

Joint Administrators' combined progress and final report from 15 March 2025 to 8 October 2025

**Lehman Brothers International (Europe)
- In Administration**

**High Court of Justice, Chancery Division, Companies
Court Case no. 7942 of 2008**

14 October 2025



Table of contents

Introduction	2
Progress made in the Reporting Period and in the subsequent period to 8 October 2025	4
Ongoing matters - to be resolved in the MVL	7
Appendix A: Summary of our Proposals	9
Appendix B: Overview of our work	11
Appendix C: Receipts and payments	19
Appendix D: Expenses	23
Appendix E: Administrators' remuneration	25
Appendix F: Other information	31
Appendix G: Abbreviations and definitions	32

This report has been prepared by Alison Campbell Grant, David James Kelly, Edward John Macnamara and Gillian Eleanor Bruce as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any person choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at: <https://www.pwc.co.uk/lbie>

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Alison Campbell Grant, David James Kelly, Edward John Macnamara and Gillian Eleanor Bruce have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

Lehman Brothers International (Europe) is registered in England and Wales with registered no. 02538254.

VAT registration no. 446 9315 28

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Introduction

Introduction

This is the thirty-fourth and final progress report prepared by the Administrators of the Company. This report provides an update on the work the Administrators have undertaken in the Reporting Period and the Closure Period, as well as a summary of the work carried out during the course of this administration in its entirety.

Earlier reports can be viewed on the LBIE website at <https://www.pwc.co.uk/lbie>.

Objective of the administration

The Administrators pursued the objective of rescuing the Company as a going concern, as approved by the Chancellor of the UK High Court on 15 July 2020 in the context of a directions application in relation to preferred equity distributions. Achievement of this objective has led to a solvent liquidation of the Company as the Company entered Members' Voluntary Liquidation on 8 October 2025, following a decision of the UK High Court dated 8 October 2025.

Why we've sent you this report

We are pleased to let you know that our work in the administration of Lehman Brothers International (Europe) is now complete and so I set out below our final report. This administration has resulted in extremely successful outcomes for creditors, shareholders and those with client money and/or client asset claims, as set out below.

How much creditors and stakeholders have received

The following table summarises the final outcome for creditors and shareholders from the House Estate.

Class of stakeholder	Outcome
Unsecured creditors	100p in the £ + statutory interest (c.£17.7bn)
Subordinated creditor	100p in the £ + statutory interest (c.£2.2bn)
Preferred equity shareholder	c.£552m total distributions

As previously reported, all creditors have been repaid in full and statutory interest has been paid to creditors in addition to the value of their claims as appropriate. In addition to that set out above, over £1bn has been paid to counterparties in settlement of their claims and over £23bn has been returned to clients in respect of client securities, investments and money.

Following appointment of Directors and a Court hearing in June 2020, c.£552m has also been returned to LBIE's preferred equity shareholder, LBHI2, with a further distribution to be made during the subsequent Members' Voluntary Liquidation ("MVL") process (see below).

Please see previous progress reports for further information regarding the total amounts paid to stakeholders in the Client Money, Omnibus Trust and House Estates, and asset returns to clients.

What you need to do

This report is for your information and you don't need to do anything.

What happens next

The administration came to an end on 8 October 2025 upon the sealing of an order by the Court following a hearing earlier that day before the Honourable Mr Justice Hildyard. Shortly thereafter, LBIE entered into a Members' Voluntary Liquidation to facilitate its remaining wind down as a solvent entity, having paid all creditors and statutory interest in full.

By order of the High Court, the Administrators will be discharged from liability in respect of any act or omission as Joint Administrators, such discharge to take effect from the date falling 28 days after registration by the Registrar of Companies of a notice from the Administrators of LBIE pursuant to paragraph 86(2) of Schedule B1, save in respect of claims notified to them before that date.

Signed



Alison Grant

Joint Administrator

Lehman Brothers International (Europe) - in administration

Progress made in the Reporting Period and in the subsequent period to 8 October 2025

Preferred equity distributions

Following progress made in the Reporting Period, including the sale of LBIE's residual assets to LBH, and substantial recovery of c.\$50.1m from the IRS (equivalent of c.£37m), the Directors proposed, in consultation with the Administrators, that the Company make a further distribution of c.£53.6m by way of a preferred equity dividend payable to LBHI2 as the sole holder of LBIE's preferred equity. This dividend was paid on 4 September 2025.

The Administrators considered that the dividend was appropriate on the basis that funds could properly be paid to the Shareholder from distributable reserves and were not required for any other purpose. Total preferred equity distributions to LBHI2 during the course of the administration total c.£551.6m.

Eldon Street Holdings Limited ("ESH") - in administration

During the Reporting Period the Administrators accepted a proposed settlement offer of c.£0.3m from the administrators of ESH in full and final settlement of LBIE's unsecured claim of c.£5.4m and Mable's unsecured claim of c.£7.1m which had been assigned to the Company. Total recoveries in respect of these claims equate to 53% of the value of the combined claims.

Overseas litigation - security for costs

In the Reporting Period, c.€1.5m was released back to the Company in respect of security for costs in an overseas litigation.

MCF

As set out in our previous report, LBIE exercised its option to purchase MCF's claim into LBHI for a nominal amount in accordance with the terms of the compromise agreement with MCF's creditors signed in April 2021, allowing the Joint Administrators of MCF to proceed to closure of MCF's administration. The MCF administration was closed on 4 April 2025 and the company was dissolved on 14 July 2025.

Recovery from IRS

As set out in previous reports, the IRS approved LBIE's request for treaty benefits through the competent authority process in August 2021 allowing recovery of taxes and associated interest. Tax returns were filed with the IRS in Q4 2021.

During the Reporting Period, the Company recovered c.\$50.1m (c.£37m) from the IRS, representing a substantial proportion of the reclaim. Of the c.\$50.1m LBIE received from the IRS, c.\$45.3m represented the principal amount claimed and the balance related to associated interest. This represents a lower amount than LBIE anticipated and claims have been submitted to the IRS for the remaining balance of c.\$11.7m. On 4 September 2025, the Company distributed the amount received from the IRS as part of the preferred equity distribution mentioned above.

Other potential recoveries

As advised in the last report, LBIE has a claim in an overseas liquidation, of which LBIE continues to be a member of their liquidation committee. No further recoveries have been received during this Reporting Period or prior to the end of the administration. This residual asset was sold to LBH on 3 September 2025, with the value being based on estimated future recoveries.

The Administrators have also continued to pursue a potential recovery relating to a 50% holding of a claim in an overseas bankruptcy. Ownership of this claim has also been assigned to LBH, with the sale value being calculated using market prices for the sale of similar claims, together with recovery of costs. Whilst the assignment is valid as a matter of English law, in order to effect a full transfer of the claim to LBH within the overseas jurisdiction, the bankruptcy trustee must consent to the assignment of the claim which may take some time. To that end, work to complete the transfer of this claim to LBH will continue in the MVL process.

A distribution was declared in May 2025, which was due to be paid in July 2025 with recoveries to LBIE of c.£8.75m, subject to no objections being received. Following receipt of objections from various creditors, this distribution is now not expected to be made any earlier than December 2025. This distribution was fully reflected in the sale price to LBH. Should it or any further distributions be made prior to the transfer being fully completed, this will be made to LBIE and transferred immediately to LBH as owner of the claim.

Sale of residual assets to LBH

As explained in our previous report, recoveries attributable to LBIE's small number of remaining assets were not anticipated to have been received before the expiry of the administration on 30 November 2025. We have not sought an extension to the administration as all creditor claims have been paid.

As LBH is the UK group entity expected to remain in administration for the longest period, the Administrators agreed to sell the remaining assets of the Company, with the exception of its claim for interest from the IRS, to LBH at current market value for their aggregate value of c.£16.5m and this transaction was executed on 3 September 2025. On 4 September, the Company distributed the sale proceeds to LBH12 as the sole holder of LBIE's preferred equity as part of the preferred equity distribution mentioned above.

Connected parties

As mentioned above, and prior to entering into the connected party transaction with LBH, the Administrators undertook a thorough assessment of all available options, including, where appropriate, potential sale of residual assets to alternative parties, with the objective of protecting value for LBIE's stakeholders, whilst allowing the closure of the administration to proceed. A comprehensive valuation pack was produced to support the sale values, using independent market information/sources where possible. Throughout this process, the Operating Committee was kept fully informed, and provided approval for the transaction to proceed.

Following the Operating Committee's formal approval for LBIE to enter into agreements with LBH, the sale of LBIE's residual assets to LBH was completed for cash consideration of c.£16.5m based on the Administrators' valuation.

Tax

Our tax team has continued to manage LBIE's tax position, ensuring that all necessary tax filing obligations have been met.

The Administrators have met their obligations under the Senior Accounting Officer ("SAO") legislation and are no longer required to submit the certification and notification. They have complied with their obligations regarding the Lehman Group tax strategy which is no longer required to be published. They have adhered to the UK and US Foreign Account Tax Compliance Act and Common Reporting Standards.

Specific progress in the reporting period includes:

- Submission of LBIE's corporation tax return for the year ending 14 September 2024 on 19 August 2025;
- Preparation of the draft LBIE tax return for the year ending 14 September 2025;
- Recovery of £1.8m paid on account in respect of potential corporation tax to HMRC in March 2023;
- Recovery of c.\$50.1m (including interest) of US tax for years 2009-2015, following competent authority approval from the IRS (as mentioned above);
- Work in respect of the transfer of assets from LBIE to LBH; and
- Surrender of 2023 tax losses to SPML & PML resulting in value to LBIE of c.£0.8m.

VAT

All VAT returns have been submitted up to, and including, the quarter ending 31 August 2025.

Conclusion of the administration

The Administrators have continued to work to wind-down the remaining LBIE infrastructure and concluded various administrative and operational matters required to enable the end of the administration and move into solvent liquidation. This included the preparation of the statement of assets and liabilities to be appended to the declaration of solvency, enabling the directors to provide the required confirmation that LBIE is solvent and to recommend to LBIE's shareholder, LBH12 that the Company should be placed into MVL. The declaration of solvency was signed by the Directors before a notary public.

In advance of the High Court hearing held on 8 October 2025 before Justice Hildyard, the Administrators worked closely with their legal and tax advisers to finalise all necessary court evidence in support of their application for an order ending the

administration and discharge from liability. The Administrators attended the hearing at which the Judge made an order ending the LBIE administration and providing for the Administrators to be discharged from liability 28 days after registration of the notice at Companies House. The sealed order was received later on the same day, allowing for commencement of the MVL. Alison Grant and Steven Sherry of PricewaterhouseCoopers LLP were appointed as Joint Liquidators later on 8 October 2025.

Investigations and actions

Nothing has come to the attention of the Administrators during the Reporting Period or the Closure Period to suggest that they need to do any further work in line with their duties under the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Connected parties

Except where disclosed above regarding the sale of the Company's remaining assets to LBH, there have been no sales or transactions between connected parties and the Company in the Reporting Period or in the period prior to the closure of the administration.

