

**From:** Nicholas J TAYLOR  
**Sent:** Sunday, September 14, 2008 2:25 PM  
**To:** Christine COE; Patricia GOMES  
**Cc:** Martin NICHOLSON; Paul Lopez; Paul SILVESTER; Theron G WILLIAMS  
**Subject:** Re: Milan

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Agreed. However, best not to send any instructions out until as late as possible. Ie - just before open. It is wise to put people on notice now provided they don't act and it is irrevocable. I will speak to Patricia and 5am HK and appraise her of developments.

We don't want to be in the position of being the first (and possibly only) bank in Asia to stop making payments without very good reason.

Same goes for Cat B trades although I believe it is clear that we don't do any more non csa.

----- Original Message -----

From: Christine COE  
Sent: 09/14/2008 07:16 PM GDT  
To: Patricia GOMES  
Cc: Martin NICHOLSON; Nicholas J TAYLOR; Paul Lopez; Paul SILVESTER; Theron G WILLIAMS  
Subject: Re: Milan

Mine too I just want to be certain as I need to cover all Cnc just in case there is any local arrangement we are not aware of

Chris

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----- Original Message -----

From: Patricia GOMES  
Sent: 15/09/2008 02:13 ZE8  
To: Christine COE  
Cc: Martin NICHOLSON; Nicholas J TAYLOR/HBUS/HSBC@HSBC02; Paul Lopez/HBUS/HSBC@HSBC02; Paul SILVESTER; Theron G WILLIAMS  
Subject: Re: Milan

My understanding is the pre-fund guidance still stands.  
It is only withholding payment (trading settlement basically) for existing trades

which are being settled in the next few days that is being discussed unless i am missing something?

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Christine COE/HBEU/HSBC  
15 Sep 2008 02:11 Mail Size: 4226

To  
Nicholas J TAYLOR/HBUS/HSBC@HSBC02, Patricia GOMES/IBH CIB/HBAP/HSBC@HSBC,  
Martin NICHOLSON/HBEU/HSBC@HSBC  
cc  
Paul Lopez/HBUS/HSBC@HSBC02, Paul SILVESTER/IBH CIB/HBAP/HSBC@HSBC, Theron G  
WILLIAMS/TCMR ASP/HBAP/HSBC@HSBC  
Subject  
Re: Milan

Our Ref

Your Ref

Nick What should I do about CnC I have not yet sent the note to prefund

Chris

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----- Original Message -----

From: Nicholas J TAYLOR  
Sent: 14/09/2008 13:08 CDT  
To: Patricia GOMES; Martin NICHOLSON; Christine COE  
Cc: Paul Lopez; Paul SILVESTER; Theron G WILLIAMS  
Subject: Milan

Consensus of call is that right now, we must be very careful in not making payments. Martin, your note cc-ing John Flint was referenced.

We need to ensure that NOSTRO mgmt is on notice to withhold (or more correctly, manually process) but does not withhold until they have clear and explicit notification.

We can't afford to be seen as the guys creating a problem when Asia opens.

Your note could be misconstrued in this respect.

A further call at 4pm EST. Situation very fluid. Possible bankruptcy. Appears Barclays has walked.

I will update after this.

Patricia. Suggest you sleep for a few hours but be ready to act before ASP open. Call me whenever you want.