

Confidential

ALCO

Summary Package

August 7, 2007

LEHMAN BROTHERS

Agenda:

◆ Liquidity Update: (slide 2)

- Liquidity Pool stood at \$27.2 billion as of August 6, 2007, a \$0.4 billion increase over the previous day due to \$1.4bn return of LBI shortfall cover, offset by \$0.6bn intercompany paydown to LBIE and \$0.2bn LTD maturity
- Cash Capital Surplus:

<i>\$billions</i>	7/20 (actual)	7/31 (actual)	8/31 (est.)	9/30 (est.)	10/31 (est.)	11/30 (est.)
CC Surplus	7.7	5.2	5.0	4.0	3.0	2.0

◆ Secured Funding Status: (slide 3)

◆ Business Changes from Previous Status: (slides 4-5)

◆ Fundraising Game Plan: (slide 6)

- Dresdner - Working on assigning existing CLO's. Close targeted end of August 2007
- CWL Secured Funding - Evergreen and ING is reevaluating the proposed facilities

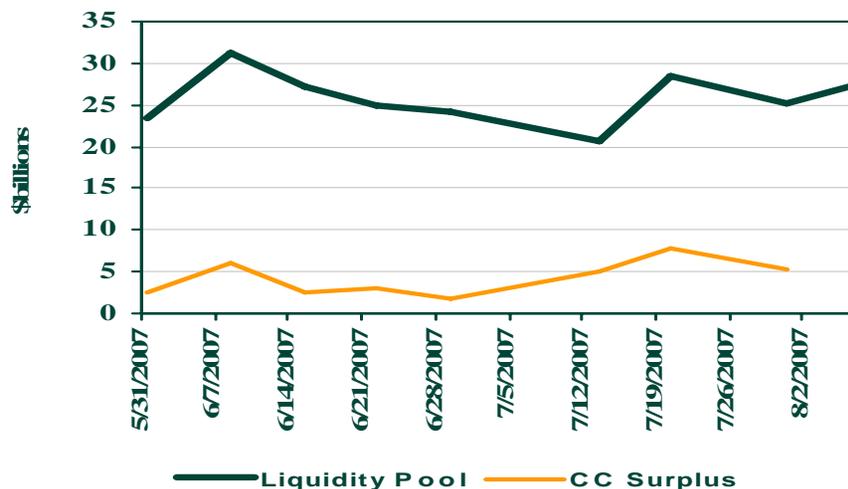
◆ Market Updates: (slide 7)

- CDS is tighter with the better tone in brokerage stocks

Liquidity and Cash Capital

- ◆ Liquidity pool as of August 6 stood at \$27.2 billion, a \$0.4 billion increase over the previous day due to \$1.4bn return of LBI shortfall cover, offset by \$0.6bn intercompany paydown to LBIE and \$0.2bn LTD maturity.
- ◆ Cash Capital surplus as of July 31 was \$5.2 billion. The Q3 and Q4 surpluses are projected to be \$5.0 billion and \$2.0 billion respectively. The decrease in surplus is mainly driven by additional HY/HG loan funding requirements.

QTD Liquidity Pool and Cash Capital Surplus



Cash Capital Projection

CC Position for the month ending 7/31		5.2
	Change in Liabilities	
Projected Structured Issuance	1.3	
Public Debt Issuance	-	
Cash Capital Facilities	5.0	
LLF Facility for Home Depot Supply	2.0	
Roll into Current Portion	(1.6)	
LTD Buybacks	(0.1)	
Equity	0.2	
	<u>6.8</u>	
	Change in Business Usage	
HY/HG		
- Loan Funding	(7.1)	
- Syndication/Sell-down	0.9	
	<u>Total HY/HG</u>	(6.2)
Real Estate		
- Loan Funding	(4.6)	
- Securitization/Syndication/Sell-down	5.1	
	<u>Total Real Estate</u>	0.5
Other	(1.3)	
	<u>Total Change in Business Usage</u>	(7.0)

CC Projection for the month ending 8/31 (Q3)		5.0
	Change in Liabilities	
Projected Structured Issuance	3.3	
Public Debt Issuance	-	
Cash Capital Facilities	5.5	
LLF Facility for TXU	0.8	
Roll into Current Portion	(2.9)	
Equity	0.5	
	<u>7.2</u>	
	Change in Business Usage	
HY/HG		
- Loan Funding	(11.0)	
- Syndication/Sell-down	-	
	<u>Total HY/HG</u>	(11.0)
Real Estate		
- Loan Funding	(11.7)	
- Securitization/Syndication/Sell-down	11.5	
	<u>Total Real Estate</u>	(0.2)
Other	1.0	
	<u>Total Change in Business Usage</u>	(10.2)

CC Projection for the month ending 11/30 (Q4)		2.0
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Secured Funding Status

