

INSOLVENCY REPORT

Insolvency Report no. 18 by the Administrators of DSB Bank N.V.

31 July 2013

The public insolvency reports of DSB Bank N.V. (DSB Bank) are published online on the website www.dsbbank.nl. The administrators of DSB Bank (Administrators) will also be using these websites in the future to publish other information concerning the case and the progress of the insolvency proceedings.

MAIN POINTS OF THIS REPORT

- On 30 May 2013, commencing at 10:30, the fourth meeting of creditors pursuant to Section 178 of the Insolvency Act (FW), chaired by the supervisory judge, was held in the court building on Parnassusweg, Amsterdam, for the purpose of allowing late claims.
- Following approval by the committee of creditors (**Creditors' Committee**) – and on the order of the supervisory judge – the Administrators made a fifth interim distribution (4%) to the unsecured creditors, taking the total paid out to 31%.
- The transfer of the servicing of the loan portfolio to Quion was successfully completed on 18 June 2013.
- The Heads of Agreement reached between the Administrators and two Stakeholder Organisations together with five legal assistance organisations (**Stakeholder Organisations**) on 19 September 2011 contains a Scheme (**Scheme**) for the award of compensation in cases of actual or alleged dereliction of the duty of care (mis-selling) applying to existing and former customers of DSB Bank who were sold single-premium payment protection insurance, investment plans or securities-backed lending products and customers with complaints relating to excessive lending. Integral to the Scheme was that application would be made to the Amsterdam Court of Appeal for the Scheme to be declared binding under the provisions of the Collective Mass Claims Settlement Act (**WCAM**). On 27 May 2013, the Administrators, the Stakeholder Organisations and the insurance companies concerned filed a formal application to this end with the Amsterdam Court of Appeal. The Court has decided that the case will be heard on Tuesday, 15 October 2013 at 09:00 in the Court Building at IJdok 20, Amsterdam. The notices of this hearing have already been sent out to existing and former customers and the creditors of DSB Bank. See also www.dsbcompensatie.nl (the joint website of the Administrators and the Stakeholder Organisations) as well as Section 5.3 of this report.
- Implementation of the Scheme is progressing smoothly. As at 29 July 2013, out of the 10,000-plus claim files created in response to complaints from customers who had filed complaints with DSB Bank by 19 September 2011, the customers in almost 9,600 of these cases had received responses relating to Phase 1 (compensation for mis-selling of insurance and securities-backed lending products). The customers in more than 7,200 cases have accepted the offer made. A number of the customers who have received proposals have also applied for compensation under Phase 2 (compensation for excessive lending) as well and there are also customers who are awaiting a combined proposal for Phase 1 and Phase 2.
- Since 19 September 2011, customers who had not previously filed complaints against DSB Bank have been applying for inclusion in the Scheme. As at 29 July 2013, this had led to the preparation of in excess of 20,000 claim files. And this figure continues to grow as the weeks go by. So far the customers in more than 17,000 cases have received notice of Phase 1 compensation. Out of these, the customers in more than 12,500 cases have accepted the proposal.
- As previously stated, all deposit holders affiliated to the DSB Bank Deposits Association (**VDD**) have accepted the arrangement offered. Since then, approximately 90% of the subordinated deposit holders not affiliated to the VDD have also accepted the offer which has been made to them.
- DSB Bank, as holder of a pledge on the shares of Waard Leven B.V. (Waard Leven) and Waard Schade B.V. (Waard Schade) and as shareholder of Tadas Verzekeringen B.V. (Tadas) are involved in the preparations for the process of selling off these entities. As part of the process of readying Waard Leven and Waard Schade for sale, DSB Bank has now repaid the amounts owed to Waard Leven and Waard Schade secured by pledges on receivables.
- In the reporting period, the sale took place of part of the Belgian loan portfolio, for an amount of €33.8 million. As at the end of June 2013, DSB Bank has approximately 104,000 loans to customers

outstanding, totalling approximately €5,037 million (multiple loans to the same borrower in some cases).

