
GOVERNMENTS	472,004
LEHMAN PAPER	4,480,715
OPTIONS	19
PREFERRED	218,227
SOVEREIGNS - EURO BONDS	6,146,444
TREASURIES	75,454,984
WARRANTS	556,586
WHOLE LOAN	487,860
Grand Total	954,628,785

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High Yield (excluding EMG)

BPM Level 1	2007			Usage				Usage		
	Avg Daily BS (\$MM's)	Revenues (\$MM's)	RROA	Derivative MTM	Syndicate	Illiquid	Other	17-Jan-07	BS Limit	O/(U) Limit
HIGH YIELD - AME	5,288	766	14.5%	249	4,444	783	2,915	8,391	9,500	(1,305)
HIGH YIELD - ASIA	1,823	288	15.8%			2,057	943	3,000	2,500	404
HIGH YIELD - EUROPE	2,634	(98)	-3.7%	2	1,380	35	1,166	2,582	3,000	(391)
	9,745	956	9.8%	251	5,824	2,875	5,024	12,458	15,000	

Syndicate Balance Sheet

5.824bn

Top Exposures

Parent Name	Total
HD Supply	1.2bn
HMH PUBLISHING	749M
CDW	578M
FIRST DATA	392M
TXU ENERGY	331M
PQ CORP	208M
SEQUA	206M
HYP MEDIA	149M
CBD INVESTOR	102M

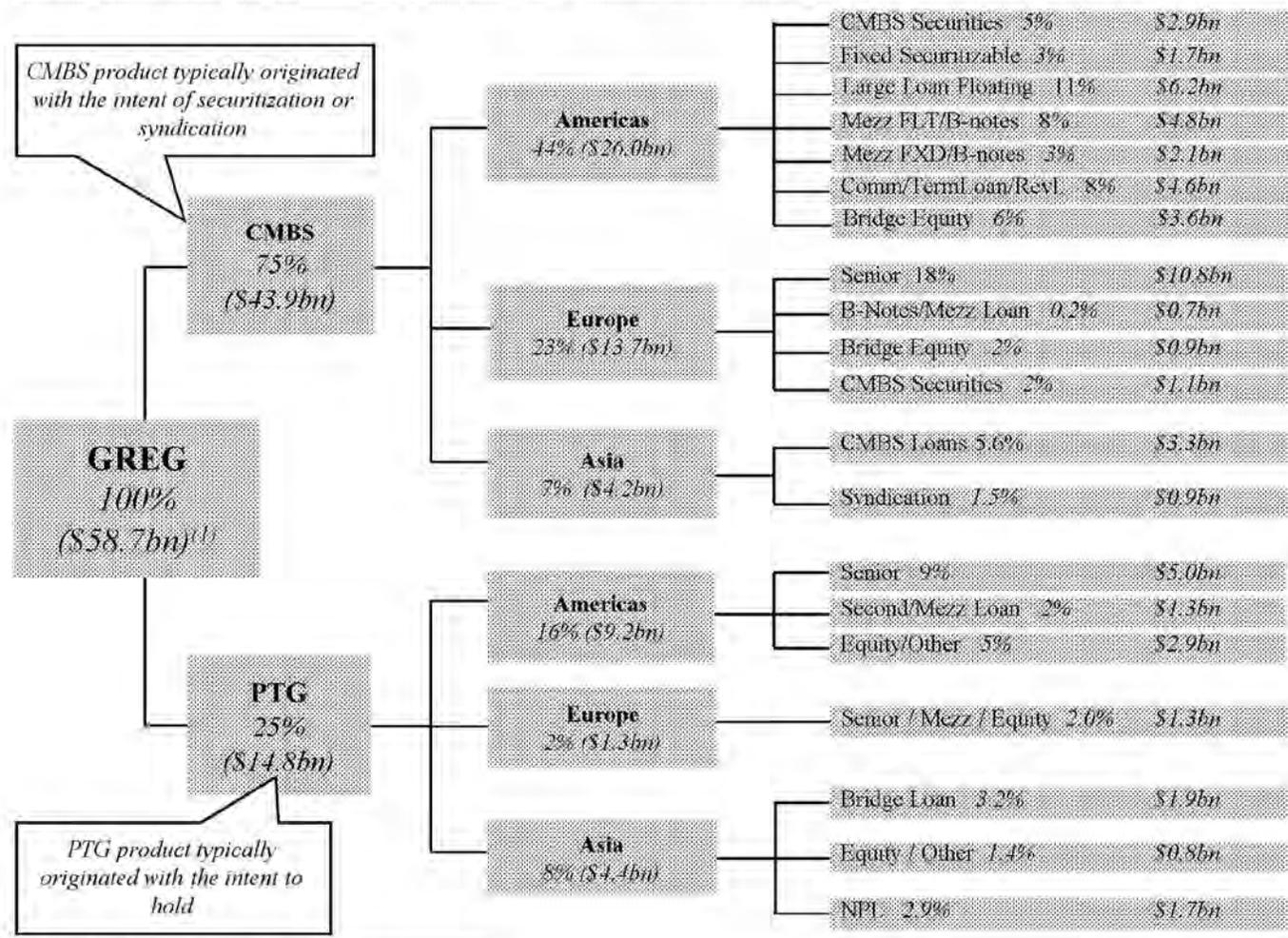
- HYP Media should be moved to securitized products
- Expecting to close 3.5bn of syndicate loans by end of Q1 (split 50/50 HY/IBD Loans)
- A portion of the HY Syndicate balance sheet should be allocated to FID Corp Loans, since the p&l be flashed in FID Corp Loans going forward