◆ Highlights TBD

Secured Funding Volumes

Collateral Allocated Summary	Principal (\$bn)	Avg Tenor (Days)
Asset Backs - Investment Grade	7.2	34
Asset Backs - Non-Investment Grade	1.4	16
C1 - Investment Grade Convertibles	2.2	62
C2 - Non-Investment Grade Convertibles	3.4	70
Corporates - Investment Grade	14.6	17
Corporates - Non-Investment Grade	9.7	28
E1 - Major Index Equities	12.6	10
E2 - Non-Major Index Equities	12.0	55
E3 - Non-Major Index Equities (<\$5)	3.6	34
EMG	13.7	42
Fund Units	0.5	136
Money Markets (A1)	1.1	1
Money Markets (A2, A3, Other)	0.9	1
Muni	2.1	3
Other	0.0	1
Preferreds	0.6	2
Private Labels - High Yield	2.9	14
Private Labels - Investment Grade	11.8	25
Wholeloan Residential	2.8	36
Grand Total	103.1	31

Top 25 Counterparties

Counterparty Group	Principal (\$bn)	Avg Tenor (Days)
STATE STREET	11.9	44
DRESDNER	7.3	48
JP MORGAN CHASE	6.8	43
Fidelity	6.0	27
DEXIA	5.9	10
BANKHAUS	5.4	57
RBC	5.1	19
RABOBANK	4.5	6
MELLON	3.1	9
RACERS	2.9	180
DANSKE BANK	2.7	12
IXIS	2.6	3
ABN AMRO	2.5	81
CALYON	2.3	11
ING	2.0	3
BGI	1.9	18
WEST LB	1.8	6
LANDESBANK	1.6	7
BARCLAYS	1.4	16
NORTHERN	1.4	10
CITIBANK	1.3	51
KEYBANK	1.2	1
BANCO SANTANDER	1.1	67
UBS	1.0	3
HSBC	0.9	3
Other (86 Counterparties)	18.4	15
	103.1	31

1. The above is based on global Triparty and HIC cash repo trades as of August 3rd, 2007, excluding products traded special, Governments, Treasuries, Government/MBS Agencies, Sovereigns, and Commercial Wholeloans.

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HY/HG – Loan Funding & Syndication Pipeline

◆ Total Funding - \$18.1Bn, Total Syndication - \$0.9Bn (pre-LLF, post-Banks)

Timeline	Projected Funding	Projected Syndication
Q3	7.1 Q3 Funding 2.5 Funding of Home Depot Supply 0.9 Funding of Allison Transmission 0.6 Funding of USIS 0.6 Funding of Home Depot 0.5 Funding of ACTS (Air Canada) 0.5 Funding of Jarden 0.4 Funding of Project Rembrandt 0.3 Funding of PHS 0.3 Funding of Vertrue 0.2 Funding of ARINC 0.2 Funding of Chembulk Tankers 0.1 Funding of Chevron Global 0.1 Funding of CCS 0.1 Funding of Nuance	0.9 Q3 Syndication 0.4 Repayment of Racepoint IV 0.3 Transfer of Debitel Group to Bankhaus 0.3 Transfer of Icopal to Bankhaus
Q4	11.0 Q4 Funding 1.9 Funding of TXU 1.7 Funding of First Data Corp 1.7 Funding of Applebees/IHOP 0.8 Funding of United Rentals 0.7 Funding of Alliance Data 0.7 Funding of CDW 0.6 Funding of Sequa 0.5 Funding of Lloyds 0.4 Funding of McJunkin 0.4 Funding of LKQ 0.4 Funding of PHH Mortgage 0.3 Funding of Hawaiian Telecom 0.3 Funding of Harman International 0.2 Funding of Tenska 0.2 Funding of Metavante 0.2 Funding of PHH Corp 0.1 Funding of Windstream Regatta	- Q4 Syndication
Total HY/HG	18.1 Total Funding	0.9 Total Syndication

Real Estate / Securitized Products - Funding & Securitizations Pipeline

Real Estate (pre-LLF, post-Banks)

