

INSOLVENCY REPORT

Insolvency Report no. **20** by the Administrators of

DSB Bank N.V.

31 January 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

- As at year-end 2013, the total amount of DSB Bank's loans was €4.8 billion, of which €2.8 billion was on the bank's own books and €2 billion was in the form of securitised loans.
- At the end of December 2013, a sixth interim distribution, amounting to €157 million (4%), was made to the unsecured creditors. This brings the total distributions to unsecured creditors to €1.3 billion (35% of the total claims, amounting to €3.7 billion).
- In the period of more than four years since the declaration of insolvency on 19 October 2009, the Administrators have paid out €2.7 billion to the holders of securitised loans and in the form of interest and repayments on secured loans. (Cash flow statement, **Annex 1** to this public report).
- At 11:00 on 28 November 2013, chaired by the supervisory judge, a fifth meeting of creditors pursuant to Section 178 of the Insolvency Act was held, at which more than 3,000 late claims, totalling €27.5 million, were allowed.
- 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 is due to present its statement of defence on 16 April 2014.
- 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**). The hearing of the formal application before the Court took place on Tuesday, 15 October 2013. On 12 November 2013, the Amsterdam Court of Appeal gave an interim decision on the petition in which the Court raised several questions concerning the reasonableness of a part of the compensation scheme. The petitioners (the Administrators, the three Stakeholder Organisations and nine insurance companies) submitted their response to the questions to the Court on 23 December 2013 in the form of a more detailed explanation. See also www.dsbcompensatie.nl (the website jointly managed by the Administrators and the Stakeholder Organisations) and section 5.2 of this report.
- As at 27 January 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 of insurance and securities-backed lending products). The customers in more than 8,000 of these cases have accepted the offer made. A number of these customers have also applied for Phase 2 compensation (excessive lending) and there are also customers who are waiting for a combined offer of compensation under 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 27 January 2014, this had led to the preparation of 23,869 claim files. This figure continues to grow weekly. So far the customers

in more than 22,820 of these cases have received notice of Phase 1 compensation. Out of these, the customers in almost 18,600 cases have accepted the offer made.

- 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 is currently at the bid stage.
- 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 €311 million (position as at 31 December 2013: €351 million).

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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 October 2013 to 31 January 2014

Introductory remarks

This is the twentieth public insolvency report by the Administrators. It covers the period from 31 October 2013 to date (31 January 2014) and contains financial information relating to the period ending 31 December 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 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 twentieth 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.

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 8.4 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.

2.6. Rents

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. Up to the end of March 2014, DSB Bank will continue to lease premises in Emmeloord for the customer contact centre. See also the nineteenth public report.

Premises leased to third parties

The office situated at J.J. Duikerweg 15b in Heerhugowaard houses the insurance activities (Tadas, Waard Leven and Waard Schade) and a payment collection department of Quion. It is also the policy to let the remaining space in this building as far as possible. These 'company-owned' premises will not be sold as long as it remains unclear whether and to what extent they will be required in connection with the further settlement of the insolvency.

3. Staff

3.1. Employees

There are currently 66 people (approximately 51 FTEs) employed by DSB Bank, excluding the 23 Tadas staff. The insolvent entity also employs the services of 52 freelance professionals (approximately 40 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. Tadas, together with Waard Leven and Waard Schade, is involved in a process of disposal.

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).

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 subholding company lying 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 by the 2011 Financial Report. The 2012 Financial Report, published on 18 February 2013, also describes the situation relating to the loan portfolio.

As at the end of December 2013, DSB Bank had approximately 97,000 loans to customers outstanding, totalling approximately €4,721 million (multiple loans to the same borrower in some cases). Some of these loans have 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 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 of Appeal 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. The petitioners in expect the Court to continue the consideration of the case expeditiously and give its decision on the request.

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 for customers (who do not opt out or fail to opt out by the deadline for doing so) 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 27 January 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.

