

From: Paul Lopez
Sent: Thursday, June 5, 2008 5:09 PM
To: von Ruffer, Karen <karen.vonruffer@lehman.com>
Subject: Re: deposits

Karen,

No worries on that end (ie, firm liquidity).....we just want to ensure communication with us on the \$1bn seg deposit since "customer" funds. Though you can pull this money, we have convinced our Treasury to treat as longer term (weighted), thus a "higher" rate is passed on to yourself. This was part of our original discussions with your network.. "core" balance treatment for bank though effectively funds available on demand...and really just a mutual understanding on expectations and behavior.

Obviously, I do not wish to make any comparisons with BS, but we did lose a tad of their customer seg deposit when hit by client withdrawals.

We manage the cust seg deposit with our Treasury more closely (ie outflows), which not only a matter in bank's own liquidity planning considerations, but also do not wish to jeopardize the more beneficial rates passed on to our clients on same.

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"von Ruffer, Karen" <karen.vonruffer@lehman.com>

06/05/2008 04:30 PM

To
Paul Lopez/HBUS/HSBC@HSBC02
cc

Subject
deposits

FYI. We are looking to throw you guys a little bone by leaving deposits in the next day or two so you can rest assured all is good! :-)

Karen E. von Ruffer
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