

ResCap Liquidating Trust

**Consolidated Financial Statements
as of and for the Period Ended December 31, 2025
(Unaudited)**

ResCap Liquidating Trust

Consolidated Statement of Net Assets in Liquidation

(Unaudited)

In thousands (except per unit)

Assets:	31-Dec-25	December 31, 2024
Cash and cash equivalents	\$ 54,872	\$ 60,435
Total assets	54,872	60,435
Liabilities:		
Estimated costs to operate Trust	19,752	27,633
Liability for undistributed funds	-	-
Total liabilities	19,752	27,633
Net assets in liquidation	\$ 35,120	\$ 32,802
Total units in the Trust	98,853,649	98,853,649
Net assets per authorized unit	\$ 0.36	\$ 0.33

The Notes to Consolidated Financial Statements are an integral part of these statements.

ResCap Liquidating Trust

Consolidated Statement of Changes in Net Assets in Liquidation

(Unaudited)

In thousands

	Quarter to date ended 31-Dec-25	Year to date Ended 31-Dec-25	Effective Date through 31-Dec-25
Receipts			
Receipts on assets held for sale	\$ 2	\$ 16	\$ 645,891
Litigation / claim recoveries	-	-	1,340,462
Interest - MMF	470	2,285	20,414
Other receipts	5	56	162,743
Plan settlements	-	-	2,100,000
Total receipts	477	2,357	4,269,510
Disbursements			
Claims and settlement	-	-	(1,642,074)
DOJ / AG consent settlement	-	-	(88,201)
Costs to operate the Trust	(1,687)	(7,920)	(763,079)
Total disbursements	(1,687)	(7,920)	(2,493,354)
Distributions			
Total distributions	-	-	(3,398,766)
Net cash flow	(1,210)	(5,563)	(1,622,610)
Other non-cash changes affecting:			
Increase (decrease) in asset value assumptions	-	-	(55,026)
(Increase) decrease in costs to operate the Trust	(8)	(39)	(576,652)
(Increase) decrease in DOJ/AG consent settlement	-	-	(7,551)
Basis of assets/liabilities liquidated/resolved	1,687	7,920	(218,642)
(Increase) decrease in distributions held for Beneficiaries	-	-	-
Total non-cash changes	1,679	7,881	(857,871)
Total increase (decrease) in net assets	469	2,318	(2,480,481)
Net assets in liquidation, beginning of period	34,651	32,802	2,515,601
Net assets in liquidation, end of period	\$ 35,120	\$ 35,120	\$ 35,120

ResCap Liquidating Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Description of Business and Significant Accounting Policies

The ResCap Liquidating Trust (“Trust”) was formed in connection with the Plan of Reorganization under chapter 11 of the United States Bankruptcy Code (“Plan”) in the bankruptcy case of Residential Capital, LLC (“ResCap”). The Plan became effective on December 17, 2013 (“Effective Date”).

The Trust issued units of beneficial interest (“Units”). The Units entitle their holders (“Beneficiaries”) to receive a proportionate amount of cash distributions (“Declared Distributions”) made by the Trust.

Basis of Presentation

The unaudited Consolidated Financial Statements (the “Statements”) reflect the accounts of the Trust and subsidiaries after eliminating all significant intercompany balances and transactions. The Statements reflect all adjustments that are, in management’s opinion, necessary for the fair presentation of the results for the periods presented. The Statements have not been prepared in accordance with generally accepted accounting principles; rather they have been prepared using a liquidation basis of accounting, which the Trust considers an appropriate basis of accounting at this time. Assets are stated at their estimated net realizable value, which is the amount of cash into which an asset is expected to be converted during the liquidation period. The Trust also accrues costs that it expects to incur through to the end of its liquidation. The Trust currently accrues costs through December 31, 2026, however, the prosecution of the remaining litigation discussed below, and the corresponding timeline for resolving such litigation through trial or appeals may cause the Trust to be further extended beyond December 31, 2026, resulting in an increase to future accrued costs for such extended periods and a corresponding reduction in cash available. The subsequent event note below describes the status of the litigation. The Trust will record and value affirmative settlements or judgements when realized and collectability is reasonably anticipated.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term deposits and governmental money market funds.

Affirmative Recoveries

The Trust will record and value affirmative settlements or judgments when realized and collectability is reasonably anticipated.

Estimated Costs to Operate the Trust

The Trust accrues all costs it expects to incur during its lifetime based on approved strategic assumptions and the Trust’s current estimates. These costs are estimated based on litigation timelines and modeled wind-down expenses of the Trust’s operations and are recorded as liabilities.

The estimated future legal cost includes current appeal costs for the insurance litigation (See footnotes 2 and 3). Actual future costs could vary significantly depending upon a wide variety of factors due to the uncertainties inherent in complex litigation. On a periodic basis, the Trust evaluates such estimates to take into consideration the overall status of the litigation and any material changes in circumstances or factors affecting the litigation that may affect such estimates. The Trust will record and value affirmative settlements or judgments when realized and collectability is reasonably anticipated. The Trust does not accrue contingent costs.

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Income Taxes

The Trust is a Grantor Trust, treated as a flow-through entity for U.S. federal and state income tax purposes. The Trust is not subject to U.S. federal or state income taxes; therefore, no accrual for these taxes is made. The Trust files a federal return and multiple state returns. While there are no ongoing examinations, the federal returns dating to the 2022 calendar year remain open. State returns generally remain open for either three or four years after filing.

2. Estimated Costs to Operate the Trust

Estimated costs to operate the Trust are comprised of the following (in \$000's):

	31-Dec-25		December 31, 2024	
	Accrued	Future	Total	Total
Professional fees (legal, expert, other professional costs)	387 \$	17,387 \$	17,774 \$	25,001
Compensation	375	-	375	375
Document management	-	146	146	149
Information technology	-	807	807	995
Other operating costs	-	650	650	1,113
Total costs to operate the Trust	762 \$	18,990 \$	19,752 \$	27,633

The estimated cost to operate the Trust is \$19.8 million including \$.8 million of expenses that have been incurred but not yet paid and \$19.0 million of expected future costs for the period January 2026 through December 2026. Of the \$19.0 million cost, \$8.2 million is a cash reserve for future costs for the on-going insurance recovery case pending currently on appeal to the United States Court of Appeal for the Second Circuit, ("Second Circuit") (see subsequent events for updated information related to the insurance recovery case) and \$10.8 million represents existing contractual obligations and the future costs for the operations and wind-down of the Trust.

3. Subsequent Events

Events subsequent to December 31, 2025, were evaluated through February 23, 2026, the date on which these Consolidated Financial Statements were issued.

On February 3, 2026, the Second Circuit issued a summary order in the ResCap Liquidating Trust v. Certain Underwriters at Lloyd's, London, et al., Case #25-118 (L). The Second Circuit affirmed the District Court's decision, and the case has been dismissed. On February 17, 2026, the Trust filed a petition for rehearing of the Second Circuit decision. Refer to the beneficiary letter for further details.