

**From:** Guy BRIDGE  
**Sent:** Thursday, August 28, 2008 10:22 AM  
**To:** Nicholas J TAYLOR; Christine COE; Patricia GOMES; Martin NICHOLSON;  
Joseph Travaglione  
**Subject:** Milan Update 28.08.08

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Points to note prior to call at 3.30

HSBC Bank plc has received a GBP 435 m deposit this am and is placed on Money Market in names of Milan International. We expect a further USD 145m tomorrow in Hong Kong which will be transferred to Milan Asia limited - though Mark Smith and Brain Robertson have agreed post a call with Milan CFO and Carlo this PM that Milan can have their cash back over the quarter end and will be placed back with us post that. Carlo is to call me shortly on this.



On the PSL detail they require this is work in progress and I hope we can get revised spread to them tonight. Carlo again wants us to help with this but we have stated we cannot work a rolling settlement facility. We have systems limitation ourselves on granularity here for them.

On CREST now we have collateral if there are specific requests to support the flows we would look to allow unsec limits as necessary proving this doesn't support Free of payment trades. I am to send a note later on this to Milan but have already spoke on the matter.

Private banking has been made aware of position and asked to kept informed on progress.

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