• **Illiquid Inventory:** 2.0bn in Asia is mostly related to special situations; 783m in Americas is related to Energy Fund, which typically holds positions for a longer period of time. In Europe there is 35m of dead balance sheet.

• **Other Inventory:** HY Distressed US 800m; HY Loans US 740m; HY Flow US900m; Par Loans Europe 566m; Bonds Europe 154m, HY Distressed Europe 190m, House Europe 246m; HY Japan 662m

Real Estate (excluding Accounting Gross Ups)

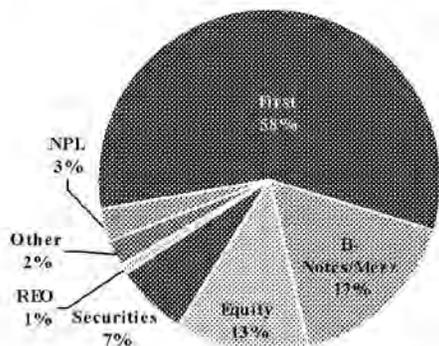
Balance Sheet Contribution by Business Segment / % of Global Balance Sheet – Oct-07⁽¹⁾



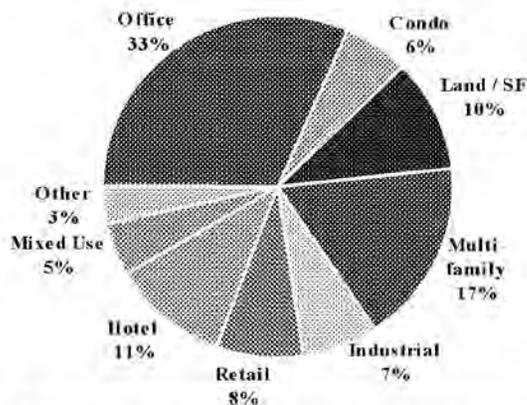
1. Excludes Gross-up

Real Estate

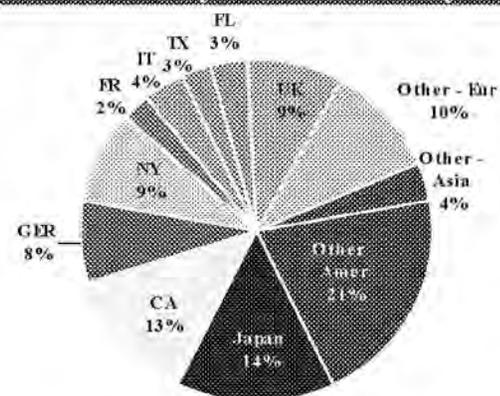
Global by Lien Type



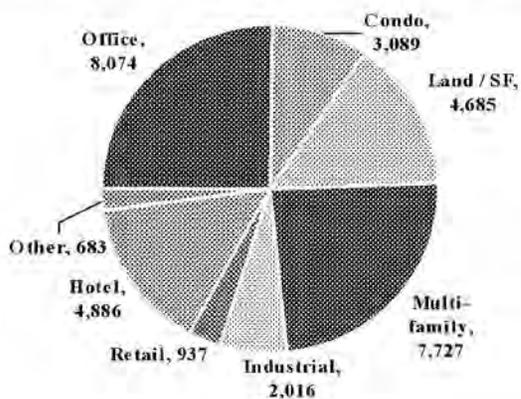
Global by Property Type



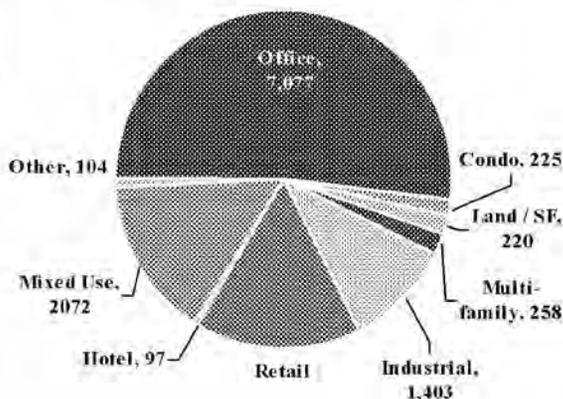
Global by State / Country



