

INSOLVENCY REPORT

Insolvency Report no. 21 by the Administrators of
DSB Bank N.V.

30 April 2014

*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 20 March 2014, the Administrators published the 2013 Financial Report on the website www.dsbbank.nl. DSB Bank posted a profit of €120 million in 2013, although this did not include €99 million in interest owed to creditors after bankruptcy date as this interest is not admissible in insolvency proceedings. A total of approximately €360 million was paid out to unsecured creditors in 2013, bringing the total amount distributed to unsecured creditors to more than €1.3 billion (35% of the claims, which total €3.8 billion).
- As at 31 March 2014, the total amount of DSB Bank's loans was €4.7 billion, of which over €2.8 billion was on the bank's own books and over €1.9 billion was in the form of securitised loans.
- At 10:00 on Thursday 15 May 2014, chaired by the supervisory judge, a sixth meeting of creditors pursuant to Section 178 of the Insolvency Act will be held. At this meeting, late claims (mainly connected with payments under the compensation scheme) will be allowed.
- It is the intention of the Administrators – having since obtained the agreement of the committee of creditors (**Creditors' Committee**) – to request the supervisory judge to authorise a seventh interim distribution (again of 4%) to be made at the end of June 2014.
- In the case brought by the Administrators in conjunction with three stakeholder organisations representing customers with claims on DSB Bank against the Nederlandsche Bank (DNB), DNB presented its statement of defence on 16 April 2014. DNB rebuts all aspects of the claims filed against it.
- 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**). See www.dsbccompensatie.nl (the website jointly managed by the Administrators and the Stakeholder Organisations) and section 5.2 of this report for any important developments relating to this application. The Amsterdam Court of Appeal is expected to make a second interim ruling on 13 May 2014. In a press release, the Court has, however, stated that its final ruling cannot be expected before the end of the year.
- Customers are able to apply for compensation under the Scheme. Large numbers of customers are availing themselves of the Scheme:
 - Up to the end of March 2014, 35,000 applications (an average of almost 2 customers per application) had been submitted, of which:
 - 30,000 have led to an offer of compensation for mis-selling, with 27,000 acceptances by customers;
 - 2,370 have led to an offer of compensation for excessive lending, with 2,136 acceptances by customers;
 - The average mis-selling compensation payments amounts to €5,000 and the average excessive lending compensation payment amounts to €8,700 per case;

- The costs of claims related to duty of care, including provisions for claims not yet finalised amount of €215 million as at the end of March 2014;
 - DSB Bank has been receiving an average of 77 new applications a week in 2014. The closing date for claims is 30 June 2014 – see also section 5.2 of this report.
- 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**) is involved in the preparations for the process of selling off these entities, which is making good progress. The disposal process has now reached a stage in which it will soon be possible to commence negotiations with the last of the remaining potential buyers.
- 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 €266 million (position as at 31 December 2013 was still €351 million).

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	December 2011	4%	-
3 rd distribution	June 2012	4%	-
4 th distribution	December 2012	4%	-
5 th distribution	June 2013	4%	-
6 th distribution	December 2013	4%	-
	Total	35%	-

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 believe that it will be possible to make any distribution on the subordinated claims.

Details of company : DSB Bank N.V.
Insolvency case number : F13 / 09 / 798
Decision date : Emergency ruling: 12 October 2009
Insolvency : : 19 October 2009
Administrators : R.J. Schimmelpenninck and B.F.M. Knüppe
Supervisory judge : M.J.E. Geradts (District Court at Alkmaar, Amsterdam branch)
Reporting period : 31 January 2014 to 30 April 2014

Introductory remarks

This is the twenty-first public insolvency report by the Administrators. It covers the period from 31 January 2014 to 30 April 2014) and contains financial information relating to the period ending 31 March 2014. It should be read in conjunction with the previously published reports. All the reports, together with the Financial Reports for the years 2009–2013 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 or 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 twenty-first 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 freelance professionals in Wognum and Emmeloord.

CONTENTS:

0. GENERAL INFORMATION FOR CREDITORS OF DSB BANK
1. INTRODUCTION
2. CURRENT SITUATION
3. STAFF
4. ASSETS
5. DEBTORS / RECEIVABLES AND DUTY OF CARE
6. BANK FINANCES / COLLATERAL SECURITY HELD
7. LAWFULNESS
8. CREDITORS / PAYABLES
9. OTHER

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 two 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 insolvency

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. Having regard to the appeal against the court decision of 11 January 2012, the Administrators refer to the nineteenth public report. The case will not be resumed until the WCAM judgement has been given.