- The Administrators raised a special short-term loan facility originally totalling €1 billion from several Dutch banks. Borrowing under the special short-term loan facility currently stands at €378 million (position as at 30 June: €418 million). The Administrators have since reached agreement with the banks concerned on the continued availability of the special short-term loan facility up to the end of 2014 as well, on the same terms and conditions.

Prospects for creditors:

To date, the Administrators have made the following interim distributions to unsecured creditors:

	Month	Distributed to unsecured creditors	Distributed to preferential creditors
1 st distribution	June 2011	15%	100%
2 nd distribution	November 2011	4%	-
3 rd distribution	June 2012	4%	-
4 th distribution	December 2012	4%	-
5 th distribution	June 2013	4%	-
	Total	31%	-

If the loan portfolio shrinks in the years ahead, not as a consequence of disposal but as loans are repaid and for other reasons, resulting in a consequent decline in the cash flow generated by them, it may be expected that a somewhat lower figure than 4% will become available for the unsecured creditors each six months.

If, however, the loan portfolio or a substantial part thereof is sold, a larger interim distribution may be possible. The Administrators are unable at this stage to estimate how much the total percentage distribution ultimately made to unsecured creditors will be.

The Administrators do not envisage that it will be possible to make any distribution at all on the subordinated claims unless they are considered to be unsecured, or at least partially so.

Details of company : : **DSB Bank N.V.**
Insolvency case number : : F 09 / 798
Decision dates : : Emergency ruling: 12 October 2009
Insolvency : : 19 October 2009
Administrators : : R.J. Schimmelpenninck and B.F.M. Knüppe
Supervisory judge : : M.L.D. Akkaya (District Court at Alkmaar, Amsterdam branch)
Reporting period : : 26 April 2013 to 31 July 2013

Introductory remarks

This is the eighteenth public insolvency report by the Administrators. It covers the period from 26 April 2013 to date (31 July 2013) and contains financial information relating to the period ending 30 June 2013. It should be read in conjunction with the previously published reports. All the reports, together with the Financial Reports for the years 2009, 2010, 2011 and 2012 can be found on the website www.dsbbank.nl.

The insolvency of DSB Bank is legally complex. In this report, the Administrators give a simplified account of the current state of affairs in accordance with the generally accepted standards for insolvency reporting in the Netherlands. The Administrators emphasise that the information in this report is subject to closer examination. It may prove necessary to amend the information given at a later stage. It is accordingly not yet possible to make any statement concerning the completeness and accuracy of the information contained in this report.

No rights may be derived from this insolvency report and/or any subsequent reports. Nothing in this report should be interpreted as acknowledging liability or waiving any rights.

An (unofficial) English translation of this eighteenth report will again be published on the above website. Reliance can only be placed on the Dutch text.

In conducting their activities, the Administrators make use of the advisory and other services of Houthoff Buruma Coöperatief U.A. (**Houthoff Buruma**), PricewaterhouseCoopers Advisory N.V. (**PwC**) and various other law firms and advisers as well as the efforts of DSB Bank staff and freelancers in Wognum, Heerhugowaard, Emmeloord and Rotterdam.

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0. General information for creditors of DSB Bank

As regards the position of creditors and customers of DSB Bank with savings accounts, current accounts or deposit accounts whose claims qualified as not subordinated by virtue of the amounts owed to them, reference is made to the DSB Bank website (www.dsbbank.nl) and to previous public reports.

1. Introduction

Principal activities in the recent reporting period

For the principal activities of the Administrators in the most recent reporting period, see the first few pages of this public report.

2. Current situation

2.1. Management and organisation

See the first public report. For details of the structure of DSB Group, particular reference is made to the two organisation charts appended as Annex 1 to the first public report.

2.2. Balance sheet total on the date of the bankruptcy

See the first public report, in particular Annex 2.