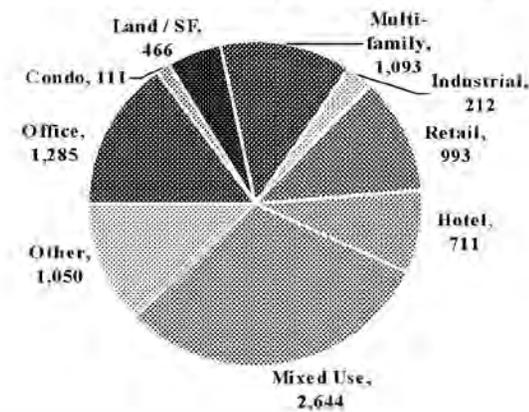
U.S. by Property Type (SMM)



Europe by Property Type (SMM)



Asia by Property Type (SMM)



Municipals

Lehman Brothers
Municipals Balance Sheet & ROA Summary
January 17, 2008

In (MM's)	Total Net (a)	Deriv MTM	FAS 140	Long	Prop	Cash Hedges	'Movable'	2007 ROA
Short Term	967		236	731			731	5.03%
Secondary	254		0	254			254	-2.72%
High Yield	1,202		0	1,202			1,202	14.71%
Structured Products	629		465	164			164	1.41%
Proprietary	598		184	415	415		0	-5.19%
Underwriting	131		0	131			131	72.64%
Total	7,045	2,506	885	3,654	415	67	3,173	3.62%

Commodity Trading

Balance Sheet Breakdown

As of November 30, 2007

(in millions)

	LBCS	Eagle	Total
Derivatives	\$ 960	\$ 465	\$ 1,425
Futures Margin	200	-	200
Exchange Memberships	55	-	55
Inventory	42	265	307
Corp Debt	22	-	22
	<u>\$ 1,279</u>	<u>\$ 730</u>	<u>\$ 2,009</u>

*Not including \$300mm of Goodwill (Eagle)

