Financial report 2014

Lehman Brothers Treasury Co B.V. in liquidation

Amsterdam, The Netherlands

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Report of the liquidators

Report of the liquidators

This report of the liquidators of Lehman Brothers Treasury Co. B.V. in liquidation ("LBT") covers the year 2014.

LBT was a wholly-owned subsidiary of Lehman Brothers UK Holdings (Delaware) Inc, an entity fully owned by Lehman Brothers Holdings Inc. ("LBHI"), the holding company of the worldwide operating Lehman Brothers group of companies. LBT was incorporated for the financing of the business activities of the Lehman Brothers Group by issuing financial instruments, in particular "(structured) notes" to institutional and retail investors. LBT was declared bankrupt by the Amsterdam District Court on 8 October 2008 with the appointment of Rutger Schimmelpenninck and, on 13 October 2009, Frédéric Verhoeven as bankruptcy trustees.

On 10 December 2012, LBT offered a composition plan to its creditors ("Composition Plan"). After approval by the creditors, the Amsterdam District Court confirmed (*gehomologeerd*) the Composition Plan on 22 March 2013. The ultimate date for appealing the decision of the District Court was 2 April 2013. On 3 April 2013, the Composition Plan became effective. As a result, the bankruptcy of LBT ended. Furthermore, on 3 April 2013, LBT was put in voluntary liquidation, and the former bankruptcy trustees of LBT were appointed as liquidators of LBT by Stichting Lehman Brothers Treasury Co ("Stichting").

Since 28 February 2012, Stichting has been the sole shareholder of LBT. Stichting supervises the implementation and execution of the Composition Plan. In accordance with the Composition Plan, distributions from LBT to noteholders as well as other creditors is limited to their pro rata share (based on allowed claims) of cash received by LBT from LBHI or otherwise arising in the liquidation.

This Composition Plan on the Outstanding Series of Notes and on Acknowledged Other Ordinary Claims (as defined in the Composition Plan) set out the allowed claims which are currently estimated at EUR 24,808,921,229. While the allowed claims are defined in the Composition Plan, the finalised valuation of some of these allowed claims is still being determined. The settlement of all allowed claims is in US dollars on a pro rata share basis.

LBHI entered into a voluntary US Chapter 11 proceeding on 15 September 2008. LBT has an intercompany claim against LBHI arising from loans made by LBT to LBHI; these loans were made with the proceeds of the notes issued. In the LBHI US Chapter 11 proceedings, the intercompany claim due to LBT, was agreed at an amount of USD 34,548,000,000 in the context of the Third Amended Plan, which was confirmed in December 2011. During the bankruptcy period LBT received distributions from LBHI. As at 31 December 2014 LBT received net distributions from LBHI on its allowed intercompany claim on LBHI. These net distributions can be specified as follows:

Date	***Amount in USD***
Pre-emergence from bankruptcy	2,672,711,773
2013	2,969,669,941
2014	3,084,874,526
Total	8,727,256,240

Since 3 April 2013, LBT approved four distributions under the Composition Plan on the Outstanding Series of Notes and on Acknowledged Other Ordinary Claims (as defined in the Composition Plan). These distributions were paid as follows:

Date	***Amount in USD***	***Distribution percentage of intercompany claims***
Distributions paid in 2013	5,553,514,754	16.82
23 January 2014	4,789,993	0.01
28 April 2014	1,735,103,503	5.10
28 October 2014	1,328,877,953	4.02
	8,622,286,203	25.97

LBT expects to make further distributions as cash becomes available to LBT.

Amsterdam, The Netherlands, 8 April 2015
The Liquidators of LBT

R.J. Schimmelpenninck

F. Verhoeven

Financial statements

Balance sheet

(after appropriation of result)

Assets (in thousands)	Note	*31 December 2014* USD	USD	*31 December 2013* USD	USD
Non-current assets					
Receivables from former affiliated companies	6.		4,072,074		6,112,332
Current assets					
Receivables					
Taxes and social security contributions	7.	128		141	
Other debtors, prepayments and accrued income	8.	20		44	
			148		185
Cash and cash equivalents	9.		55,617		42,003
Total Assets			4,127,839		6,154,520

