

From: Bismal, Anuraj <abismal@lehman.com>
Sent: Monday, April 30, 2007 9:44 PM (GMT)
To: Lee, Matthew <mattlee@lehman.com>; Grieb, Edward <egrieb@lehman.com>; Azerad, Robert <RAzerad@lehman.com>
Subject: RE: FID Balance Sheet Management: Policy changes
Attach: FID Balance Sheet Management.ppt

The attachment...
<<FID Balance Sheet Management.ppt>>

From: Lee, Matthew
Sent: Monday, April 30, 2007 4:42 PM
To: Grieb, Edward; Azerad, Robert
Cc: Bismal, Anuraj
Subject: RE: FID Balance Sheet Management: Policy changes

Are you aware of this? Good idea 600bp charge and 300bp benefit should improve our ROE and ROA. Interesting treatment of aged inventory and odd lots too.

From: Bismal, Anuraj
Sent: Monday, April 30, 2007 10:41 AM
To: Balance Sheet Group NY; Lee, Matthew
Subject: FW: FID Balance Sheet Management: Policy changes
Importance: High

From: McGarvey, Michael
Sent: Wednesday, April 25, 2007 11:33 AM
To: Bismal, Anuraj
Subject: FW: FID Balance Sheet Management: Policy changes
Importance: High

fyi

From: Stabenow, Sigrid M
Sent: Friday, April 20, 2007 9:31 AM
To: FID Business Analysis; Addington, Erik R; Chan, Raymond; Yano, Yuzuru; Ellis, Tony; Gotham, Dunstan; Holmes, Richard
Subject: FW: FID Balance Sheet Management: Policy changes
Importance: High

Fyi...communication finally made on balance sheet items I've been talking to you about...

From: Umezaki, Kentaro
Sent: Friday, April 20, 2007 9:23 AM
To: Amin, Kaushik; Killian, Gary M; Kirk, Alex (FID); Lee, Hyung S; Merli, James; Walsh, Mark; Wickham, John; Sherr, David; Morton, Andrew J
Cc: Archer, Mary Pat; Humphrey, Thomas P; Mattu, Ravi; Gelband, Michael; Reilly, Gerard; Stabenow, Sigrid M; Mitrokostas, Paul;

Eickbush, Gregory; Keating, Kieron; Cosaitis, Mark; Singh, James;
Skolnick, Fred; Umezaki, Kentaro
Subject: FID Balance Sheet Management: Policy changes
Importance: High

All:

Since we did not meet yesterday, please review the attached document.
It outlines 2 things:

1. The balance sheet limits for Q2 (May)
2. FID balance sheet policy changes we intend to implement, effective starting this May's month-end balance sheet process.

We are implementing these changes at this time for a variety of reasons including:

1. positioning for our potential upgrade (as we have discussed);
2. increase our RROA which has started to trend downward over the last year;
3. increase the turnover of our lower ROE balance sheet positions

Please give Mike and Ken any feedback or issues you may have around these items as soon as practical. We will meet as a group on May 3.

Thanks,

Mike & Ken

<< File: FID Balance Sheet Management.ppt >>