Below summarizes the Top 10 Counterparty exposure changes since Nov 2006 (LBC only)

	Nov-06	Oct-07	Yr/Yr Δ	% of Δ	Business Driving Balance
Canadian Natural Resources	\$ 9.8	\$ 138.2	\$ 128.5	16%	Oil
Florida Power & Light Co.	-	86.8	86.8	11%	Gas
Chesapeake Energy Corp.	-	65.8	65.8	8%	Gas
CMA CGM SA	36.7	78.7	42.0	5%	Oil
Tx Competitive Electric	-	27.2	27.2	3%	Gas
TPF	16.7	43.5	26.8	3%	Power
Hess Corporation	-	25.8	25.8	3%	Gas
Sempra Energy	15.4	40.6	25.3	3%	Gas
Penn West	-	21.5	21.5	3%	Oil
Constellation	-	21.5	21.5	3%	Oil
TOTAL	\$ 79.3	\$ 568.7	\$ 489.4	60%	

*Top ten explains 60% of derivative Δ from Nov 06 and 55% of the total derivative balance.

Appendix

FID Americas Balance Sheet Liquidity

1/17/08 FID CORE Americas Net Balance Sheet (\$mm) by Liquidity and Type

Americas

BUSINESS UNIT	Net B/S 1/17	Acct Gross Up	MTM	Fails/Other	Long Inventory	Illiquid	'Dedicated Prop'	Cash Hedges	'Movable'
Global Rates	72,735	-	7,416	977	64,342	-	7,236	2,584	54,522
Foreign Exchange	3,190	-	2,044	234	912	-	-	-	912
Liquid Markets	75,924	-	9,460	1,210	65,254	-	7,236	2,584	55,434
Commodities	2,312	-	1,883	333	95	-	-	-	95
High Grade	11,806	-	26	203	11,577	4,250	-	217	7,110
CDO	5,915	5	2,496	311	3,103	2,856	247	-	(0)
High Yield	8,846	-	249	17	8,579	783	-	-	7,796
Credit	26,566	5	2,771	532	23,259	7,889	247	217	14,906
Real Estate	39,354	5,344	154	1	33,855	33,853	-	2	(0)
Securitized Products	52,990	9,127	3,509	966	39,388	27,933	-	2,938	8,517
Municipals	7,045	885	2,506	1	3,653	-	415	67	3,171
IBD Loans	4,210	-	-	2	4,208	4,208	-	-	0
FID Corp Loans	1,554	-	-	-	1,554	1,554	-	-	0
FID Corp	2,119	-	41	953	1,125	1,125	-	-	0
FID Corporate	7,883	-	41	955	6,888	6,888	-	-	0
TOTAL FID CORE	212,075	15,361	20,325	3,998	172,391	76,563	7,898	5,808	82,123

FID Europe Balance Sheet Liquidity

1/17/08 FID CORE Europe Net Balance Sheet (\$mm) by Liquidity and Type

Europe									
BUSINESS UNIT	Net B/S 1/17	Acct Gross Up	MTM	Fails/Other	Long Inventory	Illiquid	'Dedicated Prop'	Cash Hedges	'Movable'
Global Rates	30,025	-	5,120	296	24,609	-	427	12,608	11,574
Foreign Exchange	949	-	32	0	918	-	-	13	905
Liquid Markets	30,974	0	5,151	296	25,527	-	427	12,621	12,478
Commodities	100	-	32	0	68	-	-	-	68
High Grade	3,127	-	337	12	2,778	-	-	1	2,777
CDO	2,431	982	1,408	38	3	-	2	-	0
High Yield	3,594	-	2	10	3,582	35	-	5	3,542
Credit	9,151	982	1,747	60	6,363	35	2	6	6,319
Real Estate	17,482	3,763	0	487	13,232	13,232	0	-	0
Securitized Products	12,588	621	10	1,445	10,512	10,512	-	-	0
Municipals	0	-	0	-	0	-	-	-	0
IBD Loans	1,804	-	-	-	1,804	1,804	-	-	0
FID Corp Loans	426	-	-	-	426	426	-	-	0
FID Corp	5	-	2	-	2	2	-	-	0
FID Corporate	2,235	0	2	0	2,232	2,232	-	-	0
TOTAL FID CORE	72,530	5,366	6,942	2,289	57,933	26,010	429	12,627	18,866