Administrators' receipts and payments account

The Administrators set out in Appendix C their final receipts and payments account. This sets out the receipts and payments in the Reporting Period, the period from 15 September to 8 October 2025, and cumulatively since the appointment of the Administrators.

Administrators' expenses

A statement of the expenses incurred to the date of this report is detailed in Appendix D.

Administrators' fees

An update on the Administrators' fees, disbursements and other related matters in this case is set out at Appendix E.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx>

Creditors may also wish to the previous creditors' guidance to understand the applicable regulations for appointments prior to 5 April 2010:

<https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2007/a-creditors-guide-to-administrators-fees-1-apr-2007.ashx?la=en>

Creditors can also get copies of these guides free of charge by telephoning Kate McNerlin on 0113 289 4000 or by emailing uk_lehmanaffiliates@pwc.com.

Ongoing matters - to be resolved in the MVL

As mentioned above, an application was filed with the UK High Court seeking discharge of the LBIE Administrators, amongst other matters. The Court hearing was listed for 8 October 2025 before Mr Justice Hildyard. It was proposed that the LBIE administration would conclude and transition into a solvent liquidation ("MVL") for the purpose of recovering funds from the IRS, completing the transfer of its claim into an overseas bankruptcy, passing funds received relating to transferred assets to LBH and distributing final funds to LBHI2, thereby safeguarding funds for stakeholders.

The Company was handed back to the Directors for a short period following the end of the administration as part of the transition to MVL. The Directors had already put in place a board resolution to place the company into MVL, together with the required statement of solvency. A member's resolution was provided by LBHI2 as LBIE's sole shareholder to formally begin the MVL process.

Realisation of remaining assets

LBIE's only remaining asset is its claim for interest from the IRS. Recovery of this asset will continue to be progressed in MVL, together with completion of the transfer of its claim into an overseas bankruptcy (as set out above).

Next report

The next report will be circulated by the liquidators within one month after the first anniversary of the liquidators' appointment or on closure of the liquidation.

If you have any questions, please get in touch with Kate McNerlin, on uk_lehmanaffiliates@pwc.com.

Appendices

Appendix A: Summary of our Proposals

The Administrators made the following proposals for achieving the purpose of administration.

- i) The Administrators will continue to manage and finance LBIE's business, affairs and property from asset realisations in such a manner as they consider expedient with a view to achieving a better result for LBIE's creditors as a whole than would be likely if LBIE had been immediately liquidated.
- ii) The Administrators will identify and return Trust Property in accordance with the Order of the High Court dated 7 October 2008. The Administrators will be looking to have the costs of dealing with Trust Property borne by such assets.
- iii) The Administrators may investigate and, if appropriate, pursue any claims that LBIE may have under the Companies Act 1985, the Companies Act 2006 or the Insolvency Act 1986 ("IA86") or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the administration or to protect and preserve the assets of LBIE or to maximise their realisations or for any other purpose incidental to these proposals.
- iv) The Administrators will at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement / scheme of arrangement and the costs of doing so shall be met as a cost of the administration as part of the Administrators' remuneration.
- v) The Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch B1 IA86.
- vi) A creditors' committee will be established if sufficient creditors are willing to act on it. The Administrators propose to seek election of a creditors' committee and to consult with it from time to time. Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
- vii) The Administrators will consult with the creditors' committee concerning the necessary steps to extend the administration beyond the statutory duration of one year if an extension is considered advantageous. The Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension.
- viii) The Administrators may use any or a combination of "exit route" strategies in order to bring the administration to an end. The Administrators wish to retain a number of the options which are available to them including -
 - (a) The Administrators may formulate proposals for a scheme of arrangement under Section 899 of the Companies Act 2006 and if so ordered by the court will put them to meetings of the various classes of creditors. If the scheme of arrangement is approved and sanctioned by the court, the administration will be brought to an end by notice to the Registrar of Companies on completion of the administration under Paragraph 84 Sch B1 IA86, following registration of which LBIE will be dissolved three months later, OR
 - (b) The Administrators may place LBIE into creditors' voluntary liquidation. In these circumstances, it is proposed that Anthony Victor Lomas, Steven Anthony Pearson and Michael John Andrew Jervis be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either any or all of them. In accordance with Paragraph 83(7) Sch B1 IA86 and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved, OR
 - (c) The Administrators may formulate a proposal for a company voluntary arrangement ("CVA") and put it to the meetings of LBIE's creditors and shareholders for approval. If the CVA is approved, the administration will be brought to an end by notice to the Registrar of Companies on completion of the administration under Paragraph 84 Sch B1 IA86, following registration of which LBIE will be dissolved three months later, OR
 - (d) The Administrators may apply to the Court to allow the Administrators to distribute surplus funds to unsecured non-preferential creditors. If such permission is given, the administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch B1 IA86, following registration of which LBIE will be dissolved three months later. If permission is not granted the Administrators will place LBIE into creditors' voluntary liquidation or otherwise act in accordance with any order of the court.
- ix) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch B1 IA86 in respect of any action of theirs as Administrators at a time determined by the court.
- x) The Administrators' fees will be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2

disbursements in Statement of Insolvency Practice No 9) be charged in accordance with the Administrators' firm's policy. It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead.

- xi) The primary currency for the administration will be US Dollars and funds will be maintained in US Dollars, (except to the extent that monies are needed to meet administration expenses payables in other currencies or monies are held in trust for the benefit of a third party). The Administrators will require creditors to submit their claims in US Dollars and dividends will be paid in US Dollars in the chosen exit route from the administration.

The above proposals were approved by creditors at the meeting of creditors held on 14 November 2008, with the modification that paragraph xi) be amended allowing the Administrators to select an appropriate currency in consultation with the Creditors' Committee.

Appendix B: Overview of our work

Why we were appointed

When we were appointed, the position was as follows:

- The Lehman Group was one of the four biggest investment banks in the USA;
- LBIE was the Lehman Group's main European broker-dealer. It provided investment banking services to clients such as corporate customers, governments, hedge funds and private clients;
- In the period immediately prior to its insolvency, there was an escalating loss of confidence in the Lehman Group, as evidenced by a significant deterioration in the share price of the Lehman Group's ultimate parent company, LBHI, in early September 2008;
- The Lehman Group announced a third quarter loss of \$3.9bn on 10 September 2008;
- With investor confidence continuing to deteriorate, the Lehman Group attempted to resolve the situation by proposing a plan to restructure the business by selling a majority stake in its investment management business and spinning off the majority of its commercial real estate assets into a new, separate public company;
- These measures failed to restore investor confidence and attempts to secure buy-in from potential purchasers were unsuccessful;
- LBHI managed the majority of cash resources available to the Lehman Group. LBIE was reliant on LBHI to meet its financial obligations as LBIE did not have sufficient resources to do so. On 15 September 2008, LBHI informed LBIE that it would be unable to make payments on LBIE's behalf and that it was seeking to file for Chapter 11 bankruptcy protection in the USA;
- With LBHI no longer able to meet the ongoing obligations of LBIE, and with LBIE unable to meet its own obligations, the directors concluded that LBIE was insolvent and on 15 September 2008 LBIE was placed into administration.

Approval of our proposals

Our proposals for achieving the purpose of the administration were approved by creditors on 14 November 2008. Further information can be found in Appendix A.

Statement of affairs

At the time our proposals were issued, we had not received a statement of LBIE's affairs from the directors. We subsequently received a statement of affairs from the directors on 8 July 2009. Due to the highly complex nature of LBIE's circumstances, the statement of affairs does not present a meaningful comparison with the outcome of the administration and the amounts in the statement of affairs differ significantly from the values of assets and liabilities that subsequently materialised.

Creditors' Committee / Operating Committee

On 3 December 2008, a Creditors' Committee was constituted with five members. The composition of the Creditors' Committee changed over the course of the administration; details of the membership at different times can be found in previous reports.

In accordance with the terms of the Surplus Scheme, an Operating Committee was formed in October 2018, which has assumed the roles and responsibilities of the former Creditors' Committee.

Throughout the administration, we have regularly spoken with the Creditors' Committee, and later the Operating Committee. The Administrators continued to regularly meet with the Operating Committee to explain how key aspects of the administration were being dealt with and to consult with the Operating Committee on relevant issues. There has been no change to the constitution of the Operating Committee. Following reports sent to the Operating Committee on 21 August 2025, the committee approved the sale of LBIE's residual assets at current market value to LBH, together with the associated novation of an agreement with LBI and LBIE's transition to a members voluntary liquidation at the end of its administration on or around 8 October 2025.

Our work

In the interests of brevity, we have detailed below a chronology of our work by year since 15 September 2008, focusing on the most critical areas. Please note that the below list is not exhaustive and additional detail can be found in our progress reports, which are available at <https://www.pwc.co.uk/lbie>

2008

- On appointment took over responsibility for c.6,000 counterparties with live positions, over \$35.5bn securities (House and Client combined) and over 5,500 LBIE staff in the UK and overseas needing guidance and instruction. No cash was available to pay salaries and other expenses.
- Secured \$100m of short-term finance to pay salaries and other essential costs.
- LBIE's equities business sold to Nomura in September 2008, transferring and saving 2,400 jobs.
- Began to recover and realise assets, liaising with the c.6,000 counterparties with pending trades.
- New LBIE Operating Model developed to reorganise LBIE's activities to meet the objectives of the administration.
- LBIE was dependent on over 2,000 IT applications. Rapid analysis of critical business requirements allowed us to settle on 120 critical applications and start retiring those that were redundant.

2009

- Programme of bilateral negotiations started to agree positions with affiliate entities ensuring LBIE's position was protected - initial claims filed against eleven other Lehman entities.
- Client Information Portal launched in September 2009 allowing LBIE clients to access information about their positions and file proofs of debt and associated evidence.
- High Court confirmed in October 2009 that c.\$1.2bn of Post-Administration Client Money should be returned to the owner of the underlying securities.
- Claims Resolution Agreement developed and launched in November 2009 to enable the return of assets to clients as an alternative to a Client Asset Scheme of Arrangement given a court decision earlier in the year that the Court did not have the authority to sanction such a scheme. This became effective after over 90% by value of eligible Client Asset claimants accepted the terms.
- Legal proceedings started against LBB for return of c.\$1bn of Client Money in December 2009 (equating to 50% of the total Pre-Administration Client Money held by LBIE).

2010

- 2010 Operating Model developed, reorganising team structures with more emphasis placed on progressing and agreeing creditor claims. 1st bar date for Client Asset claimants on 19 March 2010.
- Office relocation in March 2010 from 25 Bank Street to 25 Canada Square (c.64,000 sq ft reduction).
- Client Money Proposal launched in April 2010 allowing counterparties with lower value (under \$10k) Pre-Administration Client Money claims to be repaid in full. 229 Clients paid in full and removed from the Client population.
- The Court of Appeal delivered judgment on the Pre-Administration Client Money appeal, reversing some of the first instance judgment and preventing both returns to Clients and admittance of unsecured claims until the appeal process is finalised due to uncertainties surrounding which claims constituted Client Money.
- Optional Consensual Approach developed to agree claims from financial trading counterparties without Client Assets. Under this approach, LBIE's in-house valuation methodology was used to agree creditors' claims, providing certainty to creditors and LBIE whilst also reducing the costs and time of agreeing claims.
- LBI issued its first determination under the SIPA process governing its liquidation in September 2010, partially rejecting LBIE's c.\$8.9bn House Customer Property claim and classing it as unsecured rather than Customer Property. Significant work would be required to resolve the claim.
- High Court judgment in respect of c.£0.7bn securities subject to RASCALS proceedings handed down in November 2010 ruling that while affiliate entities had acquired a beneficial interest in the securities upon their purchase from counterparties, the RASCALS process had the effect in the case of certain standard fact patterns of transferring that beneficial ownership in the securities to LBIE (subject to appeal).