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. The cases where DSB Bank is defendant have been suspended in connection with the insolvency and/or the mass claim settlement (WCAM) proceedings.

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

2.4. Individual cases brought before the courts since the insolvency

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 8.5 of this public report.

2.5. 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 or termination of leases.

2.6. Rents

Premises rented from group entities

DSB Bank no longer rents any premises from group entities.

Premises rented from third parties

Up to year-end 2014, DSB Bank will be continuing to lease the premises in Wognum from the Medemblik municipal authority. The options for moving into different premises are being investigated. The lease on the office in Emmeloord was terminated at the end of March 2014. See also the nineteenth public report.

Premises leased to third parties

See the twelfth public report.

3. Staff

3.1. Employees

There are currently 64 people (approximately 50 FTEs) employed by DSB Bank, excluding the 23 Tadas staff. The insolvent entity also employs the services of 50 freelance professionals (approximately 38 FTEs).

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

3.2. Provisional continuation of activities

As from the third quarter of 2013, DSB Bank staff have been mainly 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.

3.3. 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 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 6.3 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.

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 (former) 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

See the eighteenth public report. DSB Bank, as holder of a pledge on the shares of Waard Leven and Waard Schade and as shareholder of Tadas is involved in the preparations for the process of selling off these entities, which is making good progress. The disposal process has now reached a stage in which it will soon be possible to commence negotiations with the last of the remaining potential buyers.

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.

The insolvency of DSB Leeuwarden was brought to a close on 11 April 2014, when the final distribution list was declared binding. The previously published reports concerning this insolvency can be found on the DSB website (www.dsbbank.nl).

DSB International B.V.

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

4.7. Domain names

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 insolvency, reference is made to Annex 2 to the first public report. An update is provided on pages 14 and 15 of the 2013 Financial Report.

As at the end of March 2014, DSB Bank had approximately 95,000 loans to customers outstanding, totalling approximately €4,7 billion (multiple loans to the same borrower in some cases). A proportion of these loans, amounting to over €1.9 billion, has been securitised.

5.2. The WCAM and the Scheme

Processing of 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 ('the Court') 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 and the application was heard on Tuesday, 15 October 2013.

On 12 November 2013, in an interim decision, the Court gave the petitioners the opportunity of explaining certain aspects of the petition in greater detail. The petitioners jointly submitted a more detailed explanation to the Court on 23 December 2013. On 4 February 2014, the Court received a response from the lawyer representing several defendants regarding the Court's interim ruling and regarding the further explanation provided by the petitioners. Seven DSB Bank customers have also submitted comments to the Court in the period following the interim ruling.

In a letter dated 31 January 2014, a new foundation, Stichting Woekerpolisproces, also requested the Court for leave to enter a defence against the request to have the settlement declared binding. The Court rejected this plea in a letter dated 25 February 2014. The Court did however give the petitioners a date within which they could respond to new points advanced by the lawyer of the aforementioned defendants and the seven customers. The petitioners' response was submitted to the Court on 10 March 2014.

In its letter of 25 February 2014, the Court indicated that the letter from Stichting Woekerpolisproces and the comments made by the seven customers would be taken into account in its consideration of the request.

The second interim ruling of the Court is currently awaited and is expected to be given on Tuesday, 13 May 2014. In a press release, the Court has, however, stated that its final ruling cannot be expected before the end of the year.

See for the relevant 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.

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 beyond that date for customers (who do not opt out or fail to opt out by the deadline for doing so) to bring duty-of-care claims before the court or to adduce duty-of-care claims 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:

The period in which customers may apply for inclusion in the Scheme has been extended up to the end of June 2014. This decision has been taken in anticipation of the Court's ruling declaring the Scheme based on the WCAM agreement binding.

A factsheet detailing progress with the rollout of the Scheme (position as at 22 April 2014) can be found in Annex 2 to this report. The presentation of this annex is the same as that used for the Factsheet (reflecting the position as at 27 January 2014) included as Annex 2 to the previous public report.

Reference is also made to the attached graph showing the average monthly amounts and numbers of processed claims for mis-selling and excessive lending over the period 2012–March 2014 (Annex 3).