Timeline	Projected Fundings	Projected Syndication
Q3	4.6 1.5 Funding of Gospel 0.9 Funding of misc. European Real Estate loans 0.7 Funding of misc. Asia Real Estate loans 0.5 Funding of GM Building 0.3 Funding of misc. US Real Estate loans 0.3 Funding of Conduit/PTG loans 0.3 Funding of 230 Park Ave 0.1 Funding of West 44th St	5.1 Q3 Syndication 1.1 Windermere 11 securitization (closed Aug-03) 0.8 USCWL C-5 securitization (floater) 0.8 Windermere 12 securitization 0.8 RE loan transfers to Bankhaus 0.5 Syndication of Floater B note and Mezz 0.4 Syndication of misc. US Real Estate loans 0.3 Grand Prix transfer to Bankhaus 0.2 Repayment of Figueroa 0.2 Syndication of GM Building 0.1 Syndication of Drapers Gardens 0.1 Syndication of Coeur Defence
Q4	11.7 5.0 Funding of Archstone Debt (estimated net funding) 1.6 Funding of Hilton 0.9 Funding of misc. Asia Real Estate loans 0.8 Funding of misc. European Real Estate loans 0.6 Funding of misc. European Real Estate loans 0.6 Funding of misc. European Real Estate loans 0.4 Funding of Legacy Loan 0.3 Funding of Conduit/PTG loans 0.3 Funding of Conduit/PTG loans 0.3 Funding of Conduit/PTG loans 0.3 Funding of misc. US Real Estate loans 0.3 Funding of misc. US Real Estate loans 0.2 Funding of misc. US Real Estate loans	11.5 Q4 Syndication 3.2 Gospel Securitisation 1.6 Syndication of Hilton 1.5 Windermere 14 securitization 1.5 USCWL C-7 securitization 0.7 USCWL C-6 securitization 0.5 Project Pearl securitization 0.5 Securitization of Yellow 0.5 Syndication of Floater B note and Mezz 0.4 Securitization of Blue 0.3 Syndication of misc. US Real Estate loans 0.3 Syndication of misc. US Real Estate loans 0.2 Syndication of misc. Real Estate loans 0.2 Syndication of IZD Tower 0.1 Syndication of West 44th St 0.1 Syndication of Floater B note and Mezz
Total RE	16.3 Total Funding	16.6 Total Syndication

Securitized Products (pre-LLF, post-Banks)

Timeline	Projected Fundings	Projected Syndication
Q3	- Q3 Funding None currently projected	1.0 Q3 Syndication 0.7 Eurosail 07-4 securitization 0.3 Genesis securitization (traded, pending settlement)
Q4	- Q4 Funding None currently projected	1.5 Q4 Syndication 0.8 Requirement in Securitized Products 0.7 CASA 2007-1 securitization
Total SP	- Total Funding	2.5 Total Syndication

Fundraising Game Plan - Key Initiatives

	Funding Type	Description	Notional (billions)	Term	Status
Secured Funding	Loan BS Reducing Trades	Innovate BS trades - LCDS coupons adjust per libor margin, discounts on loan paid on outstanding, cancelable facility specific LCDS	\$2.0 YTD	N/A	\$0.2m done in the past two days, more in the works.
	RACERS	Corp loans in trust (wrapped by AAA bank) that will repo to Bankhaus for funding	\$2.0	18 months Extendible	Talking to Fortis and SMBC to provide wrap. Sourcing other potentials.
	CWL Secured Funding	Various counterparties (Evergreen, Fidelity, ABN, etc.) to fund secured	\$2.0+	13 months extendible	Evergreen and ING reevaluating.
	Dresdner	Off balance sheet CLO/HY loans warehouse financing	\$2.0	5 years	Working on assigning existing CLO's. Close targeted end of August 2007
	RE trust repo	Funding of RE assets not securitized through trust repo	TBD	Short term	Will need size and need to have note rated and in DTC. Investigating potential.
Unsecured Funding	Asia bilateral facilities	Various counterparties (Shinkin, ANZ, Citi HK, etc)	\$1.0	Various 1 to 2 year	Various proposals made in past weeks. Follow up meetings this/next week.
	Bankhaus Funding	\$2.5bn growth in Bankhaus cash capital sources to be able to take in LBHI (incremental to RACERS)	\$2.5	N/A	Diversification of deposits underway.
	LBCB Growth	FDIC approved plan to increase assets to \$7.9bn and include non USD assets.	\$3.5	N/A	Underway

Market Update

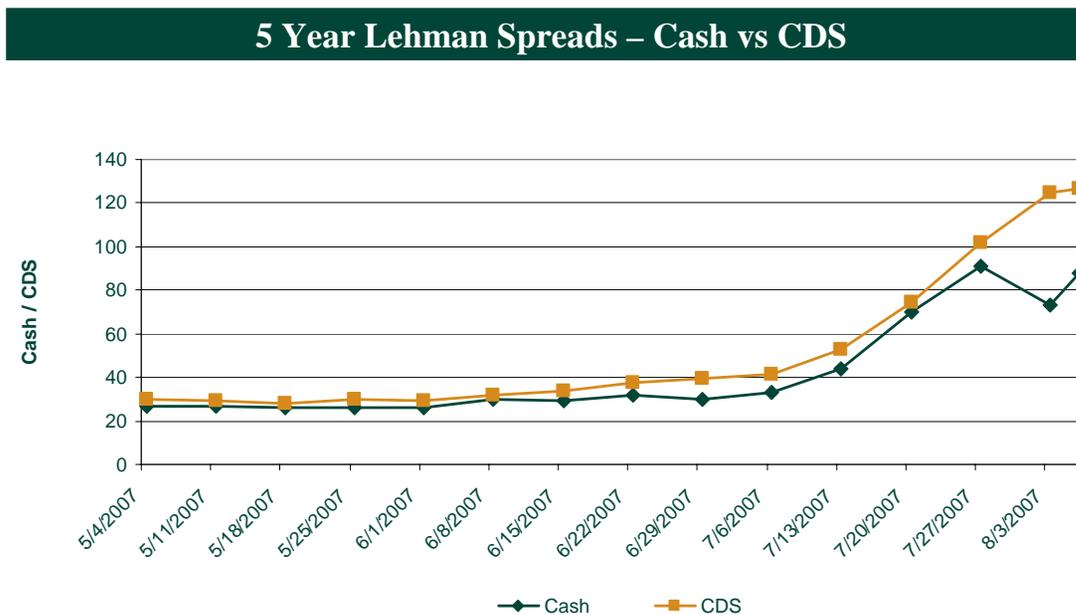
- ◆ CDS is tighter with the better tone in brokerage stocks. Benchmark bonds are also tighter on the day.