Liabilities and Shareholders' equity

	Note	USD	USD	USD	USD
Shareholders' equity	10.				
Ordinary share capital	11.	2,431		2,754	
Other reserves	12.	(2,431)		(2,754)	
			0		0
Liabilities					
Non-current liabilities					
Claims payable	13.	4,105,592		6,126,314	
Administration cost provision	14.	22,247		28,206	
			4,127,839		6,154,520
Total Shareholders' equity and Liabilities			4,127,839		6,154,520

Income statement for the period

(in thousands)	Note	1 January to 31 December 2014		3 April to 31 December 2013	
		USD	USD	USD	USD
Interest and similar income	15.		392		544
Net changes in value of assets and liabilities	16.	392		544	
Total operating expenses			392		544
Operating profit/(loss)			0		0
Result from ordinary activities before taxation			0		0
Income tax expense			0		0
Profit/(loss) after taxation			0		0

Cash flow statement for the period

(in thousands)	*1 January to 31 December 2014* USD	USD	*3 April to 31 December 2013* USD	USD
Receipts for the period:				
Distributions received from LBHI	2,734,031		2,969,670	
Treasury bills	0		2,589,000	
Interest received on current and deposit accounts	417		550	
Tax refund received	390		2,124	
Total Receipts		2,734,838		5,561,344
Payments for the Period				
Distributions to creditors	2,717,900		5,553,515	
Professional fees (including any applicable value added taxes)	3,168		8,891	
Total Payments		2,721,068		5,562,406
		13,770		(1,062)
Exchange gains/(losses) on cash and cash equivalents		(156)		97
Net increase/(decrease) in cash and cash equivalents		13,614		(965)
Movements in cash and cash equivalents consist of:				
Balance as at start of period		42,003		42,968
Movements during the period		13,614		(965)
Balance as at 31 December (note 9)		55,617		42,003

Notes to the balance sheet, income statement and cash flow statement

1. General notes

1.1. Activities

Lehman Brothers Treasury Co B.V. (in liquidation) (the "Company" or "LBT") was incorporated in the Netherlands (with registration number 33267-322 with the Chamber of Commerce and Industry of Amsterdam) as a private limited company on 8 March 1995. The Company was incorporated for the financing of the business activities of the Lehman Brothers Group.

The Company was a wholly-owned subsidiary of Lehman Brothers UK Holdings (Delaware) Inc, which company in turn was fully owned by Lehman Brothers Holdings Inc. ("LBHI"), the holding company of the worldwide operating Lehman Brothers Group. All outstanding shares in the Company were transferred to Stichting Lehman Brothers Treasury on 28 February 2012.

The Company was declared bankrupt by the Amsterdam District Court on 8 October 2008. In the Dutch proceedings, a Composition Plan ("Composition Plan") was approved by the required majority of creditors, and subsequently confirmed by the Amsterdam District Court wherein – inter alia – the Composition Plan defined each noteholder's ("Noteholders") and creditor's allowed claim that was agreed on a binding basis. In accordance with the Composition Plan, distributions from LBT to Noteholders and other creditors are limited to their respective pro rata share (based on allowed claims) of cash received by LBT from LBHI or otherwise arising in the liquidation. Such distributions are expected to occur in the coming years periodically as cash becomes available to LBT.

Following the confirmation of the Composition Plan, the Company emerged from bankruptcy and was put into voluntary liquidation on 3 April 2013. On that date, the Composition Plan became effective.

1.2. Registered office

LBT has its registered office at Schiphol Boulevard 231, 1118 BH, Amsterdam, The Netherlands.

2. General policies

2.1. General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the Guidelines for Annual Reporting in the Netherlands.

These financial statements have been prepared on a liquidation basis. Accordingly assets have been valued at their net realisable value and liabilities at the best estimate of the amounts to be paid (see Note 1.1). The balance sheet, income statement and cash flow statement include references to the notes.

2.2. Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires the Liquidators to exercise judgement in the process of applying the Company's accounting policies. If necessary for the purposes of providing the view required under Section 362, subsection 1, Book 2 of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

2.3. Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous reporting period. The previous reporting period is from 3 April 2013 until 31 December 2013.