Implementation of the Scheme is still progressing smoothly. As at 22 April 2014, out of the 10,000-plus claim files created in response to complaints from customers who had filed complaints with DSB Bank by 18 September 2011, the customers in almost 9,900 of these cases had received responses relating to Phase 1 (compensation for mis-selling). The customers in more than 8,100 cases have accepted the offer made. Of these 10,000-plus claim files, in more than 6,200 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.

Since 19 September 2011, customers who had not previously filed complaints against DSB Bank have been applying for inclusion in the Scheme. As at 22 April 2014, this had led to the preparation of more than 24,900 claim files. So far the customers in more than 24,400 cases have received notice of Phase 1 compensation. Out of these, the customers in almost 20,100 cases have accepted the offer made.

Customers also applying for Phase 2 compensation are being assessed on the basis of case subfiles (see legend to Annex 2). As at 22 April 2014, the customers in over 2,200 case subfiles had accepted the Phase 2 compensation offer.

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 22 April 2014 is as follows. They have resulted in 542 offers of compensation and the administrative processing has been completed in 250 of the cases concerned. Rejection letters have been sent out in 13 cases. Out of the 15 cases in which letters have not yet been received, five have been totally rejected. Of the remaining ten cases, it has since been found that the customers concerned no longer have a contract with DSB Bank. The current address or whereabouts of these customers is not known. As a consequence, compensation offers could not have been prepared or sent out.

Absolutely unnecessary payment protection insurance

In total, the customers in 1,275 cases have received assessments for their compensation claims relating to absolutely unnecessary payment protection insurance. In eight cases, this has led to an award. There are a further two cases in which the customers have received an ex gratia award on grounds of 'impossible cover'. The remaining claims were rejected. In over 5,900 cases, customers have either dropped their claims in writing or failed to submit their application assessment in time.

Case reviews, objections and appeals

In response to requests from customers for reassessment of the compensation offers 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 offers they have received. Since mid-2012, 720 customers have availed themselves of this opportunity. To date, a total of 67 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 committees have a total of 29 cases before them. The Disputes Committee has since delivered its verdict in eleven cases ruling that the grounds for appeal advanced by the customer were either inadmissible or unfounded (except for one case in which it was deemed that there were partial grounds for complaint). The Special Circumstances Committee has rejected the customers' appeals in four cases. These decisions can be found on www.dsbcompensatie.nl. In seven cases, no decision was arrived at because an amicable settlement was reached with the customers concerned prior to the ruling being given or the complaint was dropped. Seven appeals are currently being considered. The annual reports of the committees can be found on www.dsbcompensatie.nl.

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. 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 relating to those customers that had applied for inclusion in the Scheme as at 31 December 2013 is approximately €207 million, including the costs associated with the settlements with a duty-of-care aspect. An analysis of the total amount can be found on page 24 of the 2013 Financial Report. It should be noted specifically that these figures do not take account of customers from whom applications have been received since 1 January 2014.

As at 31 March 2014, the costs of claims related to duty of care, including provisions for claims not yet finalised amount of €215 million

Insurers

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

5.3. 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.

5.4. 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 off against the existing amount of that customer's indebtedness to DSB Bank.

5.5. Application for the Compensation Scheme and submission of other complaints

See www.dsbbank.nl and www.dsbcompensatie.nl.

6. Bank finances / collateral security held

6.1. Financial statements

Annex 1 to this public report contains a summary of (i) the income and expenditure of DSB Bank from the date of the insolvency up to the end of March 2014 and (ii) the income and expenditure of DSB Bank during the first quarter of 2014.

6.2. 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 €251

million as at 31 March 2014 and the current figure is €226 million.

6.3. Servicing

There is close liaison with Quion concerning the further optimisation of the agreed processes. Getting the provision of information onto a stable basis is also receiving a great deal of attention and DSB Bank is working closely with Quion and the Bank's other stakeholders in this connection. The dedicated desk at DSB Bank is monitoring the progress of the processes within Quion and providing guidance where necessary.

6.4. Outsourcing of ICT

The DSB Bank ICT department has been working hard recently to simplify and clean up the ICT environment and to ensure that all the data which is used is securely protected. All these activities form part of the 'ICT target architecture project'.