CDS:

BSC 140/150
 GS 75/85
 MER 75/85
 MS 75/85
 LEH 110/120

Cash:

5yr L + 81
 10y L + 138
 30y L + 164



Appendices

HG & HY Credit LBO Update

High Yield Bond and Leveraged Loan Bridge Book

U.S. Deals

- ◆ Incremental funding for High Yield and High Grade combined predicted to be required in August is \$9.4bn, this is reduced to \$6.4bn post subsidiary banks

- ◆ Incremental Funding in Q4 for High Grade and High Yield is predicted to be \$14.1bn pre banks and \$11.0bn post banks

- ◆ Syniverse commitment reduced from \$293mm to \$192mm; Chembulk, Chronic Care and Exterran added (total \$307mm commitments) all to close in August

Deal	Total		Pre Banks					Post Banks							
	Commitment	Jul	Amount To Be Funded					Amount To Be Funded							
			Aug	Sep	Oct	Nov	Dec	Jul	Aug	Sep	Oct	Nov	Dec		
A&P	\$118	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ACTS (Air Canada)	\$679	\$0	\$632	\$632	\$632	\$632	\$632	\$0	\$507	\$507	\$507	\$507	\$507	\$507	\$507
Alliance Atlantis Communications	\$297	\$0	\$150	\$150	\$150	\$150	\$150	\$0	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Alliance Data	\$1,322	\$0	\$0	\$780	\$780	\$780	\$780	\$0	\$0	\$655	\$655	\$655	\$655	\$655	\$655
Allison Transmission	\$1,150	\$0	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$0	\$925	\$925	\$925	\$925	\$925	\$925	\$925
ARINC Incorporated	\$365	\$0	\$328	\$328	\$328	\$328	\$328	\$0	\$203	\$203	\$203	\$203	\$203	\$203	\$203
Biomet, Inc.	\$407	\$0	\$0	\$351	\$351	\$351	\$351	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CDW Corporation	\$1,470	\$0	\$0	\$780	\$780	\$780	\$780	\$0	\$0	\$655	\$655	\$655	\$655	\$655	\$655
Chembulk Tankers**	\$194	\$0	\$160	\$160	\$160	\$160	\$160	\$0	\$160	\$160	\$160	\$160	\$160	\$160	\$160
Chronic Care Solutions Holding Inc. (CCS Medix)	\$86	\$0	\$76	\$76	\$76	\$76	\$76	\$0	\$76	\$76	\$76	\$76	\$76	\$76	\$76
Exterran Holdings	\$75	\$0	\$40	\$40	\$40	\$40	\$40	\$0	\$40	\$40	\$40	\$40	\$40	\$40	\$40
FairPoint Communications	\$832	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Data Corporation	\$3,120	\$0	\$0	\$1,846	\$1,846	\$1,846	\$1,846	\$0	\$0	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721
Frontier Drilling ASA	\$25	\$0	\$25	\$25	\$25	\$25	\$25	\$0	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Harman International Industries	\$1,146	\$0	\$0	\$641	\$641	\$641	\$641	\$0	\$0	\$266	\$266	\$266	\$266	\$266	\$266
Home Depot Supply	\$3,317	\$0	\$2,584	\$2,584	\$2,584	\$2,584	\$2,584	\$0	\$2,459	\$2,459	\$2,459	\$2,459	\$2,459	\$2,459	\$2,459
Jarden	\$750	\$0	\$700	\$700	\$700	\$700	\$700	\$0	\$450	\$450	\$450	\$450	\$450	\$450	\$450
LKQ	\$545	\$0	\$0	\$495	\$495	\$495	\$495	\$0	\$0	\$0	\$370	\$370	\$370	\$370	\$370
McJunkin	\$569	\$0	\$0	\$499	\$499	\$499	\$499	\$0	\$0	\$374	\$374	\$374	\$374	\$374	\$374
Metavante Corporation	\$400	\$0	\$0	\$350	\$350	\$350	\$350	\$0	\$0	\$0	\$225	\$225	\$225	\$225	\$225
Nuance	\$56	\$0	\$56	\$56	\$56	\$56	\$56	\$0	\$56	\$56	\$56	\$56	\$56	\$56	\$56
Riverdeep	\$2,398	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sequa Corp	\$820	\$0	\$0	\$0	\$760	\$760	\$760	\$0	\$0	\$0	\$635	\$635	\$635	\$635	\$635
Syniverse Technologies, Inc.	\$192	\$0	\$0	\$0	\$0	\$164	\$164	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targa Resources	\$101	\$0	\$101	\$101	\$101	\$101	\$101	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Tenaska	\$146	\$0	\$0	\$225	\$225	\$225	\$225	\$0	\$0	\$225	\$225	\$225	\$225	\$225	\$225