2.4. *Foreign currencies*

2.4.1. *Functional currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in US dollars, which is the functional and presentation currency of LBT.

2.4.2. *Transactions, assets and liabilities*

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

2.5. *Financial instruments*

The Company has deposits with embedded foreign exchange swaps, where US Dollars deposits are swapped into Euros at a set exchange rate and then swapped back into US Dollars at the same set exchange rate at the maturity of the short-term deposit. These financial instruments are not bifurcated and are stated initially at cost and then after initial recognition are then remeasured at fair value.

2.6. *Accounting policies for the cash flow statement*

The cash flow statement has been prepared using the direct method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents except for deposits with a maturity over three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash are not recognised in the cash flow statement.

3. ***Accounting policies for the balance sheet***

3.1. *Receivables*

Receivables are recognised at fair value.

3.2. *Receivables from former affiliated companies*

The claims receivable is recognised at net realisable value. The net realisable value is determined based on market prices of comparable classes of LBHI debt which are traded. These market prices are then adjusted for differences in class features by considering LBHI's ratio of recovery amongst its difference classes of claims.

The ultimate recovery of the Company's receivable from LBHI is not known with certainty and is subject to change. See LBHI's website for more information.

3.3. *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

3.4. *Administration costs provision*

As the Company is in liquidation, the Liquidators have estimated the administration costs that will be required during the liquidation period to cover the costs of liquidating the Company. The estimate of the costs to be incurred includes Liquidator fees, legal fees, accounting fees, audit fees, banking related fees as well as other costs. This provision is measured on a non-discounted, best estimates basis which is updated each balance sheet reporting date.

3.5. *Claims payable*

Liabilities are recognised at the Liquidators' best estimate of the amount required to contractually settle the liabilities in accordance with the provisions of the Composition Plan with no regard to LBT's own credit risk. On the basis of the release by the LBT creditors of any claim beyond the cash LBT shall receive (i.e. Available Cash as defined in the Composition Plan), claims payable is measured as equivalent to the net realisable value of the Company's claim on LBHI (reported as the receivable from former affiliated companies) less the claims administration cost provision and plus any interest income.

4. Accounting policies for the income statement

4.1. Result

The net results of the Company are determined as the difference between the income from assets, changes in claims payable and changes in the administration cost provision for the period.

4.2. Exchange rate differences

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise.

4.3. Interest income and expense

Interest income and interest expense are recognised in the income statement for all interest bearing instruments. For all interest bearing financial instruments, interest income or interest expense is recognised on an accrual basis

4.4. Costs

Costs are recognised based on the historical cost convention.

4.5. Changes in value of assets and liabilities

Changes in value of assets and liabilities comprise the unrealised result on the receivable from former affiliated companies, changes in the payable to LBT creditors under the Composition Plan and unrealised currency exchange results.

4.6. Income tax expense

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

Given the liquidation of the Company, it is currently estimated that there will be no corporate income tax liability in respect of 2014.

5. Financial instruments and risk management

5.1. Currency risk

The Company mainly operates in the Netherlands. The Company's main asset is denominated in US Dollars (the Company's functional currency) but most of the Company's operating expenses are denominated in euros. The Company's liabilities to Noteholders and creditors under the Composition Plan are settled in US Dollars.

Given the terms of the Composition Plan, the Company does not bear any significant currency risk. In general, distributions received (note 6) by the Company are received in US dollars and distributions paid (note 13) by the Company are made in US dollars.

5.2. Credit risk

The Company is exposed to credit risk on its assets (receivables). The Company has a concentration of credit risk, as the greatest part of the receivable is due from one single party (LBHI). The Company has credit risk as most of its cash and cash equivalents are on deposit at major two international banks.

Given the terms of the Composition Plan, the Company does not bear the ultimate credit risk. Any credit related losses will impact the Available Cash (as defined in the Composition Plan) which effectively transfers the credit loss to the Noteholders and creditors under the Composition Plan.

5.3. *Liquidity risk*

LBT uses several banks.

Given the terms of the Composition Plan, Claims Payable creditors are only entitled to receive payments if the Company has Available Cash (as defined in the Composition Plan). If the Liquidators determine that the Company has insufficient Available Cash for a distribution to the Claims Payable creditors then no such payments will be made at that time to the Claims Payable creditors.

