

From: Fielding, Stirling [sfieldin@lehman.com]
Sent: Wednesday, September 10, 2008 12:02 PM (GMT)
To: Birney, Janet [jbirney@lehman.com]
Subject: RE: Agent Bank Update Europe

Agree - my view is that we are too busy right now to be worrying over this. We should put the 500mm on and then look to discuss intraday etc..

However, if Steve Engel says he really needs the liquidity that might change things.

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

From: Birney, Janet
Sent: Wednesday, September 10, 2008 12:53 PM
To: Fielding, Stirling
Subject: RE: Agent Bank Update Europe

I think the broader points are the \$5.1B in financing that we don't want to lose the new trade they did yesterday and the buyer of our debt. The economics of the \$600 million don't make sense to argue over as we invest \$15B with them. I will send the new trade details under a separate mail.

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

From: Fielding, Stirling
Sent: Wednesday, September 10, 2008 7:30 AM
To: Birney, Janet
Subject: RE: Agent Bank Update Europe

I received this info from Emil, trying to understand what that means. But generally I take away that we have a bigger relationship with these guys and they appear broadly supportive to the firm. But these notes don't give a lot.

BK has been supportive throughout market disruption and strong advocate for Lehman with its clients McDade, Lowitt, Tonucci met w/ Hassell, Pres. 09/03/08--LEH 3rd qtr results; BK concern on intraday exposures ~ \$600 M+ LEH pays fees ~ \$15M+ (corp tr, Aurora, triparty, Alpha Funds) TY invests \$15B in MoneyFunds Direct portal BK provides large commitments totalling \$175 M in LEH flagships-- TY looking for secured equity financing BK= major sec lending counterparty (\$5.1B+ in financing to LEH) Largest buyer of LEH debt - \$1.4 B in 2007 IMD ask: ? AUM in LEH liquidity funds (BK has \$1.5 B invested) BK mandated LEH in July on an M&A transaction for its custody and processing business. We are now in the process of signing the engagement letter. This is highly visible since IBD only began covering BK's custody and processing businesses from a strategic (as opposed to funding) perspective in 2007 and Goldman has historically been mandated. This decision reflected the strong growth in the Lehman relationship with BK. Fees: \$6mm-\$8mm with up-side. LEH consistently named Co-Lead Manager on BK debt issuances

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

From: Birney, Janet
Sent: Wednesday, September 10, 2008 12:27 PM
To: Fielding, Stirling
Subject: Re: Agent Bank Update Europe

Thanks any news on the secured funding

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

From: Fielding, Stirling
To: Birney, Janet
Sent: Wed Sep 10 07:24:48 2008
Subject: RE: Agent Bank Update Europe

It was all chase I think

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

From: Birney, Janet
Sent: Wednesday, September 10, 2008 12:17 PM
To: Fielding, Stirling
Subject: Fw: Agent Bank Update Europe

Nobody will buy?

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

From: Pellerani, Carlo
To: Rees, Huw; Creditor Relations (Global); Fielding, Stirling
Cc: Goldband, Craig; Rushton, Dave; Fleming, Dan (TSY); Jones, Craig L; Birney, Janet; Ito, Gregory
Sent: Wed Sep 10 07:14:13 2008
Subject: RE: Agent Bank Update Europe

Bear in mind all overnight ECP will become 0 as of today so BONY should be happy puppies

From: Rees, Huw
Sent: 10 September 2008 12:01
To: Pellerani, Carlo; Creditor Relations (Global); Fielding, Stirling
Cc: Goldband, Craig; Rushton, Dave; Fleming, Dan (TSY); Jones, Craig L; Birney, Janet; Ito, Gregory
Subject: Agent Bank Update Europe

Summary of Conversations and Open Items

BNY Mellon

Wanting to get Deposit Agreement signed

- * Emil -- can you provide colour on what was discussed in recent meeting with Renyi in regard to this agreement
- * Carlo, Stirling -- will provide update on the proposed deposit mechanics separately

HSBC

- * London Deposit Agreements signed and returned
- * Watching our cash position on minute by minute basis
- * Need to manage them

JPM

- * No current issues

Citibank

- * Managing within the \$2B limit is very tight -- it would be very helpful if we could increase the amount to \$3B
- * Updated custody and clearing documentation -- Citi feel that the old agreements give them no protection - would like us to get the new doc signed soon
- * Would like us to consider changing our CLS membership to 3rd party as this would give Citi a better overview of the payment flows