TXU Corp	\$4,737	\$0	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$0	\$0	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875
United Rentals	\$975	\$0	\$0	\$0	\$0	\$833	\$833	\$0	\$0	\$0	\$0	\$833	\$833	\$833	\$833
USIS	\$816	\$0	\$757	\$757	\$757	\$757	\$757	\$0	\$632	\$632	\$632	\$632	\$632	\$632	\$632
Venture Incorporated	\$396	\$0	\$378	\$378	\$378	\$378	\$378	\$0	\$253	\$253	\$253	\$253	\$253	\$253	\$253
Windstream Regatta	\$59	\$0	\$0	\$55	\$55	\$55	\$55	\$0	\$0	\$55	\$55	\$55	\$55	\$55	\$55
Applebee's International, Inc/HOP Corp*	\$2,139	\$0	\$0	\$2,039	\$2,039	\$2,039	\$2,039	\$0	\$0	\$1,789	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664
Hawaiian Telecom Yellow Pages*	\$455	\$0	\$0	\$0	\$0	\$322	\$322	\$0	\$0	\$0	\$0	\$322	\$322	\$322	\$322
PHH Corporation*	\$503	\$0	\$0	\$328	\$328	\$328	\$328	\$0	\$0	\$328	\$203	\$203	\$203	\$203	\$203
Total Americas	\$30,661	\$0	\$7,038	\$16,581	\$18,186	\$19,504	\$19,504	\$0	\$5,813	\$13,755	\$14,735	\$15,889	\$15,639	\$15,639	\$15,639
Europe/Asia Deals															
Deal	Total		Amount To Be Funded					Amount To Be Funded							
	Commitment	Jul	Aug	Sep	Oct	Nov	Dec	Jul	Aug	Sep	Oct	Nov	Dec		
Chevron Global	\$507	\$0	\$329	\$329	\$329	\$329	\$329	\$0	\$79	\$79	\$79	\$79	\$79	\$79	\$79
Consolidated Minerals / Territory Resources	\$274	\$0	\$0	\$0	\$274	\$274	\$274	\$0	\$0	\$0	\$24	\$24	\$24	\$24	\$24
Debitel Group	\$342	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$55	\$55	\$55	\$55	\$55	\$55	\$55
Endemol Holdings	\$573	\$386	\$386	\$386	\$386	\$386	\$386	\$136	\$136	\$136	\$136	\$136	\$136	\$136	\$136
Icopal A/S	\$349	\$267	\$267	\$267	\$267	\$267	\$267	\$267	\$17	\$17	\$17	\$17	\$17	\$17	\$17
Lloyds	\$535	\$0	\$0	\$535	\$535	\$535	\$535	\$0	\$0	\$0	\$535	\$535	\$535	\$535	\$535
Merlin	\$318	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284
PHS	\$677	\$0	\$586	\$586	\$586	\$586	\$586	\$0	\$336	\$336	\$336	\$336	\$336	\$336	\$336
Sisal	\$202	\$184	\$184	\$184	\$184	\$184	\$184	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Europe/Asia	\$3,776	\$1,426	\$2,340	\$2,340	\$3,149	\$3,149	\$3,149	\$992	\$906	\$906	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465
TOTAL HY	\$34,437	\$1,426	\$9,378	\$18,921	\$21,335	\$22,653	\$22,653	\$992	\$6,719	\$14,661	\$16,200	\$17,354	\$17,104	\$17,104	\$17,104
High Grade															
Deal	Total		Amount To Be Funded					Amount To Be Funded							
	Commitment	Jul	Aug	Sep	Oct	Nov	Dec	Jul	Aug	Sep	Oct	Nov	Dec		
Imperial Tobacco	\$4,934	\$0	\$0	\$0	\$0	\$0	\$2,384	\$0	\$0	\$0	\$0	\$0	\$2,134		
Transocean	\$5,000	\$0	\$0	\$0	\$0	\$0	\$4,000	\$0	\$0	\$0	\$0	\$0	\$3,375		
Home Depot	\$2,500	\$0	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$0	\$625	\$625	\$625	\$625	\$625		
PHH Mortgage	\$1,200	\$0	\$852	\$852	\$852	\$852	\$852	\$0	\$0	\$352	\$352	\$352	\$352		
ITC Holdings	\$750	\$0	\$0	\$0	\$0	\$750	\$750	\$0	\$0	\$0	\$0	\$0	\$125		
TC Group (Carlyle)	\$360	\$0	\$200	\$200	\$200	\$200	\$200	\$0	\$0	\$0	\$0	\$0	\$0		
Buckeye Partners	\$225	\$0	\$9	\$9	\$9	\$9	\$9	\$0	\$0	\$0	\$0	\$0	\$9		
Sunoco	\$27	\$0	\$9	\$9	\$9	\$9	\$9	\$0	\$9	\$9	\$9	\$9	\$9		
TOTAL HG	\$14,996	\$0	\$1,459	\$2,311	\$2,311	\$2,311	\$9,445	\$0	\$634	\$986	\$986	\$986	\$6,620		
TOTAL HY & HG	\$49,433	\$1,426	\$10,837	\$21,232	\$23,646	\$24,964	\$32,098	\$992	\$7,353	\$15,647	\$17,186	\$18,340	\$23,724		
Incremental funding			\$9,411	\$10,395	\$2,414	\$1,318	\$7,134		\$6,361	\$8,294	\$1,539	\$1,154	\$5,384		