Creditors arising from transactions after the Company's emergence from bankruptcy proceedings are not subject to the Composition Plan.

6. *Receivables from former affiliated companies*

The movements can be specified as follows:

	2014	*2013*
(in thousands in table)	USD	USD
Balance as at beginning of period	6,112,332	6,608,406
Distributions received from LBHI during the period	(3,084,874)	(2,969,670)
Change in value of receivable	1,044,616	2,473,596
Balance as at 31 December	4,072,074	6,112,332

LBHI entered into a voluntary US Chapter 11 proceeding on 15 September 2008. The Company has an intercompany claim against LBHI for the proceeds of the LBT Notes issued. In the LBHI US Chapter 11 proceedings, the intercompany claim due was agreed at an amount of USD 34,548,000,000 ("Admitted LBHI Amount") in the Third Amended Plan, which was confirmed in December 2011.

The Company received two distributions from LBHI on its allowed intercompany claim on LBHI in the amount of USD 2,969,669,941 during the period 3 April 2013 to 31 December 2013. The Company received two distributions from LBHI on its allowed intercompany claim on LBHI in the amount of USD 3,084,874,526 during 2014. As of 31 December 2014, cumulative distributions received from LBHI amount to USD 8,727,256,240 (2013: USD 5,642,381,714) which represents approximately 25.3% (2013: 16.3%) of the Admitted LBHI Amount.

The balance as at 31 December 2014 represents the estimated value of future distributions to be received from LBHI based on market prices obtained of comparable classes of LBHI debt which are traded; this represents an estimated further 11.8% of the Admitted LBHI Amount. The change in the value of the LBHI receivable reflects the increase in the market prices for LBHI claims observed during the period.

The exact timing and amount of distributions in the future from LBHI is unknown; however, an indeterminable portion of the receivable is expected to be received within 12 months after the balance sheet date.

7. *Taxes and social security contributions*

	2014	*2013*
(in thousands)	USD	USD
Value added tax	128	141

8. *Other debtors, prepayments and accrued income*

	2014	*2013*
(in thousands)	USD	USD
Interest receivable	20	44

9. *Cash and cash equivalents*

Of cash and cash equivalents, USD 24,306,000 (2013: USD 27,034,000) is not at the Company's free disposal as it is placed on short term deposit.

As of 31 December 2014, the Company retained USD 8,920,493 (2013: USD 4,829,910) and USD 20,207,652 (2013: USD 12,314,505) for Withheld ISINs and for the Provision for Administration Costs.

10. *Shareholders' equity*

	Share capital	*Other reserves*	*Total*
(in thousands)	USD	USD	USD
Balance as at 1 January 2014	2,754	(2,754)	0
Movements			
Exchange differences	(323)	323	0
Balance as at 31 December 2014	2,431	(2,431)	0

11. *Share capital*

The authorised share capital of LBT amounts to EUR 3,405,000 divided into 7,500 ordinary shares of EUR 454. Issued share capital consists of 4,406 ordinary shares. The share capital has been converted to USD at year-end at a rate of 1.2153 (2013: 1.377).

12. *Other reserves*

Since the company is in liquidation and the share capital is not expected to be repaid to the shareholder, other reserves have been created to reduce the share capital to nil.

13. *Claims payable*

	2014	*2013*
(in thousands)	USD	USD
Payable to LBT creditors under the Composition Plan	4,105,592	6,126,314

The movements can be specified as follows:

	2014	*2013*
(in thousands)	USD	USD
Balance as at beginning of period	6,126,314	9,208,277
Distributions made	(3,068,733)	(5,553,515)
Changes in value of claims payable	1,048,011	2,471,552
Balance as at 31 December	4,105,592	6,126,314

The amount of the payable to creditors and the timing of payments is unknown as it is based on factors such as distributions from LBHI (see note 6). An indeterminable portion of the payable is expected to be paid more than 12 month after the balance sheet date.

14. *Administration cost provision*

The movements can be specified as follows:

(in thousands)	*2014* USD	*2013* USD
Balance as at beginning of period	28,206	33,728
Costs paid during the period	(2,838)	(8,221)
Currency translation result	(3,121)	2,699
Balance as at 31 December	22,247	28,206

The cost paid during the period end 31 December 2013 included professional services fee incurred prior to the emergence from bankruptcy into voluntary liquidation on 3 April 2013.

