

From: McDade, Bart [bmcdade@lehman.com]
Sent: Thursday, April 3, 2008 10:18 AM (GMT)
To: Lee, Hyung S [hyung.lee@lehman.com]
Subject: Re: Repo 105

I am very aware...it is another drug we r on

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

From: Lee, Hyung S
To: McDade, Bart
Sent: Wed Apr 02 23:49:55 2008
Subject: RE: Repo 105

Bart,

Not sure you are familiar with Repo 105 but it is used to reduce net balance sheet in our governments businesses around the world. If for example UBS does not roll their repo 105, then Asia would go up 2bln in net balance sheet at quarter end assuming we could not find a someone to replace them.

Regards
Hyung

From: Lee, Hyung S
Sent: Thursday, April 03, 2008 2:40 PM
To: Morton, Andrew J; Amin, Kaushik
Cc: Siegmund, Thomas
Subject: Repo 105

Andy and Kaushik,

I thought I would mention we have about \$3bln(~\$20bln globally from what Thomas estimates) of repo 105(End of 1st Quarter). Our largest counterpart in Asia is UBS which does \$2bln for us, we have a feeling that they will scale back their business dramatically given their problems. This could force the whole street to deleverage their cash positions around the world. I spoke to Thomas to make sure we get in front of this, not sure what our global considerations would be.

Regards
Hyung