1. All numbers are pre-LLF.

HY/HG and Real Estate Loan Closure Updates

- ◆ \$1.1 billion of Winderemere 11 securitization was closed on August 2, 2007
- ◆ Since August 1, 2007, LBHI has funded \$0.6 billion and syndicated/securitized \$1.5 billion of HY/HG and Real Estate loans

Business			Closed Funding			Closed Syndication/Securitization		
HY/HG	Date	0.6	Total Funding Closed	Date	0.4	Total Syndication/Securitization Closed		
	1-Aug	0.6	Funding of PHS	1-Aug	0.4	Repayment of Racepoint IV		
RE		-	Total Funding Closed		1.1	Total Syndication/Securitization Closed		
				2-Aug	1.1	Winderemere 11 Securitization		
			0.6	Total Funding Closed Since Aug 1, 2007			1.5	Total Syndication/Securitization Closed Since Aug 1, 2007

* Amounts are post-banks, post-LLF

Daily tracking of loans taken in by LBB, LBCB and Bankhaus

\$125mm of funded loans moved into the banks this month

- ◆ LBB has moved in \$101mm of funded loans this month
- ◆ LBCB has moved in \$24mm of funded loans this month

<u>Date</u>	<u>HG/HY/CRE</u>	<u>Loan Name</u>	<u>Notional / Commitment</u>	<u>Funded Amount</u>	<u>Entity</u>
8/1/2007	CRE	San Joaquin	\$7,800,000	\$7,800,000	LBB
8/2/2007	CRE	Dogwood Creek Apartments	\$4,175,000	\$4,175,000	LBB
8/2/2007	CRE	Holiday Inn Express - Hillcroft	\$6,400,000	\$6,400,000	LBB
8/2/2007	HG	Entergy Corp	\$135,000,000	\$77,567,142	LBB
8/3/2007	HG	American Express	\$75,000,000	\$0	LBB
8/3/2007	CRE	Northpointe	\$5,300,000	\$5,300,000	LBB
8/6/2007	HG	TIAA-CREF	\$75,000,000	\$0	LBB
LBB Total			\$308,675,000	\$101,242,142	
8/2/2007	HG	Ebay	\$160,000,000	\$22,000,000	LBCB
8/3/2007	HG	Wyeth	\$60,000,000	\$0	LBCB
8/6/2007	GPS	USI Holdings	\$2,000,000	\$2,000,000	LBCB
LBCB Total			\$222,000,000	\$24,000,000	
			nil	nil	Bankhaus

Funding by banks

Pipeline of \$10.2bn of loans to go into the banks by year end

- ◆ There are \$4.2bn of loans in the pipeline for banks by the end of Q3, split \$3.1bn HG/HY and \$1.1bn real estate
- ◆ There are \$6.0bn of loans in the pipeline for banks for Q4, split \$3.1bn HG/HY and \$2.9bn real estate

	Aug	Sep	Oct	Nov	Total Q4
High Grade/High Yield					
Bankhaus	\$1,711	\$1,226	\$0	\$164	\$1,390
LBCB	\$1,100	\$875	\$625	\$0	\$1,500
LBB	\$250	\$250	\$0	\$0	\$250
	<u>\$3,061</u>	<u>\$2,351</u>	<u>\$625</u>	<u>\$164</u>	<u>\$3,140</u>
Real Estate					
Bankhaus	\$223	\$158	\$225	\$263	\$646
LBCB	\$375	\$250	\$250	\$250	\$750
LBB	\$500	\$500	\$500	\$500	\$1,500
	<u>\$1,098</u>	<u>\$908</u>	<u>\$975</u>	<u>\$1,013</u>	<u>\$2,896</u>
Total	\$4,159	\$3,259	\$1,600	\$1,177	\$6,036

Contingent Liquidity Facilities Update

Lehman Loan Funding (LLF)

Current Loan Designations

Lehman Loan Fund (LLF)	Designation Capacity	Funding Capacity
	7,500	7,500
Loan	Designated	Funded
TXU	2,000	-
ALCOA	1,100	-
SANTA FE	1,000	-
IMPERIAL	650	-
IBM	606	606
Total	5,356	606
Remaining Capacity	2,144	6,894