2011

- LBIE developed a standardised legal agreement, the Claims Determination Deed, designed to preserve a creditor's potential entitlement to Client Money, notwithstanding its agreement of a single claim figure (potentially incorporating both unsecured and Client Money elements) in respect of the LBIE estate under the Consensual Approach. Importantly, the Deed created a mechanism by which creditors could trade their LBIE claims within a structured and uniform process.
- The Administrators communicated to creditors that there were ten \$1b+ dollar issues still to resolve.
- Significant settlement reached with Citibank in June 2011 resulting in recovery of c.£2bn of assets.
- Hong Kong court approved the settlement agreed with LBHI, resulting in agreement for the return of c.£0.6bn of LBIE assets.
- Court of Appeal delivered RASCALS judgement in October 2011 ruling in LBIE's favour for the majority of the RASCALS assets, leading to the release of c.£1.1bn of ring-fenced cash and securities to House.
- Agreement in principle reached with LBHI and other US affiliates in October 2011 resulting in the withdrawal of claims worth c.£4.5bn, recovery of c.£0.4bn of RASCALS assets and agreement of LBIE's claim for c.£1.3bn.
- LBI issued a revised determination in May 2011 for c.\$8.3bn in respect of the LBIE Omnibus claim for the return of Client Assets. Following analysis, LBIE formally objected to the revised LBI Determination in October 2011.
- c.£1.9bn of assets returned to owners as a result of the Administrators resolving duplicated and invalid claims to trust assets.

2012

- In February 2012 the Supreme Court delivered its Pre-Administration Client Money Judgment, concluding legal proceedings that started in May 2009.
- Following this judgment, the Administrators established the "Client Money Entitlement Principles" for the calculation of Client Money entitlements, based on counterparties' contracts with LBIE.
- Small Claims Settlement Offer launched in May 2012, allowing eligible creditors with unsecured claims of £150k or less to receive a one off payment of 90% of their agreed claim. This enabled an earlier return to 854 creditors and a 30% reduction in the creditor population at a cost of c.£30m.
- Litigation proceedings started in the US courts against AG Financial Products Inc.
- LBIE's unsecured claims filing date brought forward to 31 July 2012. In advance of this, several affiliate entities submitted large claims totalling over £35bn. Following increased engagement in advance of court proceedings, an agreement in principle was reached with LBI in October 2012 to resolve all claims (value of c.\$38bn).
- Final or partial settlements reached with several affiliate entities including LBHI, LBSF and other US debtors, LBS, LB UK RE and LB Lux.
- 1st unsecured creditor dividend of 25.2p/£ paid in November 2012. In total, c.£1.97bn paid including catch-up dividends.

2013

- "Waterfall Proceedings" started with an application to the UK High Court in February 2013 to seek determination on the ranking of the sub-debt, contribution obligations of the unlimited liability shareholders and the existence of currency conversion claims. The first hearing was held in November 2013.
- The LBI settlement became binding in February 2013 and effective in June following Court approval, resulting in recovery of c.\$0.5bn cash in respect of the House's Customer Property claim, c.\$1.7bn being received through sale of the General Estate claim, other House recoveries of c.£0.2bn and recovery of over \$9bn in respect of the Omnibus claim for the return of Client Assets.
- 1st interim Client Money distribution of 23.2% paid on 23 April to 34 clients.
- The Extended Liens legal proceedings were concluded in May 2013 allowing cash and assets to be released to the House Estate.
- 2nd unsecured creditor dividend of 43.3p/£ paid in June 2013, and further SCSO payments. In total, c.£4.40bn paid including catch-up dividends.
- The Consensual Proposal was launched to facilitate the return of the LBI Omnibus recovery to Clients - this became effective in June 2013 after the terms were accepted by c.95% of eligible beneficiaries by Best Claim value.
- Omnibus Trust gross distribution of c.\$7.8bn (subject to reserves for US withholding tax) made in September 2013 representing 100% of beneficiaries' Best Claim values.

- By September 2013, 765 counterparties had either waived or assigned their Client Money claims (c.\$3.38bn) to LBIE's nominee in consideration for receiving an unsecured claim in the administration under an offer made to counterparties with Client Money entitlements.
- UK Supreme Court found that the Lehman Brothers Pension Scheme deficit should be treated as a provable unsecured claim in the administration and not as an expense as previously ruled.
- 3rd unsecured creditor dividend of 23.7pence/£ paid in November 2013. In total, c.£2.97bn paid including catch-up dividends.

2014

- Final settlement with LBB in March 2014 brought litigation to a close, resulting in LBB withdrawing an inbound claim of c.£0.6bn and admitting combined LBIE claims worth c.£0.8bn.
- High Court Waterfall I judgement handed down finding: (a) Subordinated Debt is subordinate to provable, Post-Administration Interest and non-provable claims of other creditors including currency conversion claims; and (b) the obligation of Shareholders to contribute extends to Post-Administration Interest and non-provable liabilities. (A number of parties, including LBIE, appealed various elements of the judgment).
- 4th unsecured creditor dividend of 7.8p/£ paid in April 2014. In total, c.£2.98bn including catch-up dividends paid. All admitted creditors now paid in full leaving a significant surplus.
- 2nd interim Client Money distribution paid in June 2014 of 25%.
- Agreement of the US withholding tax treatment for the first Omnibus Trust distribution enabled a release of excess tax reserves held by the IRS, resulting in a further distribution of c.\$0.92bn.
- Waterfall II proceedings started with an application to the UK High Court in June 2014 to establish entitlements to Post-Administration interest. The proceedings were split into three tranches ("A", "B" and "C"). "A" dealt with insolvency law questions, "B" dealt with certain Post-Administration contract releases and "C" dealt with the cost of funding wider ISDA Master Agreements and similar contracts.

2015

- Waterfall I Court of Appeal judgment in May 2015 upheld the majority of the Waterfall I judgment at first instance.
- Omnibus Trust final distribution paid in June 2015. In total, over \$9bn returned to clients resulting in a cumulative distribution of 110% on clients' total Best Claim value.
- High Court judgment received in July 2015 for Waterfall II Application "A" and "B" finding that:
 - entitlements to Post-Administration Interest are calculated on the basis that dividend payments are allocated first to debt principal and not Post-administration Interest (Bower v Marris). Senior Creditor Group and York Global Finance BDH appealed this decision;
 - Post-Administration Interest accrues from the date of administration for all claims. Wentworth Sons Sub-Debt SARL appealed this decision;
 - the CRA and CDD post-administration contracts do not have the effect of releasing claims for Post-Administration Interest or Currency Conversion Claims. Not subject to appeal.
- 1st Unsecured Claim Certificate ("UCC") released to senior creditors in October 2015 in respect of c.2,000 individual admitted claims, including information about agreement attribution and set-off.
- Agreement negotiated with a third party provider to take over responsibility for paying benefits to members of the LBIE Pension Scheme, protecting employees' pension entitlements.
- 10 day Waterfall II "C" High Court hearing regarding Cost of Funding and foreign law within certain master agreements took place in November 2015.

2016

- With the distribution of the surplus tied up due to ongoing Waterfall proceedings the Administrators sought ways of enabling the creditors who were not part of the proceedings to realise further value for their claims. The LBIE Admitted Claims Auction ("LACA") was launched in April 2016, enabling creditors to sell their claims via an auction process. By the end of the third LACA a total of 453 creditors had sold claims with a value over £550m.
- Waterfall III proceedings started to determine LBIE's ability to make a contribution claim against its unlimited liability shareholders (and the quantum and recoverability of such a claim).
- 2nd UCC released in June 2016, detailing potential entitlements to surplus funds.
- Waterfall II A&B consequential matters judgment handed down 24 August 2016.

- Barclays Capital Inc. ("BarCap") proceedings started with an application to the UK High Court in September 2016 to seek determination on entitlements as regards LBIE's unsecured and Client Money estates.
- Following a hearing in April 2016, the High Court delivered its UK withholding tax judgment in October 2016, finding that payments of Post-administration Interest do not give rise to a withholding tax liability. HMRC appealed this decision.

2017

- Final settlement payment of c.£7m was made to the third party pension provider that took over the Lehman UK Pension Fund.
- UK Supreme Court Waterfall I judgment was handed down in May 2017 upholding the junior ranking of the Subordinated Debt (c.£1.2bn) and holding that no contingent claim against the shareholder could be brought unless in liquidation. Contrary to previous rulings, the Supreme Court found that Currency Conversion Claims (c.£2.5bn) do not exist.
- Small Deeds Offers ("SDO") launched (1 & 2) paying out c.£14m to smaller counterparties.
- 3rd UCC released in October 2017 to the SDO2 population and in December 2017 to the remaining creditor population showing potential entitlement to the Surplus, adjusted for the Supreme Court ruling in Waterfall I regarding Currency Conversion Claims.
- Settlement reached with certain affiliates following the judgment in Waterfall I removing LBIE's ability to make a contribution claim unless in liquidation and Waterfall III proceedings discontinued. Settlement of Waterfall III allowed LBIE's shareholders the ability to make a distribution to third party creditors, notably former employees and trade suppliers, a long-awaited dividend of 100 pence in the £.
- UK Court of Appeal decision in October 2017 on Waterfall II Application "A" and "B" dismissed all the appeals and confirmed that the rule in Bower v Marris does not apply to the payment of dividends in administrations (c.£1.7bn).
- Court of Appeal handed down its judgment in December 2017 on UK withholding tax upholding HMRC's appeal that payments of Post-Administration Interest do give rise to an obligation to withhold amounts representing income tax (LBIE was encouraged by Senior Creditors to appeal the decision).
- A Lock-up Agreement was entered into with the Wentworth Group and the Senior Creditor Group in December 2017 committing parties to a consensual settlement and voting for a Surplus Scheme, once launched.
- Outline Terms for an Initial Distribution of Post-Administration Interest were proposed.