2.3. Legal proceedings

Having regard to the five debt recovery cases brought before the district court in The Hague by DSB Bank, reference is made to the twelfth public report. In the appeal against the judgement given on 11 January 2012, the Administrators, on 7 May 2013, filed their statement of defence. Subsequently, in a deed dated 25 June 2013, the Administrators requested the Court of Appeal in The Hague to suspend the appeal proceedings in connection with the consideration by the Amsterdam Court of Appeal of the request to declare the WCAM Scheme binding. The appeal proceedings before the Court of Appeal in The Hague are currently on the case list for 23 July 2013, when the statement of defence on the part of the borrowers will be received.

As regards the cases in which DSB Bank was claimant as at the date of insolvency and no counterclaim has been submitted, the desirability of pursuing the claims is being examined on an ad hoc basis.

Incidentally, DSB Bank also continues to mount debt recovery proceedings on a regular basis, which almost always lead to judgements in absentia in the bank's favour.

2.4. Individual cases brought before the courts since the bankruptcy

There are no more cases pending in which the Administrators have been sued since the date of the insolvency. For an overview of the remaining claim validation proceedings see Section 8.4 of this public report.

2.5. Collective proceedings

There are no longer any collective proceedings.

2.6. Insurance

See also the second public report. Where necessary, existing insurance policies have been cancelled or amended, for example in connection with the disposal of property and other assets.

2.7. Rents

Premises rented from group entities

See the tenth public report.

Premises rented from third parties

In connection with the cessation of activities on the part of DSB Print (see Section 4.6), the Administrators have terminated the lease on the business premises concerned with effect from 1 August 2013. See for other information the twelfth public report.

Agreement has since been reached with the Medemblik municipal authority concerning the

continuation of the lease on the premises on Dick Ketlaan in Wognum for the first six months of 2014. An option on the lease has been agreed for the second half of 2014.

For the customer contact centre, DSB Bank is renting premises in Emmeloord. This lease runs up to the end of 2013. Additionally, the lease on the office in Capelle aan den IJssel was terminated in mid-June 2013 with the transfer of the loan portfolio servicing to Quion.

Premises leased to third parties

See the twelfth public report.

3. Staff

3.1. Number of employees at the time of the bankruptcy

See the second public report.

3.2. Number of years of service prior to the bankruptcy

See the second public report.

3.3. Employees

There are currently 112 people (approximately 87 FTEs) employed by DSB Bank, excluding the 26 Tadas staff. The insolvent entity also employs the services of 71 freelancers.

To the Administrators' knowledge, a majority of the former employees of DSB Group have now found new jobs or become self-employed.

3.4. Provisional continuation of activities

A considerable number of former DSB Bank employees (around 38) joined Quion on 20 June 2013. The employment of the last 10 staff still working in the customer contact centre will terminate at the end of July 2013. As from the third quarter of 2013, DSB Bank staff will mainly be involved in implementing the Scheme, in specific activities connected with the winding-up operation and a number of support duties. It continues to be the Administrators' policy to notify the staff at the earliest possible stage concerning the expectations regarding the rundown of the activities concerned.

3.5. Works Council

The Works Council is kept regularly informed and/or involved by the Administrators regarding important matters affecting employees.

4. Assets

4.1. General

For a general overview of the assets of DSB Bank at the time when the bank was declared insolvent, see Annex 2 to the first public report. For the current position, see Annex 1 to the fifth public report. To supplement these statements, the Administrators have the following comments.

4.2. Mortgages

See the previous public reports. See also Section 6.4 concerning the transfer of the servicing of the loan portfolio to Quion.

4.3. Registered property

See the previous public reports.

4.4. Other assets

The remaining business equipment etc. is being used in connection with the winding-up operations and will only be disposed of as staff are shed.

4.5. Claim on DSB Ficoholding

See the fourteenth public report.

4.6. Investments in subsidiaries, associates and joint ventures

For a list of DSB Bank's various (erstwhile) subsidiaries, associates and joint ventures, see Annex 1 to the first public report. For financial information relating to these entities, the Administrators make reference to Annex 2 to the first public report. The Administrators have the following specific remarks concerning the individual subsidiaries, associates and joint ventures of DSB Bank.