All the servers have now migrated to Windows 2012, all the databases have migrated to SQL 2012 and the applications no longer used by DSB Bank have been uninstalled and the associated databases secured. The next step is to transfer the management of the ICT environment to an external provider – SLTN in Almere. This will take place in three phases. The first part to be transferred is the network management. On 1 May 2014, the system management and the database management will be transferred and the application management and the support desk will be transferred with effect from 1 June 2014. For a number of specific applications, management will remain with DSB Bank.

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 advise 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 offer 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 seven lease contracts relating to company cars in use by DSB Bank staff. No new lease contracts are being entered into other than for very short periods. There are no longer any lease contracts relating to staff employed by other group companies.

6.7. Hedges

Agreement has now been reached regarding the submitted invoices for all the interest rate swap contracts predating the insolvency. In a number of cases, interest rate contracts have been reinstated with DSB Bank. These contracts are expected to produce significant gains for the insolvent entity in the years ahead. Where DSB Bank has an interest rate risk as a consequence, that risk has been largely hedged.

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 insolvency

The report on the 'inquiry into the causes of the insolvency 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. The Administrators are discussing possible follow-up actions with both the Creditors' Committee and the supervisory judge.

7.2. Liability of DNB

Proceedings against DNB were instituted by the Administrators and by three organisations representing DSB Bank customers on 5 November 2013. DNB presented its statement of defence on 16 April 2014. DNB rebuts all aspects of the claims filed against it. The Court in Amsterdam announced that it would be ordering the parties to appear in person. However, the parties had until 30 April 2014 to express a preference for exchanging further written statements of reply and rejoinder instead of this personal appearance.

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, lengthy meetings were held with the Committee on 18 December 2013 and 29 January 2014. 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

There have been a total of 227 cases of assignment relating to 226 unsecured claims (one claim have been the subject of two separate assignments), representing a face value of approximately €10.1 million.

8.3. Creditors and WCAM Scheme

At the request of the Court, the Administrators also wrote to the creditors of DSB Bank at the end of June 2013, 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 creditors also to have the opportunity, if desired, to file objections and/or to attend the court session on 15 October 2013. No creditors availed themselves of this opportunity.

8.4. Meetings of creditors pursuant to Section 178 of the Insolvency Act (FW)

Another meeting of creditors will take place at 10:00 on 15 May 2014. Notice of this meeting still has to be sent to creditors in writing.

8.5. Remaining claim validation proceedings against the Administrators

There are currently five claim validation proceedings awaiting a decision. In relation to these claim validation proceedings, the Administrators have the following comments:

Dereliction of the duty of care and/or unlawful action on the part of DSB Bank

Two customers are accusing DSB bank of dereliction of its duty of care. In addition, one of these creditors accuses DSB Bank of unlawful seizure. Both cases have been suspended pending the final ruling of the Amsterdam Court of Appeal on the WCAM mass claim settlement.

Claims by DNB

In the claim validation proceedings concerning DNB regarding the settlement of the DGS-related appeals, the final substantial obstacle has been removed. The case will be listed and struck off shortly.

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. In the case brought as a consequence of the contesting of the claims, the complaint seeking to have the claims of Mr and Mrs Scheringa upheld is due to be presented in court on 1 October 2014.

8.6. 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 on the websites www.dsbbank.nl and www.dsbcompensatie.nl.

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 on tel. 088 - 372 30 00 (local call rate).

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 64 DSB Bank employees and 50 freelance professionals (see Section 3.1).

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 1,910 hours in the period 1 January 2014 to 31 March 2014 on the liquidation of DSB Bank. The time spent by PwC on the insolvency of DSB Bank in the reporting period will be published in the next report.

9.5. Timetable for the settlement of the liquidation

In any event, the liquidation process will continue to require intensive activities during 2014. 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 liquidation. The Administrators will be focusing on:

- The management of the loan portfolio;
- The correct implementation of the Scheme;
- The WCAM mass claim settlement proceedings;
- Documenting and validating creditors' claims and making distributions.

9.7. Publication of the next report

The next periodical public report is expected to be published at the end of July 2014.

Wognum, 30 April 2014

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 insolvency up to the end of March 2014 and of the income and expenditure during the first quarter of 2014.

Annex 2: Factsheet on the Scheme as at 22 April 2014

Annex 3: Graph showing average amounts and numbers of mis-selling compensation and excessive lending claims.