2018

- Momentous progress moving forward to effect the proposed Scheme of Arrangement announced 29 March 2018, including:
 - Substantial legally required communications with Scheme Creditors giving a final opportunity to submit a claim in the administration and a bar date by which to do so;
 - Scheme documentation produced included: Practice Statement Letter first issued in April 2018 providing details of the proposed Scheme and composition of meetings of creditors for voting purposes. Further documents included: Scheme Documents and Explanatory Statement submitted to Court ahead of the Convening hearing held in May 2018.
- Settlement reached with BarCap in April 2018 removing the need for the UK High Court Hearing and enabling conclusion of the Client Money Estate to be progressed and significant further funds to be available for creditors.
- Scheme Portal launched in May 2018 to provide a single point of interaction.
- 4th UCC released in May 2018 showing entitlement to Surplus per UCC3, aggregated at legal entity ownership level to inform counterparties of their consolidated entitlement.
- Meetings of Scheme Creditors held 5 June 2018 approving the Scheme following High Court Order; a significant achievement, involving taking on board Judge's and Creditors' views to ensure Scheme of Arrangement was perceived as appropriate given the alternative scenarios.
- Chapter 15 recognition of the UK Proceedings sought in the US.
- UK Sanction Hearing held 13 June 2018 and US Sanction Hearing held 19 June 2018.
- Scheme of Arrangement approved by creditors and sanctioned by courts in UK and US becoming effective on 20 June 2018, allowing for the distribution of the first multi-billion pound surplus in a UK insolvency.
- 5th UCC released showing Scheme Entitlements, potential withholding tax deduction and any certification against Higher Rate Agreements.

- Following the Scheme of Arrangement becoming effective, the remaining Waterfall litigation was resolved and all related legal proceedings withdrawn.
- 1st Scheme Distribution of Surplus paid in July 2018. In total, c.£4bn paid after reserves for withholding tax of c.£1bn deducted.
- Holders of Subordinated Debt paid in August 2018.
- 3rd interim Client Money distribution of 51.8% paid in August 2018 bringing payments to 100% of Client Money claims plus interest. Certifications for a number of counterparties negotiating greater than 8% simple under their ISDA.
- CME application was heard on 30 October 2018 to seek a bar date by which all Client Money claimants must make their claims with a view to paying a final Client Money distribution and closing the CME. This resulted in a court order ratifying the Administrators' plan to calculate final payments as at the bar date and transfer remaining assets to House. A bar date of 13 December 2018 was imposed.

2019

- Following an appeal by LBIE in respect of the withholding tax proceedings (Court of Appeal decision in 2017), the UK Supreme Court handed down its judgment in respect of the litigation. The Supreme Court unanimously held that statutory interest payable under the Insolvency Rules constitutes yearly interest for the purposes of UK withholding tax if there is more than a year between the commencement of the insolvency and the payment of proved debts. This confirmed that withholding tax must be deducted from statutory interest payments made to creditors in most instances.
- Final distribution made to CME claimants with c.£0.5bn in surplus assets returned to the House Estate. Following this, the CME was closed and procedures began to wind up Laurifer, the special purpose vehicle set up for the purposes of returning Client Money.
- Further distributions of £296m were made to the Subordinated Creditor taking total distributions up to c.£2.0bn.
- Following a court hearing in November 2018, judgment was handed down in favour of LBIE in respect of a litigation dispute over the terms of a trade. Exotix indicated that it would seek to appeal the judgment.
- Continued engagement with Surplus Scheme Creditors and further distributions of c.£56m of full Statutory Interest entitlements were made to the vast majority of such creditors.
- Significant work was undertaken to reduce LBIE's operational costs, including significantly reducing property overheads, migration of IT infrastructure from a dedicated data centre and 3rd party management service to a cloud solution, and work to facilitate exiting premises in Canary Wharf to a small managed office by June 2020.

2020

- Further distributions of c.£246m to the Subordinated Creditor taking total distributions to c.£2.2bn.
- LBIE's physical data centre closed in January 2020 following a migration of all data to a cloud solution during 2020, as LBIE transitioned to a more remote working environment.
- Court of Appeal refused Exotix's request for permission to appeal the judgment in relation to the dispute over the terms of a trade, bringing this matter to a close.
- A hearing was held on 16 January 2020 in the Frankfurt Appellate Court further to proceedings for a termination payment in relation to call options written on German shares which were automatically terminated by LBIE's administration. A decision was handed down in LBIE's favour by the Appellate Court in Frankfurt on 12 May 2020.
- Agreement reached with the final certifying creditor and relevant Surplus distribution paid in May 2020, bringing the Certification process to an end.
- On assessing the future outlook for LBIE, the Administrators concluded that LBIE was solvent and greater prominence to the interests of shareholders should be afforded. In view of this, LBIE appointed two non-executive directors to its Board in June 2020.
- As a result of its solvent status and available surplus funds, the Administrators applied to court to allow LBIE to begin distributions to its sole shareholder, LBHI2. A first preferred equity distribution of £29m was made to LBHI2 in August 2020 following High Court approval in view of the solvency of LBIE. A further distribution of £100m was made to LBHI2 in December 2020.
- Laurifer Limited, the special purpose vehicle set up for the purposes of returning Client Money, was dissolved.
- Vacated LBIE's offices at 25 Canada Square and moved to a significantly smaller managed office at 25 Old Broad Street. This achieved a material reduction in office footprint and significantly reduced operational costs.

2021

- Final Surplus Scheme payments made bringing total payments to unsecured creditors of c.£12.6bn, statutory interest of c.£5bn (including withholding tax of c.£1bn) totalling c.£17.7bn.
- Preferred equity distributions of £208m made to LBHI2 during 2021 due to significant progress made in the administration.
- Conclusion of a compromise arrangement with MCF's other creditors which provided for the transfer of the majority of MCF's assets to LBIE and an agreement for the future distribution of the assets remaining with MCF.
- Dividends from MCF's solvent trading subsidiary, SPML and PML of c.£750m were received.
- Position papers and skeleton arguments filed before a hearing of the Firth Rixson application in respect of ISDA Master Agreement counterparties' withholding of payments. The judgment of Mr Justice Hildyard was reserved.
- Further to proceedings in respect of a termination payment in relation to call options written on German shares which were automatically terminated by LBIE's administration, the Appellate Court in Frankfurt found in favour of LBIE on 12 May 2020. The counterparties involved applied for permission to appeal but this was rejected by the Supreme Court.
- As a result, LBIE received a termination payment and returned the relevant collateral to the counterparty. This represented the final Client Asset held and meant that LBIE no longer held any Client Assets or Client Money, allowing the Post-Administration Client Money account to be closed.
- Settlement agreed with the German Federal Tax Authority ("GFTA") in relation to a German tax investigation into LBIE's pre-administration involvement in certain transactions known as cum/ex trades. Final formalities continued to be worked on in conjunction with the German Public Prosecutor ("GPP").
- IRS approval of request for treaty benefits through the competent authority process in August 2021, allowing a claim to be made for recovery of taxes and associated interest.
- A trial formally commenced on 18 October 2021 in LBIE's litigation against AGFP in respect of valuation of credit default swaps, and lasted for 5 weeks in front of Justice Crane in the New York Supreme Court.

2022

- A subsequent evidentiary hearing took place on 28 February 2022 in LBIE's litigation against AGFP at which time Justice Crane handed down a number of decisions about what evidence could (and could not) be relied upon within post trial briefs to be submitted to the court and exchanged on 22 April 2022 with replies to be shared on 21 June 2022. Trial briefs were exchanged and submitted to the court for Justice Crane's consideration, with a decision promised by November 2022.
- Application submitted to FCA seeking the revocation of LBIE's regulatory permissions, as permissions were no longer required following return of custody assets and Client Money to clients.
- The High Court handed down its judgment in respect of the ISDA Master Agreement counterparties' withholding of payments due to LBIE on the basis that they had not terminated their contracts with LBIE. The court found in LBIE's favour and confirmed that, as and when LBIE exits administration and publishes a statement confirming that it has a surplus of assets over liabilities, there will be no continuing events of default and the payment obligations of the counterparties will no longer be suspended.
- German tax investigation concluded following receipt of a Section 30 order ratifying the settlement agreement and subsequent payment of the settlement.
- Continued pursuit of recoveries in respect of overseas bankruptcy and submission of challenge to overseas court's decision to only partially accept LBIE's claim.
- High Court granted permission to ISDA Master Agreement counterparties to appeal its judgment in respect of suspended payment obligations.
- LBIE's application to have its regulatory permissions revoked was approved by the FCA.
- Dividends were received from MCF's solvent trading subsidiary, SPML of c.£3m.

2023

- ISDA Master Agreement counterparties began the process of appealing the High Court's judgment in respect of suspended payment obligations. LBIE filed Respondent's Notice and skeleton argument.
- A settlement agreement was reached between counterparties to an ISDA Master Agreement and LBIE with \$40m payable to LBIE in two instalments and the counterparties' appeal dismissed.
- Justice Crane found in favour of AGFP in relation to litigation in the New York Supreme Court in respect of the valuation of a series of terminated credit default swaps. LBIE filed its initial appeal brief against the judgment handed down in respect of the AGFP litigation on 22 September 2023.

- Interim dividend of c.£27m received in respect of an overseas liquidation.
- An overseas court found in LBIE's favour and agreed that LBIE's full claim should be admitted in relation to the overseas bankruptcy, increasing the admitted claim by c.\$25m bringing total claim value to c.\$125m.
- A further preferred equity distribution of £65m was made to LBHI2 bringing total preferred equity distributions to £402m.
- Settlement was reached with two German counterparties to resolve their claims, concluding the matter.
- Dividends from MCF's solvent trading subsidiary, SPML for c.£3.3m, received prior to share sales.
- LBIE entered into several non-disclosure agreements with parties who expressed an interest in MCF's solvent subsidiaries, SPML and PML.

2024

- LBIE filed its final brief in its appeal against the decision of Justice Crane in the AGFP litigation on 12 January 2024, followed by presentation of arguments by both parties to the New York State Court's First Department Appellate Division hearing before a panel of five judges on 21 February 2024. The Appellate Division handed down the decision in March 2024, affirming Justice Crane's earlier decision in full.
- Filed a motion seeking leave to appeal the AGFP litigation decision at the New York State Court of Appeals and filed a reply to AGFP's brief opposing this application. The Appellate Division denied LBIE's motion seeking leave to appeal the AGFP litigation and LBIE subsequently filed for permission to appeal directly to the New York State Court of Appeals.
- Further preferred equity distribution of £26m made to LBHI2, bringing total preferred equity distributions to £428m.
- Final installment of settlement in relation to ISDA Master Agreement litigation received from the Firth Rixson Entities, concluding the matter.
- Final dividends received from MCF's solvent trading subsidiaries, SPML and PML of c.£2.2m, bringing total distributions to LBIE to £16m.
- Sale of shares of MCF's solvent trading subsidiaries was completed, initial proceeds were received of £0.5m, with further deferred consideration to be received in future years.
- Sold shares held in Vale to a Brazilian broker at full market value of c.\$0.2m.
- Pursued potential recoveries relating to a 50% holding of a claim in an overseas bankruptcy and an overseas liquidation of which LBIE is a member of the Liquidation Committee.