Tadas

This company performs the function of authorised agent for the insurance policies taken out via DSB Bank. The company is functioning normally. Tadas is also the employer of individuals who are effectively working for Waard Leven, Waard Schade and Hollands Welvaren Leven B.V. (HWL). These activities are subject to a service level agreement.

DSB Beveiliging B.V.

For information on the insolvency of DSB Beveiliging and the liquidation of this entity, reference is made to the public reports specifically dealing with this insolvency, which can be found on the DSB Bank website (www.dsbbank.nl).

DSB Leeuwarden B.V.

For information on the insolvency of DSB Leeuwarden and the liquidation of this entity, reference is made to the public reports specifically dealing with this insolvency, which can be found on the DSB Bank website (www.dsbbank.nl).

DSB Print B.V.

The accounts of suppliers outside the group were settled previously. The first and also final distribution list in the insolvency of DSB Print B.V. – resulting in a distribution of approximately 6.5% (equating to €643,000) to the sole, internal, creditor, namely DSB Bank – was declared binding on 21 June 2013, finalising the insolvency proceedings in relation to DSB Print B.V. The company will be dissolved and removed from the Trade Register.

Paul.nl B.V.

See the first public report.

DSB Belgium N.V.

See the twelfth public report.

DSB International B.V.

This company is the company lying between DSB Bank and the entity now in charge of the Belgian loan portfolio.

4.7. Domain names

The auction of a number of domain names from DSB Bank's domain portfolio on the online auction platform Sedo came to an end, netting in excess of €54,000. The Administrators will be concluding the disposal of the domain name portfolio in the months ahead.

5. Debtors / receivables and duty of care

5.1. General

For a general overview of the receivables position of DSB Bank at the time of the bankruptcy, reference is made to Annex 2 to the first public report. An update is provided by the 2011 Financial Report. The loan portfolio was also discussed in the 2012 Financial Report that was published on 18 February 2013.

In the reporting period, the sale took place of part of the Belgian loan portfolio, for an amount of €33.8 million. As at the end of June 2013, DSB Bank has approximately 104,000 loans to customers outstanding, totalling approximately €5,037 million (multiple loans to the same borrower in some cases).

5.2. Global Corporate Jets

The personal surety, who was due to have paid a final instalment of €250,000 by 30 June 2013, defaulted. The Administrators have since obtained the permission of the supervisory judge to institute legal proceedings against him.

5.3. The WCAM and the Scheme

The WCAM application

On 27 May 2013, the Administrators, the Stakeholder Organisations and the insurance companies concerned filed a formal application with the Amsterdam Court of Appeal for the mass settlement Scheme to be declared binding under the provisions of the Collective Mass Claims Settlement Act (WCAM). The preliminary administrative session was held on 14 June 2013, at which it was decided, among other things, that the case should be heard on Tuesday, 15 October 2013 at 09:00 in the Court Building at IJdok 20, Amsterdam. The letters announcing this hearing (the text of which is laid down by the Court – see Section 1013, subsection 5, of the Netherlands Code of Civil Procedure), numbering approximately 357,000, were shortly afterwards sent out to existing and former customers and the creditors of DSB Bank. The advertisements, the placing of which is also stipulated by the Court (using the same wording as the letters) appeared on Saturday, 22 June 2013, in the Telegraaf, the Algemeen Dagblad and the Financieele Dagblad. See for the court documents and other information relating to the WCAM mass settlement Scheme www.dsbcompensatie.nl. The Administrators advise all concerned to consult the website regularly for further notices.

Statements of defence must be filed with the Court by no later than 15 September 2013. Persons wishing to be present at the hearing must likewise notify the Court of the intention to do so by no later than 15 September 2013.

When the Scheme has been declared legally binding, this will mean (for customers not opting out in time) that no new applications for the WCAM arrangement and no further duty-of-care claims relating to the insolvency of DSB Bank can be submitted after the application deadline has passed. This application deadline will in this case be one year from the date of the Scheme being declared legally binding. Likewise, it will no longer be possible for customers to adduce duty-of-care claims beyond that date as defence in connection with debt collection proceedings on the part of DSB Bank relating to loans which have been granted.