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FID Asia Balance Sheet Liquidity

1/17/08 FID CORE Asia Net Balance Sheet (\$mm) by Liquidity and Type

Asia

BUSINESS UNIT	Net B/S 1/17	Acct Gross Up	MTM	Fails/Other	Long Inventory	Illiquid	'Dedicated Prop'	Cash Hedges	'Movable'
Global Rates	13,490	-	-	81	13,408	-	-	2,321	11,088
Foreign Exchange	1,650	-	-	35	1,615	-	35	-	1,579
Liquid Markets	15,140	-	0	117	15,023	-	35	2,321	12,667
Commodities	0	-	-	-	0	-	-	-	0
High Grade	989	-	30	4	954	-	-	75	879
CDO	2,020	1,496	3	0	521	521	-	-	(0)
High Yield	3,009	-	0	38	2,971	2,057	-	-	914
Credit	6,017	1,496	33	42	4,446	2,578	0	75	1,793
Real Estate	8,962	300	-	-	8,662	8,662	-	-	0
Securitized Products	2,044	-	-	-	2,044	2,044	-	-	0
Municipals	0	-	-	-	0	-	-	-	0
IBD Loans	0	-	-	-	0	-	-	-	0
FID Corp Loans	0	-	-	-	0	-	-	-	0
FID Corp	185	-	-	136	48	-	-	-	48
FID Corporate	185	-	0	136	48	-	-	-	48
TOTAL FID CORE	32,347	1,796	33	296	30,223	13,284	35	2,396	14,508

FID Core Americas Balance Sheet Metrics

1/17 FID CORE Americas Net Balance Sheet (\$mm)

Americas

BUSINESS UNIT	Limit	Net B/S 11/30	Variance (vs.Limit)	Q4 Limit	Net B/S 1/17	Variance (vs.Limit)	YTD Revenue	RROA (YTD)	% of Total Revenue	% of Total B/S	% of B/S Limit	Q1 B/S Forecast	Q1 Limit	Variance (vs.Limit)
Global Rates	22,900	27,446	4,546	22,900	72,735	49,835	336	3.6%	25.7%	34.3%	15.4%	22,900	22,900	0
Foreign Exchange	1,800	4,039	2,239	1,800	3,190	1,390	14	3.5%	1.1%	1.5%	1.2%	3,190	1,800	1,390
Liquid Markets	24,700	31,485	6,785	24,700	75,924	51,224	350	3.6%	26.8%	35.8%	16.6%	26,090	24,700	1,390
Commodities	300	1,808	1,508	300	2,312	2,012	(13)	-4.3%	-1.0%	1.1%	0.2%	2,312	300	2,012
High Grade	10,400	8,455	(1,945)	10,400	11,806	1,406	361	24.0%	27.6%	5.6%	7.0%	10,400	10,400	0
CDO	3,500	5,478	1,978	3,500	5,915	2,415	31	4.1%	2.4%	2.8%	2.4%	5,915	3,500	2,415
High Yield	10,000	7,443	(2,557)	10,000	8,846	(1,154)	329	29.1%	25.1%	4.2%	6.7%	10,000	10,000	0
Credit	23,900	21,376	(2,524)	23,900	26,566	2,666	721	21.3%	55.1%	12.5%	16.1%	26,315	23,900	2,415
Real Estate	39,000	38,671	(329)	39,000	39,354	354	(31)	-0.6%	-2.3%	18.6%	26.2%	39,354	39,000	354
Securitized Products	45,000	49,320	4,320	45,000	52,990	7,990	197	2.9%	15.0%	25.0%	30.2%	48,885	45,000	3,885
Municipals	6,500	5,748	(752)	6,500	7,045	545	74	8.2%	5.6%	3.3%	4.4%	6,500	6,500	0
IBD Loans	1,700	3,227	1,527	1,700	4,210	2,510		0.0%				4,210	1,700	2,510
FID Corp Loans	7,000	1,348	(5,652)	7,000	1,554	(5,446)		0.0%				1,554	7,000	(5,446)
FID Corp	800	2,690	1,890	800	2,119	1,319		0.0%				2,119	3,800	(1,681)
FID Corporate	9,500	7,265	(2,235)	9,500	7,883	(1,617)	9	0.9%	0.7%	3.7%	6.4%	7,883	12,500	(4,617)
TOTAL FID AMERICAS	148,900	155,673	6,773	148,900	212,075	63,175	1,307	4.8%	100.0%	100.0%	100.0%	157,339	151,900	5,439