2025

- Settled litigation with a remaining counterparty for a total of c.£5.1m.
- The New York State Court of Appeals refused LBIE's application to appeal the decision in respect of the AGFP litigation, concluding the legal process in respect of this matter. Following this decision, AGFP's proof of debt was admitted and the claim and statutory interest were paid on 4 February 2025. This represented the final distribution from the Surplus Scheme bringing the Surplus Scheme to an end.
- Exercised option to purchase MCF's claim into LBHI for a nominal amount, allowing the Joint Administrators of MCF to close the administration.
- Concluded relationship with The Bank of New York Mellon as custodian for a portfolio of residual assets comprising liquid and illiquid securities and amounts due from other parties. Sale proceeds of c.£0.2m were received together with accrued asset servicing income of c.£0.1m.
- Recovery of c.\$50.1m from the IRS in relation to treaty benefits reclaim.
- Agreement executed to effect the transfer of LBIE's remaining assets (excluding its claim for interest from the IRS) to LBH at their full aggregate value, allowing the closure of the LBIE administration. The proceeds were distributed shortly after to LBHI2 as the sole holder of LBIE's preferred equity.
- Further preferred equity distributions made to LBHI2 of £70m and c.£53.6m, bringing total preferred equity distributions to c.£551.6m.
- Accepted a settlement offer of c.£0.3m from the Administrators of ESH in full and final settlement of any claims.
- Surrendered LBIE's 2023 tax losses to SPML & PML resulting in realisations to LBIE of c.£0.8m.
- Filed an application with the UK High Court seeking discharge of the LBIE Administrators in June 2025.
- Worked in conjunction with legal and tax advisers to wind down LBIE's activities and infrastructure, and prepare for the Court hearing on 8 October to bring the administration to an end and propose transition into MVL.
- Prepared, published and filed at Companies House the Administrators' final report which included a full case review, chronology of events and included all required statutory information to support closure steps and court evidence.

Appendix C: Receipts and payments

Receipts and payments in the period relate solely to the House Estate account, as all other accounts were resolved and closed in prior periods. Final receipts and payments accounts in respect of these were prepared and presented as part of previous progress reports. Please view the relevant progress report at <https://www.pwc.co.uk/lbie> should you wish to review the final receipts and payments accounts for any pools except the House Estate, which is shown below.

House Estate

The below table shows the receipts and payments account for the House Estate for the Reporting Period, the Closure Period and on a cumulative basis to 8 October 2025:

House Estate receipts and payments summary: Cumulative and 6 months to 14 September 2025 and in the Closure Period to 8 October 2025		Cumulative 15 Sep 2008 to 14 March 2025 £m	Period 6 months to 14 Sep 2025 £m	Period 24 days to 8 Oct 2025 £m	Cumulative 15 Sep 2008 to 8 Oct 2025 £m
	Notes				
Receipts					
Counterparties	1	12,886	17	1	12,905
Depot securities	2	10,230	0	-	10,230
Other income	3	4,593	38	0	4,632
Total receipts for the period/to date		27,710	56	1	27,767
Payments					
Dividends paid	9	(19,939)	-	-	(19,939)
Preferred equity dividend	9	(498)	(54)	-	(552)
Administrators' remuneration and disbursements	4	(1,082)	(2)	(1)	(1,085)
Payroll and employee costs	5	(666)	(1)	(1)	(667)
Legal costs	6	(489)	1	(0)	(488)
Other payments	7	(4,874)	(3)	(0)	(4,878)
Total receipts for the period/to date		(27,548)	(58)	(2)	(27,608)
Net movement in the period/to date		162	(2)	(1)	159
Foreign exchange translation differences		(133)	0	-	(133)
Total Balances	8	#29	(2)	(1)	#26

Note: There is rounding within the table which may cause it to appear to not perfectly cast.
~ Balances held in foreign currencies at 14 March 2025 were c.\$18m (shown in £m above)
Balances held in foreign currencies at 8 October 2025 were c.\$0.4m (shown in £m above)

Notes to the receipts and payments account

Foreign currency transactions are reported in sterling at the rate prevailing on the relevant transaction date.

Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.

The receipts and payments account does not show “estimated to realise” values from the directors’ statement of affairs as this would not provide a meaningful comparison with actual asset recoveries.

The transactions within the LBIE estate in the Period:

- are reported on a cash receipts and payments basis and in accordance with the Insolvency Rules and best practice; and
- were completed in accounts established and controlled by the Administrators.

1. Counterparties

Receipts in the Reporting Period comprise:

- c.£16.5m sale of residual assets to LBH;
- c.£0.3m Eldon Street Holdings distributions; and
- c.£0.1m Street settlement.

Receipts in the Closure Period comprise:

- c.£0.8m sale of 2023 tax losses and deferred consideration received from SPML & PML for onwards transmission to LBH under the asset sale agreement; and
- c.£0.4m LBHI distributions for onward transmission to LBH under the asset sale agreement.

2. Depot securities

Receipts in the Reporting Period comprise:

- c.£0.3m of asset servicing income.

3. Other receipts

Receipts in the Reporting Period principally comprise:

- c.£37m IRS tax recovery;
- c.£0.9m of bank interest and interest received from money market deposits; and

Receipts in the Closure Period principally comprise:

- c.£0.1m of bank interest and interest received from the investment account.

4. Administrators’ remuneration and disbursements

Payment deferral terms (as agreed with the Operating Committee and referred to on Appendix E of this report) account for any differences between costs incurred and payments made in the Reporting Period.

- As explained further in Appendix E, the Administrators’ fees are on a time costs basis up to and including 14 September 2025. The receipts and payments account shows the amount paid in the Reporting Period and the Closure Period. The Administrators’ fees for the Closure Period were agreed on a fixed fee basis as explained in Appendix E.
- Included within Administrators’ remuneration are costs in relation to ‘Category 2’ disbursements in accordance with the policy explained in Appendix D. During the Closure Period there were payments of c.£23k in relation to category 2 disbursements.

5. Payroll and employee costs

Payments relate to salary for UK-based employees and third-party contractors. This includes employee related costs incurred on behalf of Affiliates, which are recovered by LBIE and included as other realisations. During the Closure Period the remaining employees were paid redundancy and other entitlements.

6. Legal and professional costs

During the Reporting and Closure Periods, legal and other advisers’ costs relate to advice given, and to court proceedings and litigation conducted, in a number of jurisdictions by several professional firms in connection with a range of issues across the administration.

7. Other payments

Other payments principally comprise:

- (c.£1.8m) recovery of payment on account in respect of potential corporation tax made to HMRC in March 2023;
- c.£5m payment of withholding tax on prior period counterparty settlement (AGFP); and
- c.£0.4m VAT paid in the Reporting Period and a further c.£0.2m in the Closure Period.

LBIE is VAT registered and entitled to reclaim 63.09% of input VAT, therefore 36.91% of VAT is irrecoverable.

8. Investment profile & strategy

For immediate liquidity requirements, LBIE invests in short-term money market deposits.

Funds are held in interest-bearing accounts or invested in short-term money market deposits. The below table shows the cash held in all bank accounts as at 8 October 2025.

Account type	GBP £m	EUR €m	USD \$m	GBP Equiv £m
Short-term deposits ≠	14	-	-	14
Interest-bearing accounts	11	-	0	11
Total cash held	26	-	0	26

≠ Average rate of return for six months ending 14 September 2025 of 4.17% for sterling deposits and 4.41% for US deposits.

Note: There is rounding within the table which may cause it to appear to not perfectly cast.

The Administrators continue to manage the estate's funds with a prudent outlook and with regard to appropriate policies (designed by treasury specialists), as amended from time to time whilst attending to other relevant considerations.

9. Dividends

All interim dividends paid to unsecured creditors to date are detailed below:

Dividend	Date	Pence in Pound	£m
First interim dividend, catch up & SCSO	30 November 2012	25.2	2,002
Second	21 June 2013	43.3	4,396
Third	25 November 2013	23.7	2,965
Fourth	30 April 2014	7.8	3,232
Statutory Interest	25 July 2018	N/A	5,121
Holders of sub-debt	2 August 2018	N/A	1,242
Statutory Interest to holders of sub-debt	2 August 2018	N/A	32
Statutory Interest to holders of sub-debt	18 December 2018	N/A	408
Statutory Interest to holders of sub-debt	16 January 2019	N/A	130
Statutory Interest to holders of sub-debt	13 February 2019	N/A	80
Statutory Interest to holders of sub-debt	16 April 2019	N/A	41
Statutory Interest to holders of sub-debt	4 October 2019	N/A	45
Statutory Interest to holders of sub-debt	30 January 2020	N/A	244
Statutory Interest to holders of sub-debt	8 June 2020	N/A	2
Total distributions to date		100.0	19,939

Note: There is rounding within the table which may cause it to appear to not perfectly cast.

Distribution to Shareholder

All interim distributions paid to LBHI2 as holder of 5% Redeemable Preference Shares ("RPS") & LBHI2 as a holder of Class B RPS to date are detailed below:

Preferred Equity Dividend	Date	£m
First interim dividend	11 August 2020	29
Second interim dividend	17 December 2020	100
Third interim dividend	21 January 2021	115
Fourth interim dividend	14 October 2021	93
Fifth interim dividend	30 October 2023	65
Sixth interim dividend	03 September 2024	26
Seventh interim dividend	20 February 2025	70
Eighth interim dividend	4 September 2025	53.6
Total distributions to date		551.6

Statement of expenses and Administrators' remuneration incurred in the 6 months to 14 September 2025 and Closure Period to 8 October 2025

The table below provides details of all the expenses incurred in the administration (stated in GBP) in the Reporting Period and the Closure Period. It should be read in conjunction with the receipts and payments account, which shows expenses actually paid during both periods and the total paid to date.

The table excludes any potential tax liabilities that may need to be paid as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

R&P Category - Expenses	Incurred in Reporting Period c.£m	Incurred in Closure Period c.£m
Administrators' remuneration and disbursements	(1)	(0)
Payroll and employee costs	(1)	(1)
Legal and professional costs	(1)	(0)
Other payments	(0)	(0)
Total	(3)	(1)

Note: There is rounding within the table which may cause it to appear to not perfectly cast.

Please note that certain costs incurred during the recent months in the lead up to the end of the administration will be paid during the MVL.

Omnibus Trust

The final receipts and payments account in respect of the Omnibus Trust is contained within the fourteenth progress report dated 12 October 2015.

Pre-Administration Client Money

The final receipts and payments account in respect of Pre-Administration Client Money is contained within the twentieth progress report dated 11 October 2019.

Post-Administration Client Money

The final receipts and payments account in respect of Post-Administration Client Money is contained within the twenty-sixth progress report dated 14 October 2021. A final cumulative receipts and payments account can be found in the eighteenth progress report dated 9 October 2017.

Appendix D: Expenses

Expenses are amounts properly payable by us as Administrators but exclude our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP 9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the general body of creditors) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The rate for services provided by the Administrators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses incurred in the Reporting and Closure Periods, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and will be recharged to the case.

Category	Provided by	Basis of cost	Costs incurred £
1	External providers	Travel, hotels and food for business purposes	3,326
1	External providers	Treasury investment systems	11
1	External providers	Courier and postage	72
2	PwC	Updates to website by internal IT specialists - time cost basis	300
2	PwC	IT software licencing and hosting - calculated by reference to data volumes with a small licence charge	922
Total			4,631

The expense policy set out above has been approved by the Operating Committee.

