

From: Stewart, Marie <marie.stewart@lehman.com>
Sent: Friday, December 21, 2007 2:57 PM (GMT)
To: Gibb, Dominic <DGibb@lehman.com>
Cc: Bismal, Anuraj <abismal@lehman.com>; Wiener, Todd <todd.wiener@lehman.com>
Subject: RE: Year End

That's not really a Policy question. And FYI that our use of Repo 105 is a conversation at the CFO level at this point. Suggest you call Anuraj who can give you details on b/sheet targets etc. Also, I think anymore on this topic is best by conversations and not email.

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

From: Gibb, Dominic
Sent: Friday, December 21, 2007 9:43 AM
To: Stewart, Marie
Subject: Re: Year End

Happy to handle but I thought there were issues about taking repo 105 benefit if it wasn't a consistent source of funding?

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

From: Stewart, Marie
To: Bismal, Anuraj; Wiener, Todd; Gibb, Dominic
Sent: Fri Dec 21 14:05:35 2007
Subject: RE: Year End

Call Dom, not Todd. This really isn't an issue for us to handle.

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

From: Bismal, Anuraj
Sent: Friday, December 21, 2007 8:52 AM
To: Stewart, Marie; Wiener, Todd; Gibb, Dominic; Kelly, Martin
Cc: Lee, Matthew
Subject: Re: Year End

Dom and Todd,

I will call you when I get in the office later this morning to discuss.

A few points to consider...

1. The Firm does publish in the MD&A a sentence on average balance sheet - average of month ends compared to quarter ends.
2. The Firm does publish financials monthly to the S.E.C under the consolidated supervised entity regime
3. The finance committee does set balance sheet targets for each and every month end. Yes - Intra-quarter month end targets are a bit higher than quarter ends.

Given these facts I think it is incorrect to state that there is no focus on intra-qtr month ends.

Thanks
Anuraj

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

From: Stewart, Marie
To: Wiener, Todd; Gibb, Dominic
Cc: Bismal, Anuraj; Lee, Matthew
Sent: Fri Dec 21 08:28:01 2007
Subject: RE: Year End

As a first take, talk to Anuraj Bismal re b/sheet. He can decide if Wright/Kelly need to be involved.

From: Wiener, Todd
Sent: Friday, December 21, 2007 8:25 AM
To: Gibb, Dominic; Stewart, Marie
Subject: RE: Year End

Dominic -

From what I gather from the email chain below, I think this needs to be elevated to Andrew Wright and / or Martin Kelly rather than Policies.

Marie -

If you think otherwise, please let me know.

Regards,
Todd Wiener

From: Gibb, Dominic
Sent: Thursday, December 20, 2007 2:56 PM
To: Wiener, Todd; Stewart, Marie
Subject: FW: Year End

Todd/ Marie

Please can you tell me if you agree with Mike's standpoint below.

I am nervous about it and have asked that it not be forwarded to the business for the timebeing. We historically haven't liked to see massive swings in our utilisation of repo 105 just at quarter end.

Thanks

Dominic

From: McGarvey, Michael
Sent: Thursday, December 20, 2007 2:40 PM
To: Gibb, Dominic
Cc: Cosaitis, Mark
Subject: FW: Year End

Dominic,

Yes. Being the non-quarter month end balance sheets aren't published in the financials we don't focus on them. We don't want traders spending money to come down in balance sheet unless it's really necessary.

Thanks,
Mike

From: Gibb, Dominic
Sent: Thursday, December 20, 2007 9:26 AM
To: McGarvey, Michael
Cc: Cosaitis, Mark
Subject: RE: Year End

Thanks Mike. Did you mean intra quarter targets? If not then what about month ends? Is there no more focus at month end than during the month?

Thanks

Dominic

From: McGarvey, Michael
Sent: Thursday, December 20, 2007 2:24 PM
To: Gibb, Dominic; Cosaitis, Mark; Mitchenere, Clare
Cc: Searle, Kate; Neller, Mark; Jawad, Anthony C
Subject: RE: Year End

Mark/Dominic,

We only focus on meeting our quarter end balance sheet targets. The intra month targets historically haven't been actively managed.

Thanks,
Mike

From: Gibb, Dominic
Sent: Thursday, December 20, 2007 4:08 AM
To: Cosaitis, Mark; McGarvey, Michael; Mitchenere, Clare
Cc: Searle, Kate; Neller, Mark; Jawad, Anthony C
Subject: RE: Year End

Sorry Clare, misinformation from me - please ignore my previous mail - I had only previously been involved at the quarter end. Please can you move the 10.30 to this pm so that I can attend and so that we can get feedback from Mike before we meet.

Dom

From: Cosaitis, Mark
Sent: Thursday, December 20, 2007 9:03 AM
To: Gibb, Dominic; McGarvey, Michael
Cc: Searle, Kate; Neller, Mark; Mitchenere, Clare; Jawad, Anthony C
Subject: RE: Year End

I thought we needed to hit our month end BS targets? Have they been relaxed for Dec? Mike do you know

M

From: Gibb, Dominic
Sent: Thursday, December 20, 2007 8:55 AM
To: Mitchenere, Clare; Jawad, Anthony C; Cosaitis, Mark
Cc: Searle, Kate; Neller, Mark
Subject: RE: Year End

Ok - I am not aware of a major push on balance sheet for each month end. We do like to make sure we clean up as much as we can in the run up to quarter ends and that we forecast and manage our balance sheet tightly in the run up to quarter end so that Mark C, wider FID and the global balance sheet team understand where we are versus limits/ leverage.

That said, I think it would be helpful to repo 105 for this month where this is easily achievable and cost effective. We don't want to see a massive drop in balance sheet just at quarter ends.

Mark C - anything else that comes to mind?

Dom

From: Mitchenere, Clare
Sent: Thursday, December 20, 2007 8:46 AM
To: Gibb, Dominic
Subject: RE: Year End

Dominic - its about the run up to Calendar year end. Had rung Divyesh but appears he is not back until Jan, wanted to make sure that we were all on the same page around 105 trades and any other b/sheet requirements in the run up.

Clare

From: Gibb, Dominic
Sent: Thursday, December 20, 2007 8:00 AM
To: Mitchenere, Clare
Subject: RE: Year End

Clare

What's this meeting about - December month end? Or is it a review of how we coped in the run up to November year end?. If it's the former then Mark can handle alone. If it's the latter then we need to wait until Divyesh is back from holiday.

Dominic

From: Mitchenere, Clare
Sent: Wednesday, December 19, 2007 1:19 PM
To: Mitchenere, Clare; Mitchenere, Clare; Gibb, Dominic; Allery, Stephen; Gavin, Mark; Jawad, Anthony C; Maxfield, James; Neller, Mark
Subject: Updated: Year End
When: Thu 20 Dec 07 09:00-09:30 (GMT) Greenwich Mean Time : Dublin, Edinburgh, Lisbon, London.
Where: James' office 6th

All,

Just wanted to get together quickly as a group to discuss the run up to Year End and Balance Sheet requirements.

Regards
Clare