Rollout of the Scheme:

A factsheet detailing progress with the rollout of the Scheme (position as at 29 July 2013) can be found in Annex 3 to this report. The presentation of this annex differs from that of Annex 2 to the previous public report and contains greater detail. Moreover, Annex 3 now contains a legend.

Implementation of the Scheme is progressing smoothly. As at 29 July 2013, out of the 10,000-plus claim files created in response to complaints from customers who had filed complaints with DSB Bank by 19 September 2011, the customers in almost 9,600 of these cases had received responses relating to Phase 1 (compensation for mis-selling of insurance and securities-backed lending products). The customers in more than 7,200 cases have accepted the offer made and the administrative process relating to almost 7,000 of these cases has been completed. Of these 10,000-plus claim files, in more than 6,000 cases the customers have also let it be known that they wish to be considered for Phase 2 compensation (compensation for excessive lending) as well. There are also customers – in total, the customers in 1,163 cases – who are awaiting a combined proposal for Phase 1 and Phase 2.

Since 19 September 2011, customers who had not previously filed complaints against DSB Bank have been applying for inclusion in the Scheme. As at 29 July 2013, this had led to the preparation of in excess of 20,000 claim files. The circular announcing the court hearing concerning the WCAM Scheme and the related advertisements in national dailies in particular have caused the number of applications received each week since the end of June 2013 to increase from an average of fewer than 100 to a considerably greater volume. In fact, in the reporting period of just over three months (14 weeks), applications totalling 4,657 have been registered. So far the customers in more than 17,000 cases have received notice of Phase 1 compensation. Out of these, the customers in more than 12,500 cases have accepted the proposal and, of these, the administrative processing has been completed in almost 10,800 cases.

Customers also applying for Phase 2 compensation are being assessed on the basis of case subfiles (see legend to **Annex 3**). As at 29 July 2013, the customers in a total of 1,351 of these cases had accepted the Phase 2 proposal and the administrative processing has been completed in 1,161 of these cases.

Hollands Welvaren Select (HWS)

Reference is made to the previous public report concerning the setup of and background to the HWS arrangement.

The latest interim position with regard to the 557 applications (made automatically) as at 29 June 2013 is as follows. They have resulted in 526 proposals and the administrative processing has been completed in 227 of the cases concerned. Rejection letters have been sent out in 13 cases. Of the 18 cases remaining, five have been rejected out of hand and the other 13 cases are still being investigated.

Absolutely unnecessary payment protection insurance

Reference is made to the previous public report.

Objections and appeals

In response to requests from customers for reassessment of the compensation proposals they have received, claims are reconsidered on the basis of new facts without initiating legal proceedings. It is also possible for customers to lodge objections with the Administrators regarding the proposals they have received. Since mid-2012, 352 customers have availed themselves of this opportunity. To date, a total of 25 customers, unhappy with the outcome of the objection handling process, have taken their cases to the Disputes Committee or the Special Circumstances Committee set up in accordance with the Heads of Agreement. The Disputes Committee has since delivered its verdict in three cases, ruling that the grounds for appeal advanced by the customer were either inadmissible or unfounded. The Special Circumstances Committee has rejected the customer's appeal in one case. The decisions concerned can be found on www.dsbcompensatie.nl. In two cases, no decision was arrived at because an amicable settlement was reached with the customers concerned prior to the ruling being given. Ten appeals are currently being considered.

Costs of the Scheme

The total costs of the Scheme to the DSB Bank depend in part on the number of customers applying for inclusion in the Scheme. Based on the applications received, a reasonably exact calculation can be made of the amount of compensation involved in respect of mis-selling of insurance. In the case of excessive lending compensation, the amount of compensation depends on various factors, such as the personal incomes of the customers on at least two means-testing dates and the extent to which customers have submitted the documentation on which the calculations are based.