Payments to associates and subcontracted work

During the MVL a fee of £25k to an overseas PwC office in relation to time spent during the administration will be agreed and paid. This payment was for assistance in respect of LBIE's claim in an overseas bankruptcy, which has now been sold to LBH for market value, and was approved by the Operating Committee.

The Administrators have subcontracted specific legal and IT support tasks as well as utilised the directors of LB SF Warehouse Limited for their prior and ongoing knowledge of the Company's affairs. This is done for the benefit of LBIE creditors through cost savings and utilising their knowledge of the administration and specialist expertise. The cost for these services are charged to LBIE on a time cost basis and are invoiced directly to the estate.

Included in the receipts and payments account in Appendix C for both the Reporting and Closure Periods, is c.£33.3k paid to these subcontractors during the Reporting Period. These costs are included within payroll and employee costs, and legal costs.

Our relationships

We had no business or personal relationships with the parties who approved our fees or who provided services to the administration where the relationship could give rise to a conflict of interest.

Legal and other professional firms

The Administrators have instructed the following professionals on this case either in the period or may continue to be under engagement for use in the MVL:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services	Linklaters LLP	Insolvency and other expertise	Time costs
Legal services	Al Tamimi and Company	Saudi legal expertise	Time costs
Legal services	Baker McKenzie	German legal expertise	Time costs
Legal services	Saville Notaries LLP	Notaries specialist	Document complexity and requests
Legal services	Martello Expert Services	German legal expertise	Time costs
Legal services	Al Sawwaf Law	Saudi legal expertise	Time costs

The selection of individual legal firms is determined by the jurisdiction and nature of the advice being sought, and whether conflicts exist.

All professional firms instructed by the Administrators are required to provide a narrative explanation in support of invoices. All invoices are reviewed before being approved for payment. The Administrators are satisfied that the level of legal costs is appropriate.

Appendix E: Administrators' remuneration

As creditors may recall, the Operating Committee has resolved that the Administrators may draw 60% of their time costs on account as approved. The remaining 40% of the Administrators time costs has to be approved by the Operating Committee before these amounts are drawn. All costs are subject to detailed reporting to the Operating Committee and the extent to which the Administrators can draw remuneration is subject to its approval.

The Administrators have incurred total fees of c.£1,045m during the administration up to 8 October 2025. Total Administrators' remuneration and disbursements of c.£1,085m has been paid to 8 October 2025 (as shown on the receipts and payments account in Appendix C), in line with the approvals given.

During the Reporting Period, the Administrators drew fees of c.£1.6m on account of their time costs. This amount represented 60% of time costs incurred in January-June 2025 (c.£0.7m) and 40% of time costs for the period January to December 2024 (c.£0.9m) in line with the approval provided by the Operating Committee. In the Closure Period a further c.£0.8m was paid in relation to 40% of time costs incurred 1 January to 30 June 2025 and 60% of time costs incurred 1 July to 14 September 2025.

Time costs incurred in the Reporting Period were c.£1.2m. An analysis of the total hours and cost incurred by grade of staff can be found later in this appendix.

With effect from 15 September 2025, the Administrators' remuneration basis was changed from time cost basis to a fixed fee of £300k for the Closure Period, reflecting the material change in the nature of the administration as the Administrators progress to bring the administration to an orderly conclusion and transition to an MVL. Approval of the fixed fee was obtained from the Operating Committee on 29 September 2025, in accordance with the Insolvency Rules. The Administrators consider that this revised basis provided stakeholders with greater certainty as to the remaining costs of the administration.

In the Reporting Period we have continued to provide the Operating Committee with detailed information relating to work undertaken and our remuneration and Category 2 disbursements, in accordance with SIP 9. Set out later in this appendix are details of the work undertaken to date and anticipated future work.

Time charging policy and hourly rates

The Administrators and their team charge time for the work they need to do in the administration. Tasks are delegated to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed, and the Administrators supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by senior staff or the Administrators.

All PwC staff who work on the administration (including the Firm's cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by cashiers, support and secretarial staff is charged separately and isn't included in the hourly rates charged by partners or other staff members.

Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). The Administrators do not charge general or overhead costs. Set out below are the maximum charge-out rates per hour for the grades of PwC staff who worked on the administration during the Reporting Period.

Grade	To 30 June 2025		From 1 July 2025	
	Restructuring, Insolvency & Forensics (£)	Tax, Legal, Data & Technologists (£)	Restructuring, Insolvency & Forensics (£)	Tax, Legal, Data & Technologists (£)
Partner	1,090	1,425	1,120	1,465
Director	1,000	1,345	1,030	1,380
Senior Manager	800	1,090	825	1,120
Manager	640	795	660	815
Senior associate	525	585	540	600
Associate and support staff*	330	325	340	335

*inc. Offshore Professionals

Our offshore professional colleagues may be utilised to provide assistance in the insolvency, albeit that the majority of the work will be undertaken by the UK based team. Off-shore professionals may include those with appropriate insolvency experience, an accounting or finance-related qualification and appropriate skills to complete basic insolvency related tasks and provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics. All work under the supervision of more senior staff.

Analysis of Administrators' remuneration by grade and work activity

For the period 15 March to 14 September 2025

Classification of work	Partner ¹ / Director		Senior Manager / Manager		Senior Associate		Associate / Support Staff ²		Total	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
Accounting and Treasury	3.5	3,605	61.7	41,075	125.4	66,438	102.6	34,260	293.1	145,377
Asset Realisations	26.9	27,419	217.6	144,934	47.4	25,241	5.9	1,933	297.6	199,526
Case Progression and Strategy	36.9	37,589	158.0	90,262	290.2	52,570	12.6	4,212	497.6	184,631
Case closure & exit routes	86.7	89,586	90.7	59,270	57.5	30,834	1.6	512	236.3	180,201
Creditors	0.5	551	0.9	561	5.4	2,846	1.9	627	8.6	4,585
Reporting to the Committee	14.1	14,310	77.0	51,604	20.3	10,896	5.7	1,865	117.1	78,675
Shareholders	7.9	10,386	30.9	18,141	5.0	2,673	-	-	43.7	31,200
Statutory and Compliance	9.6	9,932	74.8	49,526	56.5	29,960	102.5	34,169	243.4	123,586
Tax and VAT	85.3	118,716	160.2	142,847	7.4	3,899	4.9	5,817	257.8	271,279
Total for 6 months ended 14 September 2025	271.3	312,091	871.6	598,218	614.8	225,357	237.5	83,393	1,995.1	1,219,059
Average hourly rate for the 6 month period to 14 September 2025										611
Brought forward total to 14 March 2025 (see notes)										1,043,338,310
Cumulative total to 14 September 2025										1,044,557,369

Notes:

1. Includes a retired tax partner who has been retained as a consultant for the purpose of utilising their expertise.
2. Includes offshore professionals.
3. Final invoiced values for the prior period were 1,779.4 hours and c.£1,104k following post period end adjustments, the brought forward value has been updated to reflect this change. The difference in billable time is due to time relating to the Reporting Period, which was recorded after it ended. This was partly due to time incurred by offshore professionals where their input into our UK systems is delayed.
4. Hours and costs have been rounded up or down, to the nearest 0.1 hour or whole pound which may result in rounding differences in the casting of the tables above.

Work undertaken in the Reporting Period

Included earlier in this section is an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table more detail is provided on the key areas of work.

Category	Description of tasks
Accounting and Treasury <p>This is an essential function for the management of funds held by the Administrators on behalf of the Company. The Administrators' treasury and cash management teams monitor and control the movement of funds, mitigate risk and seek to maximise the interest made on investments for the benefit of the Company's creditors.</p>	<ul style="list-style-type: none"> Investment, monitoring and control of LBIE's cash resources, including ensuring cash held at best rates only in approved banks and subject to frequently reviewed limits (this work has enabled the banking interest on case funds to be maximised which has resulted in significant realisations in the administration). In the 6 months to 14 September 2025, the investments made by the Treasury team resulted in interest of c.£574k being received (c.£314k above that which would have been earned using Barclays' standard products) and interest of c.\$23k being received (c.\$16k above that which would have been earned using Barclays' standard products), for both currencies, this is based on average balance and interest over the Reporting Period); Reconciling bank accounts; Provision of information for the purposes of statutory reporting; Arranging receipts and payments of funds and coding of movements; Monitoring flow of funds into the bank accounts; Analysing counterparties' risk and deposit rates; Actively managing investments held in various institutions in order to mitigate risk; Liaising with the cash management team to check liquidity requirements; Monitoring of funds required for immediate cash needs to ensure that the optimal level of funds is held on deposit; Monthly reporting of outstanding deposits and month-end bank balances; Quarterly reporting of performance and activity commentary; Quarterly reporting and active management of the reserve accounts; Additional support and work ensuring successful distribution to LBHI2; and Completion of FX transactions.
Asset Realisations <p>The work done by the Administrators in relation to asset realisations is important in order to maximise returns to creditors by managing potential recoveries and working with the relevant parties as necessary to further the best strategy.</p>	<ul style="list-style-type: none"> Completed collation and resolution of documentation regarding withholding tax on the AGFP litigation payment; Continued liaison with the Joint Official Liquidators in respect of an overseas liquidation into which LBIE has a claim; Updated illustrative outcome statements in respect of this claim based on additional information obtained; Continued liaison with office holders regarding assets and liabilities in overseas estates; Held meetings with US tax specialists and prepared supporting documentation in relation to the expected US tax refund; Secured a refund of c.\$50.1m during the period and continued to engage with the tax specialists to resolve issues relating to the remaining balance; Continued wind-down of the portfolio of residual assets comprising liquid and illiquid securities, structured notes and amounts due from Affiliates and other parties; Continued to consider timing and quantum of future deferred consideration from SPML and PML, and potential sale of group tax losses; Finalised all statutory and compliance obligations necessary to conclude the administration of MCF, including preparation and filing of Companies House documentation, and completed and published the final report with all supporting materials and regulatory filings, thereby formally bringing the administration to a close; and Obtained Court approval for MCF's discharge from liability, ensuring all procedural and legal formalities were satisfied.

