

From: Keating, Kieron <kieron.keating@lehman.com>
Sent: Wednesday, June 6, 2007 9:47 PM (GMT)
To: Sherr, David <dsherr@lehman.com>
Cc: McKinney, Richard <rmckinne@lehman.com>; Becker, Steven <sbecker@lehman.com>
Subject: FW: FID Balance Sheet Management: Policy changes
Attach: FID Balance Sheet Management.ppt

David,

There had been some mixed signals as to whether or not this was still going to happen. I spoke to Ken and he remains adamant that the changes will go ahead.

KK

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> From: Umezaki, Kentaro
> Sent: Friday, April 20, 2007 9:23 AM
> To: Amin, Kaushik; Killian, Gary M; Kirk, Alex (FID); Lee, Hyung S;
> Merli, James; Walsh, Mark; Wickham, John; Sherr, David; Morton, Andrew
> J
> Cc: Archer, Mary Pat; Humphrey, Thomas P; Mattu, Ravi; Gelband,
> Michael; Reilly, Gerard; Stabenow, Sigrid M; Mitrokostas, Paul;
> Eickbush, Gregory; Keating, Kieron; Cosaitis, Mark; Singh, James;
> Skolnick, Fred; Umezaki, Kentaro
> Subject: FID Balance Sheet Management: Policy changes
> Importance: High
>
> All:
>
> Since we did not meet yesterday, please review the attached document.
> It outlines 2 things:
>
> 1. The balance sheet limits for Q2 (May)
>
> 2. FID balance sheet policy changes we intend to implement, effective
> starting this May's month-end balance sheet process.
>
> We are implementing these changes at this time for a variety of
> reasons including:
> 1. positioning for our potential upgrade (as we have discussed);
> 2. increase our RROA which has started to trend downward over the last
> year;
> 3. increase the turnover of our lower ROE balance sheet positions
>
> Please give Mike and Ken any feedback or issues you may have around
> these items as soon as practical. We will meet as a group on May 3.
>

> Thanks,
>
> Mike & Ken
>
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> <<FID Balance Sheet Management.ppt>>