

From: Bismal, Anuraj <abismal@lehman.com>
Sent: Friday, December 7, 2007 3:31 PM (GMT)
To: Kelly, Martin <martin.kelly@lehman.com>; Lee, Matthew <matthew.lee@lehman.com>; Stewart, Marie <marie.stewart@lehman.com>; Beldner, Brett <brett.beldner@lehman.com>; Traversari, Ryan <ryan.traversari@lehman.com>
Subject: Net leverage computations
Attach: ole0.bmp;Competitor Net Leverage Comparison Updated 3Q 07.xls

I thought it could be worth sharing this image that I got from Treasury FP&A that shows how net leverage is calculated amongst the peer group.

Some diffs for example - we see that both BSC and MS deduct "gross-ups" from their definition...for Q3 that was BSC \$39B and MS \$120B.

Also LEH does not add shorts into net assets.

FP&A perform an extensive 'what-if' analyses on this subject so if you wanted to see more then probably best to hook up w/Ari Axelrod.

AB



From: Jacob, Anu
Sent: Friday, December 07, 2007 9:47 AM
To: Bismal, Anuraj
Cc: Glatt, Ilana
Subject: RE:

Sure do!

<<Competitor Net Leverage Comparison Updated 3Q 07.xls>>

-Anu

Anu Jacob | LEHMAN BROTHERS | 1301 Avenue of the Americas, 6th Floor | New York, NY 10019 | Voice: 212-320-4964 | Fax: 646-758-3532 | anu.jacob@lehman.com

From: Bismal, Anuraj
Sent: Friday, December 07, 2007 9:34 AM
To: Jacob, Anu

Subject:

Anu - do you have something off the shelf that describes how each of our wall street peers define net assets?