Category	Description of tasks
<p>Case Progression and Strategy</p> <p>The inherent complexities of the Company's estate mean that the Administrators and their staff continue to invest a proportion of their time in the planning and delivery of their strategy for the progression of the administration, for the ultimate benefit of creditors as a whole.</p>	<ul style="list-style-type: none"> • Regular meetings to assign work, agree deadlines, confirm progress and discuss resolution to any blockers; • PMO governance to maintain momentum: minute-taking, action-tracking, tracker updates and status communications across workstreams; • Preparing the Administrators' internal six-monthly case review in accordance with professional requirements; • Working with experts to agree approaches and close out queries impacting strategy; and • Project management to ensure accountability, timeliness and steady progression in the closure of the administration.
<p>Case closure & exit routes</p> <p>This relates to the work undertaken in preparation for bringing the administration to a close, including the assessment of outstanding matters, completion of statutory requirements, and progressing the necessary steps to facilitate the transfer into a Members' Voluntary Liquidation.</p>	<ul style="list-style-type: none"> • Review and update the closure schedule; • Closure planning including meetings with legal counsel to further consider potential exit strategies and ongoing issues preventing closure; • MVL transition planning with legal advisers, including review and mark-up of Linklaters' steps plan and associated documentation; • Valued residual assets and assigned to LBH, including novation and claim assignment agreements; • Asset valuations and distribution mechanics considered with the directors; • Court process and evidence: scheduling the Omnibus hearing, reviewing discharge application and preparing evidence for court; • Prepared final administration report (drafted chronology and conducted internal review) to support closure steps and court evidence; • Employee and HR closure steps (redundancy letters, payroll changes and provider terminations) aligned to the closure timeline; • Books and records / data-retention planning ahead of MVL in accordance with insolvency regulations and General Data Protection Regulation ("GDPR"); • Forecast/budget and cashflow to closure; and • Stakeholder and director engagement to confirm approach and next steps.
<p>Creditors</p> <p>This relates to tasks undertaken in relation to creditors, including responding to inbound creditor queries received and updating the LBIE website for the benefit of creditors' access to information.</p>	<ul style="list-style-type: none"> • Responded to ongoing queries from external parties / creditors regarding the administration; and • Updated the website regarding conclusion of the Surplus Scheme, notice regarding conclusion of the administration, preferential equity distribution and updated contact information.
<p>Reporting to the Committee</p> <p>The Administrators regularly produce report updates for the Operating Committee together with frequent meetings for the purpose of keeping the Committee informed of ongoing work and obtaining their consent to proposed plans as appropriate.</p>	<ul style="list-style-type: none"> • Prepared management information reports and provision of ad hoc information/updates; • Prepared, updated and finalised the Asset realisations summary, fee reports and regular MI packs, ensuring cross-pack consistency and up to date information; • Coordinated stakeholder input and approvals, drafted committee communications and responded to queries; • Attendance and follow-up actions after meetings with the Operating Committee; and • Engaged with and sought approval from the Operating Committee in respect of ongoing matters, such as counterparty settlements and asset sale to LBH.
<p>Shareholders</p> <p>To expedite and maximise distributions to the shareholder, the Administrators assess the availability of funds and consider proposals from the LBIE directors to make dividends to the shareholder.</p>	<ul style="list-style-type: none"> • Reviewed reserves held to ensure these remain at an appropriate level; • Considered funds available for distribution; • Updated group distribution strategy and investment planning, aligned timings with Treasury and updated working spreadsheets; • Calculation of available funds and potential distribution amounts, including assessment of distributable reserves and input from specialist accounting and tax teams; • Consulted with the directors regarding additional preferred equity distributions to shareholders; and • Finalised and paid preferred equity distribution to LBHI2.

Category	Description of tasks
Statutory and Compliance This relates to work the Administrators undertake in order to ensure compliance with statutory and regulatory requirements.	<ul style="list-style-type: none"> • Prepared and circulated the Administrators' 33rd progress report; • Prepared time cost information in support of the Administrators' billing; • Dealt with statutory filings at Companies House; • Maintained and managed case files, records and the Company's database; and • Dealt with other ad-hoc compliance and statutory tasks.
Tax and VAT Work reported in this category includes compliance with tax legislation under the Administrators' obligations as proper officers for tax, and planning to ensure the efficient realisation of assets for the benefit of the Company's creditors as a whole.	<ul style="list-style-type: none"> • Developed closure tax strategy and technical positions with supporting documentation; • Finalised compliance including corporation tax computations for the year ended 14 September 2024 and CIR return; • Preparation of the draft LBIE tax return for the year ending 14 September 2025; • Managed group relief and losses for FY22–FY24 with backing documents regarding final allocations, reconciliations and notes on resubmissions; • Recovery of payment on account of corporation tax from HMRC; • Recovery of US tax for years 2009-2015, following competent authority approval from the IRS (as mentioned above); • Work in respect of the transfer of assets from LBIE to LBH; • Assessed distributable reserves and MVL distribution mechanics, reviewed Articles and legal routes and prepared stakeholder notes; • Completed VAT compliance and recovery with submission of quarterly VAT returns, updating the refund tracker, and group return coordination; and • Progressed IRS refund and governance items including chased repayments and coordinated expectations with stakeholders.

Work undertaken in the Closure Period

Included earlier in this section is an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table more detail is provided on the key areas of work.

Category	Description of tasks
Accounting and Treasury This is an essential function for the management of funds held by the Administrators on behalf of the Company. The Administrators' treasury and cash management teams monitor and control the movement of funds, mitigate risk and seek to maximise the interest made on investments for the benefit of the Company's creditors.	<ul style="list-style-type: none"> • Investment, monitoring and control of LBIE's cash resources, including ensuring cash held at best rates only in approved banks and subject to frequently reviewed limits (this work has enabled the banking interest on case funds to be maximised which has resulted in significant realisations in the administration); • Reconciled bank accounts; • Provision of information for the purposes of statutory reporting; • Arranged receipts and payments of funds and coding of movements; and • Monitored flow of funds into the bank accounts.
Asset Realisations The work done by the Administrators in relation to asset realisations is important in order to maximise returns to creditors by managing potential recoveries and working with the relevant parties as necessary to further the best strategy.	<ul style="list-style-type: none"> • Liaised with our UK and US tax specialists to analyse the amounts received from the IRS versus that expected, and prepared supporting documentation and subsequent claims for the remaining balance outstanding; and • Liaised with SPML and PML management to facilitate payment in respect of the purchase of group tax losses and associated consideration due under the share sale agreement resulting in the receipt of c.£0.8m (received as part of the sale of assets to LBH).
Case Progression and Strategy The inherent complexities of the Company's estate mean that the Administrators and their staff continue to invest a proportion of their time in the planning and delivery of their strategy for the progression of the administration, for the ultimate benefit of creditors as a whole.	<ul style="list-style-type: none"> • Prepared the Administrators' final case review in accordance with professional requirements; • Worked with legal and tax advisors to agree approach and close out queries impacting strategy; and • Project management to ensure accountability, timeliness and steady progression in the closure of the LBIE administration.

Category	Description of tasks
Case closure & exit routes This relates to the work undertaken in preparation for bringing the administration to a close, including the assessment of outstanding matters, completion of statutory requirements, and progressing the necessary steps to facilitate the transfer into a Members' Voluntary Liquidation.	<ul style="list-style-type: none"> • Court process and evidence: scheduling the Omnibus hearing, reviewing discharge application and preparing evidence for court; • Prepared final administration report (drafted chronology and conducted internal review) to support closure steps and court evidence; • Employee and HR closure steps (redundancy letters, payroll changes and provider terminations) aligned to the closure timeline; • Books and records / data-retention planning ahead of MVL in accordance with insolvency regulations and GDPR; and • Forecast/budget and cashflow to closure.
Creditors This relates to tasks undertaken in relation to creditors, including responding to inbound creditor queries received and updating the LBIE website for the benefit of creditors' access to information.	<ul style="list-style-type: none"> • Updated the website regarding conclusion of the administration.
Reporting to the Committee The Administrators regularly produce report updates for the Operating Committee together with frequent meetings for the purpose of keeping the Committee informed of ongoing work and obtaining their consent to proposed plans as appropriate.	<ul style="list-style-type: none"> • Attendance and follow-up actions after meetings with the Operating Committee; and • Engaged with and sought approval from the Operating Committee in respect of costs to closure of the administration.
Shareholders To expedite and maximise distributions to the shareholder, the Administrators assess the availability of funds and consider proposals from the LBIE directors to make dividends to the shareholder.	<ul style="list-style-type: none"> • Calculation of available funds and potential distribution amounts, including assessment of distributable reserves and input from specialist accounting and tax teams; • Consulted with the directors regarding placing LBIE into MVL; and preparation of the statement of assets and liabilities to append to the declaration of solvency.
Statutory and Compliance This relates to work the Administrators undertake in order to ensure compliance with statutory and regulatory requirements.	<ul style="list-style-type: none"> • Prepared the Administrators' combined final progress report; • Prepared time cost information in support of the Administrators' billing; • Dealt with statutory filings at Companies House; • Maintained and managed case files, records and the Company's database; and • Dealt with other ad-hoc compliance and statutory tasks.
Tax and VAT Work reported in this category includes compliance with tax legislation under the Administrators' obligations as proper officers for tax, and planning to ensure the efficient realisation of assets for the benefit of the Company's creditors as a whole.	<ul style="list-style-type: none"> • Work on the closure strategy and transfer of assets from LBIE to LBH; • Initial draft of the LBIE tax return for the year ended 14 September 2025; • Progressed claim for IRS refund and governance items including chased repayments and coordinated expectations with stakeholders; and • Make a claim into the IRS for outstanding amounts LBIE believes is still owed.

Appendix F: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court - Court Case Court Case No 7942 of 2008
Company's registered name:	Lehman Brothers International (Europe)
Trading name:	Lehman Brothers International (Europe)
Registered number:	02538254
Registered address:	C/O PricewaterhouseCoopers LLP, One Chamberlain Sq, Birmingham B3 3AX changed from Regus Level 5, Tower 42, 25 Old Broad Street, London EC2N 1HN
Date of the administration appointment:	15 September 2008
Joint Administrators' names, addresses and contact details:	Alison Campbell Grant, David James Kelly, Edward John Macnamara and Gillian Eleanor Bruce of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT Email: uk_lehmanaffiliates@pwc.com
Changes in Administrator:	<p>On 15 September 2008 Anthony Victor Lomas, Steven Anthony Pearson, Dan Yoram Schwarzmans and Michael John Andrew Jervis were appointed as Joint Administrators</p> <p>On 30 November 2009 Derek Anthony Howell was appointed as an additional Joint Administrator</p> <p>On 02 November 2011 Paul David Copley and Russell Downs replaced Michael John Andrew Jervis and Dan Yoram Schwarzmans as Joint Administrators</p> <p>On 07 June 2013 Julian Guy Parr replaced Derek Anthony Howell as one of the Joint Administrators</p> <p>On 24 June 2016 Paul David Copley resigned as a Joint Administrator</p> <p>On 16 July 2018 Gillian Eleanor Bruce and Edward John Macnamara replaced Steven Anthony Pearson and Anthony Victor Lomas as Joint Administrators</p> <p>On 08 March 2019 Julian Guy Parr resigned as one of the Joint Administrators</p> <p>On 30 November 2021 Russell Downs resigned with Alison Campbell Grant and David James Kelly appointed as Joint Administrators</p>
Current membership of the Operating Committee:	Lehman Brothers Holdings Inc., LB Holdings Intermediate 2 Limited - in administration, Elliott Management Corporation and King Street Capital Management LP
Extension(s) to the initial period of appointment:	The High Court of Justice has granted four extensions to the administration period, to: 30 November 2011; 30 November 2016; 30 November 2022 and 30 November 2025.

