

From: Lynn, Gary <gary.lynn@lehman.com>
Sent: Wednesday, February 21, 2007 2:58 PM (GMT)
To: Mirchandani, Sharan <sharan.mirchandani@lehman.com>; Addington, Erik R <eaddingt@lehman.com>; Amin, Kaushik <kamin@lehman.com>; Bhalloo, Murtaza <murtaza.bhalloo@lehman.com>; Chan, Raymond <raymond.chan@lehman.com>; Chokshi, Divyesh <divyesh.chokshi@lehman.com>; Christofi, Clare <clare.christofi@lehman.com>; Clark, Lachlan <lachlan.clark@lehman.com>; Davies, Isaac <isdavies@lehman.com>; Eickbush, Gregory <gregory.eickbush@lehman.com>; Gardner, Jonathan <jgardner@lehman.com>; Gerber, Stephen <stephen.gerber@lehman.com>; Gotham, Dunstan <dunstan.gotham@lehman.com>; Higgins, Kieran <khiggins@lehman.com>; Ichikawa, Akiko <akiko.ichikawa@lehman.com>; Kundi, Narinder <nkundi@lehman.com>; Lohuis, David W <dlohuis@lehman.com>; Malkani, Kunal <kunal.malkani@lehman.com>; Martinez, Jose <jose.martinez@lehman.com>; McGarvey, Michael <mmcgarve@lehman.com>; Michaels, Jamie <jamie.michaels@lehman.com>; Michaels, Jeff <jamicha2@lehman.com>; Miyoshi, Katsuya <katsuya.miyoshi@lehman.com>; Morton, Andrew J <amorton@lehman.com>; Ota, Yoko <Yoko.Ota@lehman.com>; Patel, Brijesh <brijesh.patel@lehman.com>; Rizzieri, Jerry (NY) <jerry.rizzieri@lehman.com>; Siegmund, Thomas <tsiegmun@lehman.com>; Silfa, Federico <federico.silfa@lehman.com>; Smith, Paula <paula.smith@lehman.com>; Stabenow, Sigrid M <sstabenow@lehman.com>; Vezie, Eric <evezie@lehman.com>
Subject: Q1 Balance Sheet Overage
Attach: Balance Sheet Projection 02.16 pv.xls

All,

As you are aware we are significantly over the Q1 balance sheet limits for IRP and LMP with one week to go, and Kaushik has delivered that message to the business heads that we need to come down further as there is no room for us to be over our limits.

Please note that the current projected overage below already includes an additional \$3bn of Repo 105 that we have been granted above the normal Repo 105 limit, but it has been communicated to me that this additional Repo 105 is to satisfy overages we currently have in other business lines. Therefore, we need to come down an additional \$3bn in net balance sheet for LMP and IRP (total of \$9bn) for FID to meet it's balance sheet targets.

We need to get firm commitments from the business heads in each region so we can project our balance sheet for quarter-end as soon as possible.

Please work with your local controllers and Mike McGarvey to provide the specific business lines and how much you are intending to come down so we can reflect that in our projections to Treasury for quarter-end.

Thanks for your help.

Gary

<<Balance Sheet Projection 02.16 pv.xls>>

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> _____
> From: Mirchandani, Sharan
> Sent: Tuesday, February 20, 2007 6:34 PM
> To: Addington, Erik R; Amin, Kaushik; Antonelli, Ronald N; Becker,
> Steven; Bhalloo, Murtaza; Bismal, Anuraj; Chan, Raymond; Chokshi,
> Divyesh; Christofi, Clare; Clark, Lachlan; Davies, Isaac; Eickbush,
> Gregory; Elagoz, Melda; Gardner, Jonathan; Gerber, Stephen; Gotham,
> Dunstan; Hammett, Mark; Higgins, Kieran; Ichikawa, Akiko; Kundi,
> Narinder; Lohuis, David W; Lynn, Gary; Malkani, Kunal; Marion, Claude;
> Martinez, Jose; McCullough, Lauren; McGarvey, Michael; Michaels,
> Jamie; Michaels, Jeff; Mirchandani, Sharan; Miyoshi, Katsuya; Morton,
> Andrew J; Novack, Steven K; Ota, Yoko; Parikh, Satu; Patel, Brijesh;
> Pogrebinsky, Natasha; Raha, Lorraine; Rizzieri, Jerry (NY); Siegmund,
> Thomas; Silfa, Federico; Simon, Scott A; Smith, Paula; Stabenow,
> Sigrid M; Vezic, Eric; Weaver, Andrew; Wilder, Melissa; Zhu, Henry
> Subject: 02.16.07 IRP, LMP, FX Balance Sheet

>
> All,

>
> Attached please find the month end balance sheet projections for
> Global IRP, LMP, and FX as of 02/16.

>
> << File: Balance Sheet Projection 02.16 pv.xls >>

>
> Please note the following:

>
> 1) Global Rates and Prop together are projected to be over on net
> balance sheet for quarter end by 5.9bn.

>
> Thanks,
> Sharan

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> << OLE Object: Picture (Metafile) >>

> **Includes 100% of Pass Thru JV B/S which is split 50% with Mortgages
> on the actual Daily Management Balance Sheet

>
> RATES / LMP

> Gross B/S

> Americas 55,815
> Europe 29,132
> Asia 20,562
> Total 105,510

>
> Net B/S

> Americas 26,727
> Europe 12,400
> Asia 10,124
> Total 49,251

>
> Gross Over/(Under)

> Americas (6,563)
> Europe 14,132
> Asia 5,462
> Total 13,032

>
> Net Over/(Under)

> Americas (1,273)
> Europe 3,400

> Asia 3,774
> Total 5,901
>
>
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> Phone: (212) 320-2653
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