

From: Stabenow, Sigrid M <sstabeno@lehman.com>
Sent: Wednesday, January 30, 2008 4:41 PM (GMT)
To: Reilly, Gerard <greilly@lehman.com>; Bernard, Clement <clement.bernard@lehman.com>
Cc: Fitzgibbon, Jennifer <jennifer.fitzgibbon@lehman.com>
Subject: RE: Fid bs
Attach: FID Balance Sheet 2008 v8 (2) (4).ppt

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:

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.

<<FID Balance Sheet 2008 v8 (2) (4).ppt>>

-tlx,
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
>

- > 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