The total amount of compensation chargeable to 2012 relating to those customers who had applied for inclusion in the Scheme or who had lodged a complaint as at 31 December 2012 was in excess of €129 million, including a provision of €75 million for those cases still being processed as at 31 December 2012. For details, see the 2012 Financial Report published on 18 February 2013. The report also revealed that almost €180 million had been paid out or set aside in connection with the resolution of duty-of-care issues. The amounts mentioned exclude the costs of the Scheme relating to the many customers who have applied for inclusion since 1 January 2013 or will do so in future.

Insurers

The cooperation with the affected insurers is proceeding smoothly. For further information, reference is made to the 11th public report.

5.4. Settlement of other complaints

A small proportion of the complaints concern questions not related to duty of care. These complaints are being dealt with on an individual basis.

5.5. Set-off

Under the general terms and conditions of DSB Bank, customers do not have a right to set off an amount receivable from DSB Bank against the amount they owe to DSB Bank. The Administrators have nevertheless previously agreed that, in those cases where it can be established that a customer's losses

are due to dereliction of the duty of care vis-à-vis that customer, whether as a result of a court ruling or an out-of-court settlement, the consequent loss may be set against the existing amount of that customer's indebtedness to DSB Bank.

5.6. Applications under the Compensation Scheme and new complaints

See www.dsbbank.nl en www.dsbcompensatie.nl.

5.7. Debt restructuring arrangements

In the course of 2010, the Administrators actively pursued a policy of granting a debt waiver to customers with serious overindebtedness with the object of making their debt burden affordable. These arrangements were necessary in order to offer customers a way out in extreme cases. Although debt restructuring proposals were connected with duty of care, such proposals stemmed from active credit management and did not represent any legal settlement of a particular case. Since the Scheme came into operation, debt restructuring has only been resorted to after acceptance by the customer of the compensation under the Scheme. The governing criteria (serious overindebtedness and unaffordable monthly payments based on objective assessment) remain unchanged.

5.8. Residual debt arrangements

The residual debt arrangements are offered to customers who still have a mortgage debt after their home has been sold since the proceeds from the sale are less than the outstanding amount of the mortgage. These customers are offered an arrangement involving a 0% interest rate on an affordable residual amount based on objective assessment. In principle, repayment of the amount thus arrived at will be made over a period of 50 months. In specific cases, a longer repayment period is allowed in order to reduce the monthly instalments. These arrangements are applicable to all customers with residual debts, i.e. including residual debts predating the bankruptcy.

1,144 customers have now accepted the proposal made to them. The costs of the residual debt arrangements up to the end of June 2013 have amounted to €13.8 million.

5.9. Arrangements for seniors

The Heads of Agreement include a provision that the Administrators should make arrangements for customers with unit-linked investment plans which have performed disappointingly and who, as a consequence have a residual debt. We are working on a scheme that will enable this debt to be reduced under certain conditions if customers are unable to repay the debt, given their age and repayment capacity.

6. Bank finances / collateral security held

6.1. Financial statements

Annex 1 to this public report contains (ii) a summary of the income and expenditure of DSB Bank from the date of the bankruptcy up to the end of June 2013 and (i) a financial summary of the income and expenditure of DSB Bank during the second quarter of 2013.

6.2. Redemption of loans from Waard Leven and Waard Schade

The loans granted to DSB Bank by Waard Leven and Waard Schade prior to the insolvency, totalling in excess of €67 million (at the time of redemption) were repaid in the reporting period, with the prior approval of the Creditors' Committee and the authorisation of the supervisory judge. The redemption of the loans was coupled with a one-off discount of approximately €671,000, besides easing the future interest burden. The transaction also releases pledged receivables totalling approximately €104 million.

6.3. Credit facilities

For a summary of the credit facilities and the associated collateral security provided, reference is made to Annex 2 to the first public report.

The special long-term loan facility stood at €418 million as at 30 June 2013 and the current figure is €378 million.

6.4. Servicing

As planned, the servicing of the loan portfolio was transferred to Quion on 18 June 2013. As from this

date, Quion will be responsible for the loan servicing activities and customer contacts relating to the loan portfolios. However, DSB Bank continues to be responsible for customer contacts relating to the WCAM / Scheme.