(in thousands)	*2014* USD	*2013* USD
Pre-Liquidation:		
Bankruptcy Trustees Fees	0	1,417
Consent process related fees (including legal fees)	0	4,211
Pre-Liquidation related fees paid during the period	0	5,628
In Liquidation:		
Liquidator related fees	529	515
Other fees paid to Liquidators' law firm	616	428
Insurance	752	882
Distribution and other professional services	818	697
Supervisory Board related payments (see note 19)	123	71
In Liquidation related fees paid during the period	2,838	2,593
Total Administration Cost payments during the period	**2,838**	**8,221**

The payments in respect of administrative costs are expected to be made over the liquidation period of the Company. An indeterminable portion of these administrative costs will be paid more than 12 months after the balance sheet date.

15. *Interest and similar income*

(in thousands)	*1 January to 31 December 2014* USD	*3 April to 31 December 2013* USD
Interest income on cash and deposit accounts	392	544

16. Changes in value of assets and liabilities

(in thousands)	*1 January to 31 December 2014* USD	*3 April to 31 December 2013* USD
Currency exchange results	(3,003)	2,469
Revaluation of receivable from former affiliated companies	(1,044,616)	(2,473,596)
Change in value of claims payable	1,048,011	2,471,671
	392	544

17. Audit fees

The following audit fees relate to the reporting period:

(in thousands)	*1 January to 31 December 2014* USD	*3 April to 31 December 2013* USD
Audit of the financial statements	30	40

18. Average number of employees

During the period 1 January to 31 December 2014, no employees were employed (3 April 2013 to 31 December 2013: none).

19. Related party transactions

The Company incurred charges from its parent, Stichting Lehman Brothers Treasury Co., totalling USD 123,000 (2013: USD 71,000). These charges were to compensate for the Company's allocation of the parent's Supervisory Board remuneration and out of the pocket expenses. This cash payment is based on the same rate of remuneration as 31 December 2013.

20. Liquidators' remuneration

During the year ended 31 December 2014 (3 April to 31 December 2013: nil), the Liquidators were paid compensation amounting to nil. The Liquidators are a partner or a former partner in a law firm which was paid during the period fees for legal assistance and administration of the Company of USD 1,145,284 (2013: USD 2,288,572). The former partner is no longer a partner since he reached his retirement age but continues to work at the law firm as a consultant and continues to be a liquidator.

21. Contingencies

As described in note 1, LBT has been put in liquidation based on the court-approved Composition Plan. Creditors of LBT that filed claims which were disputed by the bankruptcy trustees of LBT and by LBT itself at the claims admission meeting were referred to the Amsterdam district court for claim referral proceedings.

As at 31 December 2014, two disputed claims regarding the value of the Admissible Amounts of two ISINs (XS0356126705 and XS0331053719) recorded in the Composition Plan are outstanding ("Manifest Error" claims). The two counterparties (that each hold the entire ISIN in question) claim that the Admissible Amount of their two ISINs should be increased by EUR 28,994,352. See "Events occurring after the balance sheet date".

As at 31 December 2014, other disputed, non-LBT Notes-related claims were filed for approximately EUR 2,390,000 (2013: EUR 2,390,000).

As described in note 3.5, any increase or decrease in the Admissible Amount for these Manifest Error claims and disputed claims will not affect the recorded Claims Payable balance as the liability balance is determined based on the net realisable value of the claim against LBHI. Any change in these Manifest Error claims or other disputed claims may affect the allocation of the pro rata entitlement to Available Cash of each creditor under the Composition Plan, but not the total amount available for distribution to creditors as described in the Composition Plan.

Amsterdam,
Lehman Brothers Treasury Co B.V. in liquidation

The Liquidators

R.J. Schimmelpenninck F. Verhoeven

Other information

Provision in the articles of association governing the appropriation of profits

According to Article 22 of the Company's Articles of Incorporation, the net results are at the disposition of the shareholder.

Appropriation of result

The result for the financial period is nil.