Appendix G: Abbreviations and definitions

Abbreviation	Term	Definition
Administration	administration	UK corporate insolvency process governed by the Insolvency Act 1986 applicable to LBIE following the granting of an administration order dated 15 September 2008
Administrators	Joint Administrators	AC Grant and DJ Kelly (both appointed 30 November 2021) and EJ Macnamara and GE Bruce (both appointed on 16 July 2018). All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales
Affiliate	Affiliate entities	Various subsidiaries and affiliates of Lehman Brothers Holdings Inc
AGFP	AG Financial Products Inc.	A US-based affiliate of Assured Guaranty Corp. which provided credit protection to counterparties under credit default swaps
BarCap	Barclays Capital Inc.	Investment banking business of Barclays Bank PLC
Best Claim value	Best Claim value	A customer's claim for the purposes of the Consensual Proposal is the higher of either: the value of the accepting customer's claim on 19 September 2008 (and, for the avoidance of doubt, excluding income accruing after 19 September 2008); and the market value of an accepting customer's claim, including income, on 30 November 2012
Category 1 disbursements	Administrators' Category 1 disbursements	Costs that are directly referable to the administration supplied by and paid to external third parties
Category 2 disbursements	Administrators' Category 2 disbursements	Costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the administration on a proper and reasonable basis
CDD	Claims Determination Deed	A standardised legal document for agreeing claims under the Consensual Approach
CIR	CIR	Corporate Interest Restriction: a framework that restricts how much interest and similar financing costs are deductible for UK corporation tax purposes
Claims Determination Deed	Claims Determination Deed	A standardised legal document for agreeing claims under the Consensual Approach
Client Assets	Client Assets	Client securities which LBIE should have held as at 15 September 2008
Client Money	Client Money	Client cash balances held by LBIE as at 15 September 2008 or received thereafter by LBIE and which are in each case subject to the UK Financial Conduct Authority's client money rules and/or applicable client money distribution rules
Closure Period	Closure Period	15 September 2025 to 8 October 2025
CME	Client Money Entitlement	The entitlement to receive a distribution from the Pre-Administration Client Money pool
Company / LBIE	the Company	Lehman Brothers International (Europe) - in administration ("LBIE")
Consensual Approach	Consensual Approach	A framework developed for the expedient resolution of the unsecured claims of financial trading counterparties
CRA	Claim Resolution Agreement	The claim resolution framework which governs the return of Client Assets. The CRA was proposed by the Administrators to clients in November 2009 and was accepted by over 90% of eligible Client Assets claimants
Creditors' Committee	Creditors' Committee	Former group of creditors voted to represent the general body of creditors of LBIE to assist the Administrators in discharging their functions as set out in the Insolvency Act 1986

Abbreviation	Term	Definition
Directors	Non-Executive Directors	On 8 June 2020, two Non-Executive Directors were appointed to a newly reformed LBIE board of Directors to assist the Joint Administrators in the limited management of certain aspects of LBIE's affairs. The current Directors are David Hargrave and Jon Yorke
FCA	FCA	The Financial Conduct Authority is a financial regulatory body in the United Kingdom
Firm / PwC	Firm / PwC	PricewaterhouseCoopers LLP
HMRC	HM Revenue & Customs	Organisation of the UK government primarily responsible for the collection of taxes
House Estate/House	House Estate	Dealings that relate to LBIE's general unsecured estate
ICAEW	ICAEW	Institute of Chartered Accountants in England and Wales
Insolvency Act / IA86	Insolvency Act 1986	Statutory legislation that provides the legal platform for matters relating to personal and corporate insolvency in the UK
Insolvency Rules / IR16	Insolvency (England and Wales) Rules 2016	Statutory rules that provide the legal platform for matters relating to personal and corporate insolvency in England and Wales
IRS	Internal Revenue Service	The revenue service for the United States federal government, which is responsible for collecting U.S. federal taxes and administering the Internal Revenue Code
ISDA (also referred to as ISDA Master Agreement)	International Swaps and Derivatives Association Master Agreement	Global trade association for over-the-counter derivatives standard documentation
LB Lux	Lehman Brothers (Luxembourg) S.A.	Affiliate entity subject to insolvency proceedings in Luxembourg
LB UK RE	LB UK RE Holdings Ltd	Affiliate entity subject to insolvency proceedings in the UK
LBB	Lehman Brothers Bankhaus A.G.	Affiliate entity subject to insolvency proceedings in Germany
LBH	Lehman Brothers Holdings plc - in administration	Affiliate entity subject to insolvency proceedings in the UK
LBHI	Lehman Brothers Holdings Inc.	Ultimate parent of the Lehman group, incorporated in the USA and formerly subject to Chapter 11 bankruptcy protection from 15 September 2008. LBHI's plan of reorganisation became effective on 6 March 2012
LBHI2	LB Holdings Intermediate 2 Limited - in administration	Affiliate entity subject to insolvency proceedings in the UK and LBIE's Shareholder and sole holder of LBIE's preferred equity
LBI	Lehman Brothers Inc.	Affiliate entity subject to insolvency proceedings in the USA
LBL	Lehman Brothers Limited - in administration	Affiliate entity subject to insolvency proceedings in the UK
LBS	Lehman Brothers Securities N.V.	Affiliate subject to insolvency proceedings in Curaçao, Kingdom of the Netherlands
LBSF	Lehman Brothers Special Financing Inc.	Affiliate entity subject to insolvency proceedings in the US
Lehman Group / Group / Lehman Brothers Group	Lehman Group / Group / Lehman Brothers Group	The UK Lehman Brothers group of companies
MCF	Mable Commercial Funding Limited - in administration	Affiliate entity subject to insolvency proceedings in the UK
MVL	Members' Voluntary Liquidation	A Members' Voluntary Liquidation is the solvent winding-up of a company, initiated by shareholders. All debts are paid in full, with any surplus returned to shareholders
Nomura	Nomura Holdings, Inc.	An investment and financial services business. LBIE's equities business was acquired by Nomura shortly after the Administrators' appointment
Omnibus Trust	Omnibus Trust	Trust under which the asset returns to LBIE by LBI of SIPA Customer Property relating to LBIE client positions were held and the assets constituting the trust property thereof

Abbreviation	Term	Definition
Operating Committee	Operating Committee	A committee constituted pursuant to the terms of the Surplus Scheme which has assumed the roles and responsibilities of the former Creditors' Committee
PML	Preferred Mortgages Limited	A solvent subsidiary of MCF, an Affiliate entity subject to insolvency proceedings in the UK
Post-Administration Interest	Post-Administration Interest	Statutory interest payable pursuant to Rule 14.23(7) of the Insolvency Rules
Preferential creditors	Preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Preferred equity shareholder	Preferred equity shareholder	A preferred equity shareholder is an investor who holds shares that give them priority over ordinary shareholders in relation to distributions, such as dividends or proceeds from a winding-up. In this case, LBHI2 is the preferred equity shareholder of the Company
RASCALS	Regulation and administration of Safe Custody and Local Settlement	A series of securities secured financing transactions between LBIE and certain Affiliates as recorded in Lehman books and records
Reporting Period	Reporting Period / Period	15 March 2025 - 14 September 2025, the period covered by this report
Scheme	Scheme of Arrangement	Statutory procedure under Part 26 of the Companies Act 2006 for a court-approved agreement between a company and its creditors
SCSO	Small Claims Settlement Offer	An initiative under which creditors with agreed claims up to £150,000 were offered a one-off payment of 90% of their agreed claim in full and final settlement
Senior	Senior unsecured creditor	Unsecured, non-preferential, non-Shareholder, not subordinated creditor
Shareholder	LB Holdings Intermediate 2 Limited - in administration	Affiliate entity subject to insolvency proceedings in the UK and LBIE's Shareholder and sole holder of LBIE's preferred equity
SIP 9	Statement of Insolvency Practice 9	Rules issued by the Joint Insolvency Committee which provide guidance to insolvency practitioners and creditors' committees in relation to the remuneration of Administrators. New Statements of Insolvency Practice come into effect from 1 April 2021 for SIP 7 (receipts and payments) and SIP 9 (Administrators' remuneration)
SIPA	Securities Investor Protection Act 1970	A US legal proceeding for handling the liquidation of a broker-dealer
SPML	Southern Pacific Mortgage Limited	A solvent subsidiary of MCF, an Affiliate entity subject to insolvency proceedings in the UK
Statutory Interest	Statutory Interest	Interest calculated on the amount of admitted claims in respect of the periods during which such claims were outstanding since the date of commencement of the administration to the date of full repayment, calculated as the greater of the rate payable in accordance with s.17 of the Judgments Act 1838 (currently 8% simple), and the rate applicable to the debt apart from the administration
Street	Street counterparties	Third party counterparties consisting of financial institutions, including asset managers, custodians and banks; and non-banking financial institutions, including pension funds and corporate entities
Subordinated Creditor / Wentworth / WSSD Sarl	Subordinated Creditor / Wentworth / WSSD Sarl	Wentworth Sons Sub-Debt S.a.r.l
Subordinated Debt	Subordinated Debt	The subordinated liabilities arising pursuant to 3 intercompany loan agreements entered into between LBIE and LBHI2, each dated 1 November 2006, and which have been assigned by LBHI2 to the Subordinated Creditor
Surplus	Surplus	Assets remaining after the payment in full of Senior creditor claims and Shareholder claims but before Post-Administration Interest, non-provable claims, and the Subordinated Debt

Abbreviation	Term	Definition
Surplus Scheme	Surplus Scheme of Arrangement	A Scheme of Arrangement, pursuant to the UK Companies Act 2006, sanctioned by the UK High Court and which became effective on 20 June 2018, relating to the distribution of the Surplus
UCC	Unsecured Claim Certificate	Certificate issued to each unsecured creditor to set out the relevant characteristics of their claim
UK High Court	High Court	Court of England and Wales which deals with all high value and high importance cases, and also has a supervisory jurisdiction over all subordinate courts
Unsecured creditors	Unsecured creditors	Creditors who are neither Secured nor Preferential
VAT	Value Added Tax	A consumption tax levied on the sale of goods and services in the UK
Waterfall	Waterfall	Waterfall I, II, III and IV legal proceedings
Waterfall I Application (also referred to as Waterfall I)	Waterfall I Application	A joint application by LBIE, LBL and LBHI2 to the UK High Court issued on 14 February 2013 seeking a determination on statutory interest priority, contribution rights and other issues relating to LBIE and its Shareholders
Waterfall II Application (also referred to as Waterfall II)	Waterfall II Application	An application to the UK High Court issued on 12 June 2014 seeking a further determination on issues that impact the rights of creditors to payment from the Surplus and the distribution of that Surplus in a timely manner
Waterfall III Application (also referred to as Waterfall III)	Waterfall III Application	An application to the UK High Court issued on 25 April 2016 seeking a determination on issues relating to contributory claims
Waterfall IV Application (also referred to as Waterfall IV)	Waterfall IV Application	An application to the UK High Court issued on 28 November 2017 seeking the Court's directions regarding WSSD Sarl's request for a creditors' decision, pursuant to paragraph 56(1) of Schedule B1 to the Insolvency Act