6.5. Securitisation programmes

On behalf of the SPVs, periodical reports are prepared on the individual securitisation programmes, containing the key figures relating to the underlying loan portfolios. This information forms part of the periodical reports sent by the SPVs to the holders of the notes issued by them (noteholders).

The Administrators also hold regular meetings with the SPVs and provide information to the rating agencies and noteholders in conference calls organised by the SPVs.

In January 2012, the Administrators wrote to the SPVs to say that they were prepared to make distributions relating to the claims of the SPVs connected with debt restructuring measures affecting securitised loans.

Since then, this has been extended to claims of the SPVs connected with duty-of-care compensation payments that have been set against securitised loans. Four SPVs are taking advantage of this offer.

6.6. Lease contracts

DSB Bank is still party to 17 lease contracts relating to company cars in use by DSB Bank and DSB Group staff. The related costs are passed on to the appropriate companies / insolvent entities, as applicable.

6.7. Hedges

Previous public reports have disclosed that the Administrators have been negotiating with the counterparties to the interest rate swap contracts cancelled by them at the time of the bankruptcy regarding the invoices which they submitted.

Following the Administrators' previous success in reaching agreement with parties, including Société Générale and NIBC, agreement was also reached with RBS in the reporting period. The Administrators are still talking to the remaining counterparty – Barclays - concerning the invoices submitted by Barclays when this bank cancelled its interest rate swaps.

6.8. Interest rate policy

The policy on interest rates and penalties adopted by the Administrators can be found on the website www.dsbbank.nl.

7. Lawfulness

7.1. Investigation into the causes of the bankruptcy

The report on the 'inquiry into the causes of the bankruptcy of DSB Bank N.V.' was published on 19 June 2012 as an annex to the thirteenth public report. The DSB Beheer B.V. inquiry report was published simultaneously. Both reports can be found on www.dsbbank.nl. Having analysed the findings, the Administrators will be drawing conclusions with regard to follow up actions. The Administrators are discussing possible follow-up actions with both the Creditors' Committee and the supervisory judge.

Talks are currently ongoing between several organisations representing DSB Bank customers and the Administrators to see whether joint debt recovery actions can be undertaken in the interests of all concerned and, if so, how this might be accomplished. The Administrators expect to be able to give further information on the prospects for this within a few months.

8. Creditors / payables

8.1. Creditors' Committee

The Creditors' Committee is made up of Chapel 2003-I B.V., ING Bank N.V. and Mr E. Hulshof. In the recent reporting period, a lengthy meeting with the Committee was held on 20 June 2013. Meetings are held to discuss the developments surrounding the winding-up operation. Where necessary, contact is maintained by telephone and email in the interim. Requests for advice on proposed decisions are made by the Administrators to the Creditors' Committee as and when required by law. The Creditors Committee has appointed lawyers to look into the legal aspects on behalf of the Committee. The

Administrators are also in regular contact with this legal team.

8.2. Assignment of allowed claims

Towards the end of the reporting period, the Administrators were made aware of the assignment to various purchasers of 209 allowed unsecured claims. These transactions involve an amount of approximately € 9.5 million at face value.

8.3. Future meetings of creditors pursuant to Section 178 of the Insolvency Act (FW)

In the course of November 2013, the Administrators again intend to call a meeting of creditors to be held in the court building on Parnassusweg in Amsterdam for the purpose of allowing late claims. A date and time have not yet been fixed.

8.4. Remaining claim validation proceedings against the Administrators

There are only three claim validation proceedings outstanding. In relation to these claim validation proceedings, the Administrators have the following comments.

Claims by DNB

In the claim validation proceedings brought by DNB concerning the settlement of the final Deposit Guarantee Scheme (DGS) proceedings, the Administrators are negotiating with DNB on the conclusion of the case and the terms and conditions of such settlement. In total, this contested claim amounts to approximately €3.3 million.

Pensions

The pension claims made by Mr and Mrs Scheringa, amounting to €8.8 million and €1 million, respectively, were contested at the meeting of creditors on 29 November 2012. The proceedings relating to the contested claims are currently pending.