Commentary

- ◆ **Overview:** Lehman Loan Funding (LLF) is a conduit affiliate of Lehman Brothers which was set up to fund designated acquisition loans. LLF is 75% owned by Hudson Castle, and is funded by secured liquidity notes issued to investors.
- ◆ Only \$606 million IBM loan has funded

Aegis

Current Loan Designations

Aegis	Designation Capacity	Funding Capacity
	6,000	2,437
Loan*	Designated	Funded
GENERAL ELECTRIC CAPITAL CO.	625	-
IBM	225	-
THE THOMSON CORP.	203	-
RESIDENTIAL CAPITAL LLC	150	-
TIME WARNER INC.	100	-
MARRIOTT INTERNATIONAL INC.	95	-
CONOCOPHILLIPS	77	-
KRAFT FOODS INC.	65	-
ISTAR FINANCIAL INC.	60	-
ORACLE CORP	50	-
SUB \$50MM LOANS	182	-
Total	1,830	-
Remaining Capacity	4,170	2,437

*Only loans greater than \$50mm shown

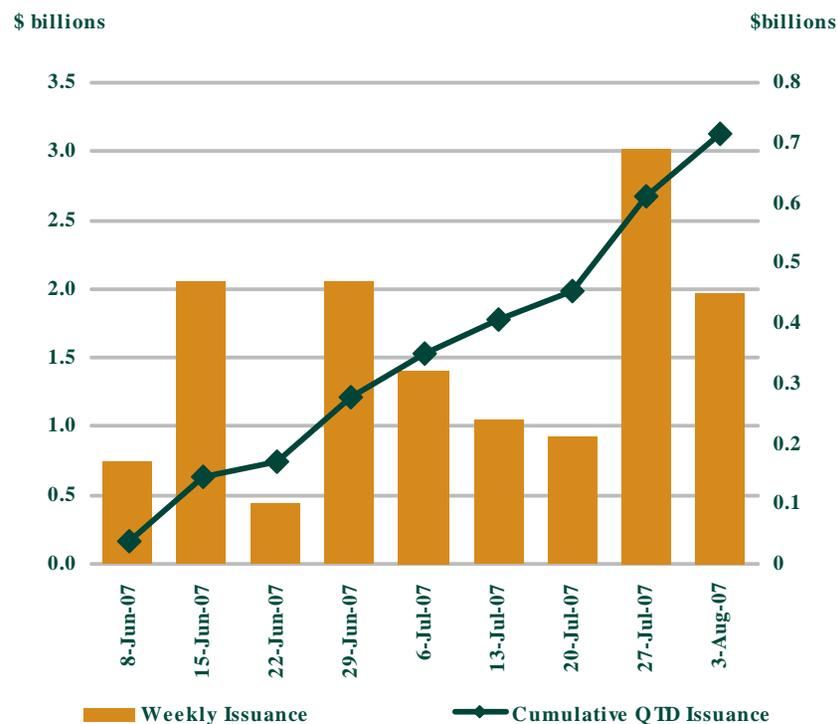
Commentary

- ◆ **Overview:** The Aegis conduit was set up to fund unfunded high grade loan commitments. Aegis is backed by Lloyds Bank and is funded through CP issuances.
- ◆ Treasury is looking to move LLF investment grade loans to Aegis to free up space for additional High Yield loans.
- ◆ No loans drawn at present time

Structured Cash Capital Issuance

- ◆ QTD Structured CC Issuance = \$3.13bn on 356 total trades
- ◆ QTD Average Structured CC Issuance per Week ~ \$350mm

Q3 Issuance Summary



Q3 Issuance by Currency (\$ millions)

	AUD	CHF	CZK	EUR	GBP	HKD	HUF	JPY	KRW	NZD	SEK	USD	Total
6/8/2007	14	-	-	38	2	-	-	17	-	-	34	63	167
6/15/2007	7	13	-	201	-	12	-	13	-	-	9	218	473
6/22/2007	2	-	-	33	-	-	-	17	-	-	-	53	104
6/29/2007	16	5	2	264	6	-	-	15	52	-	-	109	470
7/6/2007	6	6	-	225	-	-	-	5	-	7	-	70	319
7/13/2007	12	1	-	126	-	-	-	32	-	6	-	65	243
7/20/2007	12	-	-	104	-	-	-	13	-	-	5	79	214
7/27/2007	7	12	-	116	2	-	-	13	-	-	-	543	694
8/3/2007	1	-	-	411	11	-	2	2	-	-	-	22	449

Q3 Issuance by Tenor (\$ millions)

	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years	Total
6/8/2007	-	14	35	41	-	76	167
6/15/2007	-	91	31	41	16	294	473
6/22/2007	-	15	23	3	36	27	104
6/29/2007	-	183	61	85	59	82	470
7/6/2007	-	62	21	108	-	128	319
7/13/2007	-	129	31	14	11	58	243
7/20/2007	-	60	32	51	12	58	214
7/27/2007	-	461	33	118	51	32	694
8/3/2007	-	26	13	13	14	383	449

