

From: Reilly, Gerard <greilly@lehman.com>
Sent: Friday, February 1, 2008 2:24 PM (GMT)
To: Callan, Erin <ecallan@lehman.com>
Subject: FW: Fid bs
Attach: FID Balance Sheet 2008 v8 (2) (4).ppt

This was used to educate sr fid guys on the bs and generate ideas to make the bs target

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> From: Stabenow, Sigrid M
> Sent: Wednesday, January 30, 2008 11:41 AM
> To: Reilly, Gerard; Bernard, Clement
> Cc: Fitzgibbon, Jennifer
> Subject: RE: Fid bs
>
> Gerry - we pulled together the attached and walked through w. the FID
> guys last week. It addresses the current balance sheet level, how it
> is being used at a product level and the gap to quarter end target.
> FID is forecasting to be \$15bn over quarter end limit. We are meeting
> weekly with them to keep the pressure on.
>
> Initial takeaways as action points from last week's meeting were:
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> 1. Recommendation that Repo105 program is expanded. View is that
> enough collateral is in place to ramp up the program now thereby
> avoiding large uptick at quarter end. \$20bn Repo 105 has currently
> assumed in forecast - meeting w. the europe guys tomorrow to gauge
> market appetite.
> 2. Andy will speak w. Kaushik and Alex will review GCP to find
> reductions. Europe Rates \$4bn overage seems too high.
> 3. Derivative MTM review of potential replacement of security
> collateral w. cash collateral to enable netting
> 4. Review of FAS140 opportunities (ie Securitized Products scrub)
> 5. Currently Equities is forecasting 3bn below target; Prime Services
> 6bn below target - assume placeholder of 6bn as potential FID relief
> (recognize that this is very fluid)
> 6. Review of long dated aged positions that are movable
>
> Feedback from meeting was that they found this summary of usage to be
> helpful to them and they are actively engaged in this - they are
> taking it seriously and find the \$15bn gap unacceptable.
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> <<FID Balance Sheet 2008 v8 (2) (4).ppt>>
>
> -thx,
> Sigrid
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> From: Reilly, Gerard
> Sent: Wednesday, January 30, 2008 11:22 AM
> To: Stabenow, Sigrid M; Bernard, Clement
> Cc: Fitzgibbon, Jennifer
> Subject: Fid bs
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> We are over a ton in bs

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- > What are areas that are over which is an easy question. Sorted by
- > liquid and illiquid.
- > What is the return on the trades that are causing us to be over that
- > are not illiquid asset base?
- >
- > Gerry