Subordinated deposit holders

The arrangement (described in the previous public report) means that all current claim validation proceedings relating to this matter have been concluded. And approximately 90% agreement has been reached with the subordinated deposit holders not affiliated to VDD regarding the arrangement which has been offered to them.

8.5. Attachment by garnishment

The administrators in the insolvency of DSB Beheer placed a garnishee order on DSB Bank on 18 July 2012 in respect of the receivables which the former director of DSB Beheer had from DSB Bank. A summons has now also been issued by DSB Beheer following this garnishment.

8.6. Suppliers and WCAM Scheme

At the request of the Amsterdam Court of Appeal, the Administrators have also written to the suppliers of DSB Bank giving official notice pursuant to Section 1013, subsection 5, of the Netherlands Code of Civil Procedure regarding the application to have the WCAM Scheme declared binding, in order to allow suppliers also to have the opportunity, if desired, to file objections and/or to attend the court session on 15 October 2013.

8.7. Liabilities of the insolvent entity

In view of the position of the insolvent entity, the Administrators continue to pay amounts agreed by them as being owed by the insolvent entity as quickly as possible.

9. Other

9.1. Tax matters

See Section 9.1 of the ninth public report.

9.2. Netherlands Authority for the Financial Markets (AFM) and DNB

The Administrators have regular meetings with the AFM and also with DNB to discuss current issues.

9.3. Provision of information

DSB Bank customers are notified in writing regarding relevant decisions by the Administrators or actions which they should take. The Administrators also provide information via the websites www.dsbbank.nl and www.dsbcompensatie.nl. The website www.dsbbank.nl has since been updated.

All questions relating to the outstanding loans (such as repayment, early repayment, arrears, changes of address and interest rates) should be addressed to Quion, which took over the servicing of the loan portfolio from DSB Bank on 20 June 2013. The number to call for Quion's customer contact centre is 010 - 2422200.

For questions relating to the Scheme / WCAM mass claim settlement, customers can email curatoren@dsbbank.nl or telephone the DSB Bank call centre. The call centre is open from 08:30 to 17:30 on business days.

9.4. Activities and time spent

The activities involved in the administration of DSB Bank and the implementation of the Scheme are carried on by 112 DSB Bank employees and 71 freelance professionals (see Section 3.3). These professionals include 11 lawyers.

The Administrators have also engaged various parties to provide support with the liquidation process, including Houthoff Buruma (legal and tax consultancy) and PwC (accountancy, tax consultancy and IT-related services) as well as various other outside specialists.

The Administrators along with the legal and tax consultants of Houthoff Buruma have together spent approximately 2,110 hours in the period 26 April 2013 to 30 June 2013 on the liquidation of DSB Bank. During the same period, PwC spent about 960 hours on the liquidation of DSB Bank.

9.5. Timetable for the settlement of the liquidation

In any event, the liquidation process will continue to require intensive activities during 2013. The final winding-up operations will then undoubtedly take several more years, albeit involving work of decreasing intensity.

9.6. Plan of approach

In the next reporting period, too, the Administrators and the organisation of the insolvent entity will continue to work methodically on the settlement of the insolvency. After completing the investigation into the causes of the collapse, the Administrators will be concentrating particularly on the continued recording and validation of suppliers' accounts and the WCAM process. In addition, the Administrators will be continuing to pay particular attention to the proper implementation of the Scheme.

9.7. Publication of the next report

Wognum, 31 July 2013

R.J. Schimmelpenninck
Administrator

B.F.M. Knüppe
Administrator

Annexes:

- Annex 1: Summary of the income and expenditure of DSB Bank from the date of the bankruptcy up to the end of June 2013 and of the income and expenditure during the second quarter of 2013.
- Annex 2: WCAM advertisement which appeared on Saturday, 22 June 2013, in the Telegraaf, the Algemeen Dagblad and the Financieel Dagblad
- Annex 3: Factsheet concerning the Scheme as at 29 July 2013