LBHI Facilities Pipeline

Included in current cash numbers

Bank Name	Sec/Unsec	Tenor	Currency	New Credit (\$mm)	Owner / Contact
West LB	Secured	366 day facility	USD	250	Karen von Ruffer/Huw Rees
Total Included in the Current Cash Numbers				250	

Included in Q3 Projections

Bank Name	Sec/Unsec	Tenor	Currency	New Credit (\$mm)	Owner / Contact
RACERS	Secured	18-24-18	USD	2,000	Nahill Younis/ ALM
Dresdner	Secured	5yr financing	USD	2,000	Jennifer F/ Amberish R.
LUBS	Secured		USD	1,000	
Total Included in Q3 Projections				5,000	

Included in Q4 Projections

Bank Name	Sec/Unsec	Tenor	Currency	New Credit (\$mm)	Owner / Contact
Unicredit Americas	Secured	13 month extendible	USD	3,000	Carlo Pellerani/Huw Rees/KvR
BTMU (NY)	Secured	19-18-19	USD	500	Emil Cornejo
State Street	Secured	13-12-13	EUR	400	Steven Becker / Keith Kennerly
ANZ	Unsecured	24-18-24	AUD	335	Nigel Watters
Citi	Unsecured	TBD	HKD/AUD/SGD (any liquid Asian currency)	300	Aireen Phang
ABN	Secured	18 month extendible	USD	200	Karen v Ruffer/Huw Rees/ Keith
BNPP	Unsecured	18-24-18	USD	200	K von Ruffen/AF Sorasio
Commonwealth Bank of Australia	Unsecured	13 month extendible	AUD	170	Nigel Watters
CGD	Unsecured	18 or 24 month extendible	USD	100	Karen v Ruffer/ Enrique Verdu
Metrobank	Unsecured	30-18-30	PHP	100	Nigel Watters
JPMorgan Chase	Unsecured	24-21-24	JPY	82	Kishimoto
Standard Chartered	Unsecured	24 month extendible	Multi	75	Nigel Watters
Chuo Mitsui Trust	Unsecured	24-21-24	JPY	41	Kishimoto
BFI	Unsecured	30-18-30	PHP	40	Nigel Watters
Total Included in Q4 Projections				5,543	

Remaining Pipeline

Bank Name	Sec/Unsec	Tenor	Currency	New Credit (\$mm)	Owner / Contact
AIG	Secured	5yr	USD	3,000	Jennifer F/ Amberish R.
BTMU (via Victory)	Secured	3yrs renewable annually	JPY	1,000	Emil Cornejo
Hypo Public Finance	Secured	13 month rolled monthly	USD	1,000	Treasury - Creditor Relations
Comerica	Secured	18 month extendible	USD	1,000	Steven Becker / Keith Kennerly
Blackrock	Secured	13-12-13	USD	500	Steven Becker / Keith Kennerly
Danske	Secured	13-12-13	USD	500	Amberish R /Huw Rees
Fidelity***	Secured	13 month extendible	USD	500	Steven Becker / Keith Kennerly
HSBC	Unsecured	24 month extendible	HKD/JPY/SGD	300	Siddharth Sharad
BONY	Secured	13-12-13	USD	300	Steven Becker / Keith Kennerly
BBVA	Unsecured	18 month extendible	USD	250	Amberish Ratanghayra
Caylon	Unsecured	18 month extendible	USD	250	Amberish Ratanghayra
Charles Schwab	Secured	13-12-13	USD	250	Steven Becker / Keith Kennerly
SMBC (Domestic syndicated loan)	Unsecured	5yr	JPY	250	Kishimoto
DB	Unsecured	24 month extendible	HKD/JPY/SGD	200	Siddharth Sharad
Oppenheimer Funds	Secured	13-12-13	USD	200	Steven Becker / Keith Kennerly
BTMU	Unsecured	24 month extendible	JPY	164	Kishimoto
Evergreen Investments***	Secured	13-12-13	USD	100	Steven Becker / Keith Kennerly
Frank Russell Investments	Secured	13-12-13	USD	100	Steven Becker / Keith Kennerly
Wachovia Golobal Securities	Secured	13-12-13	USD	100	Steven Becker / Keith Kennerly
WAMCO	Secured	13-12-13	USD	100	Steven Becker / Keith Kennerly
DnB Nor	Unsecured	3 year bullet or extendible	Multi	25	Amberish Ratanghayra
ING	Unsecured	2yr bullet	PHP	25	Nigel Watters
DBS (Singapore)	Unsecured	24 month extendible	AUD/HKD/SGD	-	Aireen Phang
Banco MPS (Asia)	Unsecured	24 month extendible	AUD/HKD/SGD	-	Aireen Phang
TOTAL Remaining				10,114	