FID Core Europe Balance Sheet Metrics

1/17 FID CORE Europe Net Balance Sheet (\$mm)

Europe

BUSINESS UNIT	Limit	Net B/S 11/30	Variance (vs. Limit)	Q4 Limit	Net B/S 1/17	Variance (vs. Limit)	Revenue	RROA (YTD)	% of Total Revenue	% of Total B/S	% of B/S Limit	Q1 B/S Forecast	Q1 Limit	Variance (vs. Limit)
Global Rates	12,300	12,954	654	12,300	30,025	17,725	102	2.7%	50.1%	41.4%	25.1%	17,077	12,300	4,777
Foreign Exchange	700	311	(389)	700	949	249	42	35.0%	20.8%	1.3%	1.4%	827	700	127
Liquid Markets	13,000	13,265	265	13,000	30,974	17,974	144	3.7%	70.9%	42.7%	26.5%	17,904	13,000	4,904
Commodities	0	53	53	0	100	100	(3)	-24.5%	-1.5%	0.1%	0.0%	104	0	104
High Grade	1,000	720	(280)	1,000	3,127	2,127	31	7.9%	15.5%	4.3%	2.0%	827	1,000	(173)
CDO	4,000	2,919	(1,081)	4,000	2,431	(1,569)	34	11.1%	16.9%	3.4%	8.2%	2,339	4,000	(1,661)
High Yield	4,000	3,806	(194)	4,000	3,594	(406)	(13)	-2.9%	-6.4%	-5.0%	8.2%	3,563	4,000	(437)
Credit	9,000	7,445	(1,555)	9,000	9,151	151	53	4.5%	25.9%	12.6%	18.4%	6,729	9,000	(2,271)
Real Estate	14,500	17,116	2,616	14,500	17,482	2,982	1	0.0%	0.4%	24.1%	29.6%	17,490	14,500	2,990
Securitized Products	10,500	11,849	1,349	10,500	12,588	2,088	18	1.1%	8.9%	17.4%	21.4%	11,793	10,500	1,293
Municipals	0	0	0	0	0	0			0.0%	0.0%	0.0%	0	0	0
IBD Loans	2,000	1,777	(223)	2,000	1,804	(196)		0.0%				1,804	2,000	(196)
FID Corp Loans	0	329	329	0	426	426		0.0%				426	0	426
FID Corp	0	5	5	0	5	5		0.0%				0	0	0
FID Corporate	2,000	2,111	111	2,000	2,235	235	(9)	-3.3%	-4.7%	3.1%	4.1%	2,230	2,000	230
TOTAL FID EUROPE	49,000	51,839	2,839	49,000	72,530	23,530	204	2.2%	100.0%	100.0%	100.0%	56,250	49,000	7,250

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FID Core Asia Balance Sheet Metrics

1/17 FID CORE Asia Net Balance Sheet (Smm)

