

LEHMAN BROTHERS TREASURY CO B.V. (in liquidation)
Statement of Receipts and Payments of the entity (unaudited)
for the period from 1 January 2019 to 30 June 2019
Amounts presented in USD '000

	<u>Note</u>	
Cash and cash equivalents as of 1 January 2019	1	32,765
Receipts for the Period		
Distribution received from LBHI	2	27,465
Distribution received from LBCCA	3	1,310
Interest received	4	92
Tax refund received	5	485
Partial Wind-Down receipts	6	179,683
Total Receipts for the period		<u>209,035</u>
Payments for the period		
Distributions to creditors	7	(201,674)
Partial Wind-Down expenses	8	(7,851)
Professional fees and disbursements paid to Houthoff		(164)
Other professional fees		(363)
General and administrative expenses		(328)
Distribution agent, clearing agents and custodial fees		(5)
Interest paid	4	(16)
Total payments for the period		<u>(210,401)</u>
Foreign exchange gains/(losses) on cash and cash equivalents	9	(111)
Net increase/(decrease) in cash and cash equivalents		<u>(1,477)</u>
Cash and cash equivalents as of 1 January 2019		32,765
Net decrease in cash		(1,477)
Cash and cash equivalents as of 30 June 2019		<u>31,288</u>
Cash retained for operational purposes and reserves as of 30 June 2019	10	<u>29,826</u>

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Basis of preparation

This Statement of Receipts and Payments presents the cash flows from the activities of Lehman Brothers Treasury Co B.V. (in liquidation) ("LBT") for the period 1 January 2019 to 30 June 2019 (the "Period"). Receipts are included when received, and payments are included when paid.

At the end of 2018, LBT announced a Partial Wind-Down, including the sale of a portion of LBT's USD 34.548 billion intercompany claim against Lehman Brothers Holdings Inc. (the "LBHI Receivable") and a final distribution to certain creditors funded in large part by the proceeds of such sale transaction. In the context of the Partial Wind-Down, LBT distributed a part of the LBHI Receivable to Lehman Brothers Holding Inc. ("LBHI") and Lehman Brothers Special Finances Inc. ("LBSF"). This resulted in a reduction in LBT's claims pool from an Admissible Amount of EUR 24.8 billion to an Admissible Amount of EUR 14.1 billion, and the population of LBT's notes on issue was reduced from 3,797 ISINs, denominated in 21 different currencies, to a single ISIN denominated in US Dollars.

All amounts are presented in US Dollars. Non-US Dollar receipts and payments are translated into US Dollars based on the foreign exchange rates as published by ABN AMRO as of the date of receipt or payment.

Capitalised Terms have the meaning ascribed to them in the "Information Notice". The Information Notice is available on www.lehmanbrotherstreasury.com

Notes

1 Cash and cash equivalents

Cash and cash equivalents include cash and short-term deposits placed with banks.

LBT has an amount of USD 31,287,518 in cash balances with banks as at 30 June 2019 (31 December 2018: USD 32,765,069).

Cash balances are held in USD, EUR and other currencies. Non-USD cash balances are translated into US Dollars using 28 June 2019 exchange rates.

All amounts in US Dollars

US Dollar denominated cash balances	26,597,468
EURO denominated cash balances	3,178,777
Cash balances in other currencies	1,511,273
Total cash balances	31,287,518

2 Distribution received from LBHI

In April 2019, LBT received the 17th distribution from LBHI. The total distribution amount was USD 39,417,541, consisting of USD 27,465,126 on the Retained LBHI Receivable and USD 11,952,415 on the Saleable LBHI Receivable. Under the terms of the partial sale of the LBHI Receivable, the purchasers of the portion of the LBHI Receivable that was sold are entitled to the distribution of USD 11,965,415.

3 Distribution received from LBCCA

Lehman Brothers Commercial Corp. Asia Ltd. ("LBCCA") is a former affiliated company of LBT. On 14 February 2019, the liquidators of LBCCA acknowledged a claim of HKD 17,208,584 made by LBT against LBCCA. On 25 March 2019, LBT received a distribution of HKD 10,273,224 (USD 1,310,417) on this acknowledged claim.

4 Interest paid and received

These amounts represent interest paid and received on cash and deposit accounts held with banks.

5 Tax refund received

This amount represents value added tax ("VAT") refunds received from the Dutch Tax Authority during the Period.

6 Partial Wind-Down receipts

On 20 March 2019, LBT sold approximately USD 10.5 billion of the LBHI Receivable and realised proceeds of USD 179.5 million that was used to fund the final distribution on Cash-Out Claims. These proceeds were placed on short-term deposit and generated interest income of USD 210,579.

Following the partial sale of the LBHI Receivable and the execution of a settlement and partial release agreement with LBHI and LBSF, the portion of the LBHI Receivable retained by LBT has a face value of USD 19,626,452,736.

7 Distributions to creditors

The Final Distribution to noteholders that did not receive Substitute Notes and to other ordinary creditors took place on 2 May 2019. In total, USD 194,212,143 was distributed. An amount of USD 1,311,473 was withheld from the distribution for operational reasons.

LBT issued USD 19,626,450,592 of Substitute Notes to Noteholders who opted to receive Substitute Notes. The aggregate face amount of Substitute Notes issued to these Noteholders was determined so as to correspond closely with the face amount of the Retained LBHI Receivable.

In addition, USD 22,502,128 of Substitute Notes were issued with respect to a disputed claim. These Substitute Notes are held by LBT in treasury. A further USD 185 of Substitute Notes were issued by LBT to facilitate the resolution of rounding differences arising on the allocation of Substitute Notes; ultimately these Substitute Notes were not used and will be cancelled. On 2 May 2019, holders of Substitute Notes received a first distribution on their Substitute Notes for a total of USD 7,461,941.

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8 Partial Wind-Down expenses

Payments made in connection with the Partial Wind-Down amount to USD 8.5 million (USD 7.9 million paid in the Period plus USD 0.6 million paid in 2018). The total expense excluding VAT amounts to USD 7.8 million. Partial Wind-Down expenses are comprised of the costs of advisors (including Houthoff) and fees arising in connection with the sale of the Saleable LBHI receivable.

9 Foreign exchange gains/(losses) on cash and cash equivalents

This amount represents unrealised exchange differences arising on cash held in currencies other than US Dollars during the Period.

10 Cash retained for operational purposes and reserves as of 30 June 2019

Cash retained is comprised of the following elements:

	<u>Cash reserve at</u> <u>30 June 2019</u>
<i>All amounts in US Dollars</i>	
Projected future operating expenses	13,370,190
Future expense contingency	5,735,000
Retention for Disputed Claims	9,408,957
Withheld from Final Distribution for operational reasons (see Note 6)	1,311,473
Total cash reserved	<u><u>29,825,620</u></u>

The future expenses contingency of USD 5.7 million is established by the Liquidators to cover any unasserted claims that might arise from the liquidation.

The Retention for Disputed Claims relates to a dispute with a Noteholder concerning the Admissible Amount of the Noteholder's Note. The amount of the Retention for Disputed Claims is based on the incremental cash distributions that would be payable by LBT in the event that the Noteholder is successful in its claim. On 21 May 2019, the Amsterdam court of appeal ruled partially in favour of the litigating Noteholder. On 1 July 2019, LBT made a partial payment of USD 3.7 million to the Noteholder. Subsequently an additional payment was made to the respective Noteholder whereby the dispute was fully and finally settled.