Events occurring after the balance sheet date

Subsequent to the balance sheet date, the Amsterdam district court dismissed the claim (see note 21) for an increase to the Admissible Amount for ISIN XS0356126705. The claimant could still file an appeal of this court decision. No change in the Claims Payable as at 31 December 2014 has been made for this court decision.

Independent auditor's report

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Independent auditor's report

To: the shareholder of Lehman Brothers Treasury Co. B.V. in liquidation

Report on the audit of the financial statements 2014

Our opinion

We have audited the financial statements 2014 of Lehman Brothers Treasury Co. B.V. in liquidation ("the Company"), based in Amsterdam.

In our opinion the financial statements give a true and fair view of the financial position of Lehman Brothers Treasury Co. B.V. in liquidation as at 31 December 2014 and of its result for 2014 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
1. the balance sheet as at 31 December 2014;
2. the profit and loss account for 2014; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Lehman Brothers Treasury Co. B.V. in liquidation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants (VGBA)".

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Misstatements can arise from errors or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgment we determined the materiality for the financial statements as a whole at € 40,700,000. The materiality is based on one percent (1%) of total assets, which we consider to be an appropriate basis for the materiality calculation due to the nature and activities of the Company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

We agreed with the liquidators that misstatements in excess of € 2,000,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the liquidators. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the receivable from former affiliated companies
Lehman Brothers Treasury Co. B.V. in liquidation has a claim against Lehman Brothers Holdings Inc. ("LBHI") (reported as "the receivable from former affiliated companies") valued at € 4,072,074,000 as at 31 December 2014. The liquidators have described the uncertainty regarding the estimated recoverability of the claim against LBHI in note 1.1, note 3.2 and note 6 to the financial statements. This results also in an uncertainty regarding the claims payable as this liability is estimated at the amount as equivalent to the net realizable value of the claim against LBHI less the claims administration cost provision and plus any interest income. Actual results may be at variance with the estimated value of the claim against LBHI and related liability.

We have considered the valuation of the claim against LBHI to be a significant risk due to the magnitude of this balance together with the judgments required to be made when assessing the valuation of this claim against LBHI. As a part of our audit procedures, we challenged the liquidators' assumptions used in the valuation model for the claim against LBHI, described in note 1.1, note 3.2 and note 6 to the financial statements, including the market prices of comparable classes of LBHI debts which are traded and the adjustments made for differences in class features. Furthermore, we considered the appropriateness of the related disclosures in the financial statements to determine if these disclosures appropriately describe the inherent degree of subjectivity in the estimates.

The basis for preparation of the financial statements
On 3 April 2013, the Company emerged from bankruptcy and was put into voluntary liquidation (refer to note 1.1). Following these conditions the financial statements have been prepared on a liquidation basis. Accordingly assets have been valued at their net realizable value. Our opinion is not qualified in respect of this matter.

Emphasis of uncertainty with respect to the valuation of the claim against LBHI
The liquidators have described the uncertainty regarding the estimated recoverability of the claim against LBHI in note 1.1, note 3.2 and note 6 to the financial statements. Our opinion is not qualified in respect of this matter.

Responsibilities of the liquidators for the financial statements
The liquidators are responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report ("report of the liquidators"), both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the liquidators are responsible for such internal control as the liquidators determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the liquidators are responsible for assessing the Company's ability to continue as a going concern. The Company was declared bankrupt by the Amsterdam District Court on 8 October 2008. On 3 April 2013, the Company was put in voluntary liquidation. Based on the financial reporting framework mentioned, the liquidators should prepare the financial statements based on a liquidation basis. As part of our audit of the financial statements, we concur with the liquidators' use of the liquidation basis of accounting in the preparation of the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the liquidators;
- Concluding on the appropriateness of liquidators' use of the liquidation basis of accounting;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the liquidators regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the liquidators with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the liquidators, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not mentioning it is in the public interest.

Report on other legal and regulatory requirements

Report on the management board report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and other information):

- We have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the management board report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged by the liquidators as auditor of Lehman Brothers Treasury Co. B.V. on 12 February 2014 for the audit of the financial period 2013. We have operated as statutory auditor since that date.

Amstelveen, 8 April 2015