Asia

BUSINESS UNIT	Limit	Net B/S 11/30	Variance (vs.Limit)	Q4 Limit	Net B/S 1/17	Variance (vs.Limit)	Revenue	RROA (YTD)	% of Total Revenue	% of Total B/S	% of B/S Limit	Q1 B/S Forecast	Q1 Limit	Variance (vs.Limit)
Global Rates	7,000	6,715	(285)	7,000	13,490	(285)	30	1.8%	15.2%	41.7%	31.7%	7,000	7,000	0
Foreign Exchange	1,100	705	(395)	1,100	1,650	(395)	50	23.8%	25.0%	5.1%	5.0%	1,100	1,100	0
Liquid Markets	8,100	7,420	(680)	8,100	15,140	(680)	80	-4.2%	-40.2%	-46.8%	-36.7%	8,100	8,100	0
Commodities	0	0	0	0	0	0	(1)		-0.5%	0.0%	0.0%	0	0	0
High Grade	1,500	1,016	(484)	1,500	989	(484)	23	18.5%	11.7%	3.1%	6.8%	1,500	1,500	0
CDO	1,500	1,905	405	1,500	2,020	405	28	10.9%	14.1%	6.2%	6.8%	2,020	1,500	520
High Yield	2,000	2,690	690	2,000	3,009	690	45	11.8%	22.5%	9.3%	9.0%	3,009	2,000	1,009
Credit	5,000	5,611	611	5,000	6,017	611	97	12.6%	48.2%	18.6%	22.6%	6,528	5,000	1,528
Real Estate	7,000	8,487	1,487	7,000	8,962	1,487	2	0.2%	1.1%	27.7%	31.7%	8,300	7,000	1,300
Securitized Products	2,000	2,025	25	2,000	2,044	25	16	6.1%	8.0%	6.3%	9.0%	2,044	2,000	44
Municipals	0	0	0	0	0	0			0.0%	0.0%	0.0%	0	0	0
IBD Loans	0	0	0	0	0	0						0	0	0
FID Corp Loans	0	0	0	0	0	0						0	0	0
FID Corp	0	124	124	0	185	124		0.0%				185	0	185
FID Corporate	0	124	124	0	185	124	6	25.7%	3.0%	0.6%	0.0%	185	0	185
TOTAL FID ASIA	22,100	23,667	1,567	22,100	32,347	1,567	200	4.9%	100.0%	100.0%	100.0%	25,157	22,100	3,057

HISTORICAL RROA

2007 Revenue Return Assets (\$mm) by Quarter

BUSINESS UNIT	RROA (*Qtr End)							
	Q1 '06	Q2 '06	Q3 '06	Q4 '06	Q1 '07	Q2 '07	Q3 '07	Q4 '07
Global Rates	8.8%	4.7%	3.0%	1.8%	3.0%	4.0%	7.7%	3.6%
Foreign Exchange	18.6%	10.1%	18.0%	2.3%	13.8%	8.3%	10.5%	7.2%
Energy	89.0%	64.9%	-2.1%	19.8%	36.1%	25.0%	33.8%	15.7%
High Grade	8.5%	5.2%	4.6%	5.6%	9.6%	7.6%	0.4%	6.8%
CDO	6.4%	13.3%	8.3%	3.9%	5.2%	10.4%	4.9%	4.6%
High Yield	28.3%	20.8%	10.1%	23.4%	20.4%	17.0%	3.4%	6.9%
Real Estate	7.3%	6.4%	8.9%	5.1%	5.2%	4.9%	2.9%	2.0%
Securitized Products	3.9%	6.5%	4.2%	4.9%	2.2%	1.7%	0.3%	-0.1%
Municipals	13.5%	21.1%	7.9%	4.1%	4.6%	3.6%	0.1%	4.2%
FID Corporate	-36.3%	-24.5%	-14.6%	-4.4%	-15.5%	-17.5%	-32.7%	-8.3%
TOTAL FID CORE	6.3%	6.2%	5.1%	4.5%	4.3%	4.1%	1.9%	2.3%