

Edward A Deleon@JPMCHASE
To: Donna Delloso/JPMCHASE
cc: Subject: Lehman Liquidity Pool Description
09/04/2008 07:03 PM

Donna, below is the update on Lehman's liquidity pool. The attachment provides further breakdown.

Edward DeLeon

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----- Forwarded by Edward A Deleon/JPMCHASE on 09/04/2008 07:01 PM -----
FIG - Client Credit Management - Tel 212-270-8272

Alexeev Taboas/JPMCHASE
09/03/2008 10:47 AM
cc
Subject

Kristen M Murphy/JPMCHASE@JPMCHASE, Edward ToA Deleon/JPMCHASE@JPMCHASE
Fw: Liquidity Pool

LEH info

Alex J. Taboas | Client Credit Management – FIG | J.P.Morgan Chase & Co. 270 Park Avenue/ 22nd Floor, New York, NY 10017 ☎ **Office / Fax:** 1 212 270 8272 / 1511 ☎ **Mobile:** 1 917 270 0919 ✉ **email:** alexeev.taboas@jpmorgan.com

----- Forwarded by Alexeev Taboas/JPMCHASE on 09/03/2008 10:46 AM -----

Mark G Doctoroff/JPMCHASE
09/03/2008 10:37 AM
To
cc
Subject

Alexeev Taboas/JPMCHASE
FW: Liquidity Pool

Alexeev, Enclosed is the liquidity pool details for lehman for the presentation. Best, Mark

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

From: Fleming, Dan (TSY) [<mailto:dfleming@lehman.com>]
Sent: Tuesday, September 02, 2008 5:20 PM
To: Mark G Doctoroff

Cc: Cornejo, Emil
Subject: Liquidity Pool

Mark,

Please see the attached file regarding preliminary estimates of LBHI reportable liquidity as of Aug 31st. There may be slight modifications to these figures but we do not expect material changes. As previously mentioned this information is confidential. We recognize the need to share this information with senior management at the bank but expect it to be limited in its distribution.

In summary, the liquidity pool at Holdings closed at \$42 billion. ~90% of the pool was invested in cash and cash equivalents, Government and Agency securities and E1 (major index) equities, all of which can be monetized at very short notice. The balance (~10%) was invested in Lehman CLO securities, two thirds of which are backed by corporate loans, which have been relatively liquid as evidenced by our successful efforts in reducing our exposure to this asset class. Additionally, there is more than \$400 million of cash in these structures, which would be available to the holders of these securities if these CLOs get unwound. Some of these securities have been repoed to non-Central Bank counterparties in the past.

Regarding the classification of the pool, ~90% of the pool was classified as Level 1 (technically speaking, cash and cash equivalents are not included in inventory and therefore not included in the FAS 157 disclosure). For the remaining 10%, the answer is more complex but the assets will fall into the Level 2 / Level 3 category.

Let me know if you have any questions.

Regards,
Dan

<<Aug 2008 Liquidity Disclosure_sent_rev.xls>>

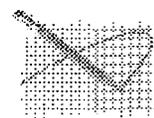
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IRS Circular 230 Disclosure:

Please be advised that any discussion of U.S. tax matters contained within this communication (including any attachments) is not intended or written to be used and cannot be used for the purpose of (i) avoiding U.S. tax related penalties or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

(See attached file: Aug 2008 Liquidity Disclosure_sent_rev.xls)



- Aug 2008 Liquidity Disclosure_sent_rev.xls

	A	B	C	D	E	F
1	Global Treasury					
2	Liquidity Footnote - August 31, 2008					
3	Amounts in millions					
4	PRELIMINARY ESTIMATE					
5			Pledge Value*			
6	Investment Type		LBHI Pledge Value	LBI Pledge Value	LBIE Pledge Value	Total Pledge Value
7			New York Inv	New York Inv	Europe Inv	Global Inv
8	1. Cash					
9	Cash at Banks		3,378	-	-	3,378
10	Other Cash Inv		553	-	-	553
11	Money Funds		104	-	-	104
12						
13	Total Cash	A	4,035	-	-	4,035
14						
15	2. Boxed Inventory					
16	Private Label CMO's		454	-	10	464
17	Corporates		3,020	-	785	3,806
18	Governments / Treasuries		16,963	1,187	9,470	27,620
19	Asset Backed		674	-	88	762
20	Equities		8	-	1,557	1,565
21	Agencies		3,811	-	17	3,828
22	Canadian		-	-	15	15
23						
24	Total Boxed Inventory	B	24,930	1,187	11,943	38,060
25						
26	C&C Equivs Available to Holding Company (A+B)		28,965	1,187	11,943	42,095
27						
28	Undrawn Committed Facilities					
29	Chase Facility					2,000
30	European Facility					2,500
31						
32	C&C Equivs Available to Holding Company					46,595
33						
34	Notes:					
35	*Pledge value = Market Value of the collateral * normal mkt haircut for each asset class					

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