Implementation of the Scheme is progressing smoothly. As at 27 January 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 of insurance and securities-backed lending products). The customers in more than 8,000 cases have accepted the offer made. The administrative processing of these claims has been completed in almost all cases. 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 27 January 2013, this had led to the preparation of 23,869 claim files. So far the customers in more than 22,820 cases have received notice of Phase 1 compensation. Out of these, the customers in almost 18,600 cases have accepted the offer made. The administrative processing of these claims has been completed in almost all cases.

Customers also applying for Phase 2 compensation are being assessed on the basis of case subfiles (see legend to Annex 2). As at 27 January 2013, the customers in a total of 2,031 case subfiles had accepted the Phase 2 compensation offer. Administrative processing has also been completed in almost all 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 27 January 2014 is as follows. They have resulted in 544 offers of compensation and the administrative processing has been completed in 247 of the cases concerned. Rejection letters have been sent out in 13 cases. Out of the 13 cases in which letters have not yet been received, five have been totally rejected. Of the remaining eight 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 have not been prepared or sent out.

Absolutely unnecessary payment protection insurance

In total, the customers in 1,264 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 5,900 cases, customers have either dropped their claims in writing or failed to submit their application for PPI compensation 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, 615 customers have availed themselves of this opportunity. To date, a total of 55 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 nine 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 two cases. These decisions can be found on www.dsbbank.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. Nine 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 relating to those customers that had applied for inclusion in the Scheme as at 31 December 2013 will be disclosed in the 2013 Financial Report, which has yet to be published.

Insurers

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

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.

5.3. 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.

5.4. 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 December 2013 and (ii) the income and expenditure of DSB Bank during the fourth quarter of 2013.

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 €351 million as at 31 December 2013 and the current figure is €311 million.

6.3. Servicing

The servicing of the loan portfolio is being performed by Quion under the terms of the Service Licence Agreement. The DSB Bank dedicated helpdesk is also functioning satisfactorily. Whereas the emphasis was initially on getting the various processes under control, it has now shifted to the further optimisation of the provision of information. This is being done in liaison with DSB Bank and the other stakeholders and, within the foreseeable future, should be providing clear information on such things as arrears and payments received on a stable basis.

6.4. 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.

6.5. Lease contracts

DSB Bank is still party to nine 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.

6.6. 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 on its books as a consequence, that risk has been largely hedged.

6.7. 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

On 25 October 2013, the Administrators made the following announcement concerning the liability of DNB:

"The Administrators of DSB Bank and Vereniging DSBspaarder.nl, Vereniging DSBdepositos.nl and Stichting Belangen Rechtsbijstandverzekeren DSB, three organisations representing customers with claims against DSB, are holding the Nederlandsche Bank (DNB) liable. On the basis of the inquiry by the Scheltema Committee and the inquiry conducted by the Administrators into the causes of the collapse of DSB Bank, the Administrators and said organisations conclude that DNB is liable for the losses suffered by the creditors as a consequence of the bank failure. In July 2013, the Administrators and the organisations sent DNB a draft summons, inviting the central bank to the negotiating table, but DNB refuses to discuss an amicable settlement. The Administrators and the organisations will therefore be taking DNB to court. It is alleged that liability stems from the wrongful granting of a banking licence in 2005, supervisory failures on the part of DNB and DNB's action in applying a haircut to the ECB loan, which made a soft landing for the bank impossible and DSB Bank's collapse into insolvency inevitable."

DNB was formally summoned on 5 November 2013. DNB is due to present its statement of defence on 16 April 2014.

8. **Creditors / payables**

8.1. Creditors' Committee

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 222 cases of assignment relating to 220 unsecured claims (two claims have been the subject of two separate assignments), representing a face value of approximately €9.2 million. This amount is slightly less than the figure mentioned in the previous report because of the 'second assignments' referred to above.

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

Another meeting of creditors was held on 28 November 2013, at which more than 3,000 claims, totalling €27.5 million, were allowed. The Administrators plan to continue organising such 'sweep-up meetings' in the future.

8.4. Remaining claim validation proceedings against the Administrators

At the creditors' meeting on 28 November 2013, two claims were contested. 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

The two 'new' contested claims are from customers accusing DSB Bank of dereliction of the duty of care (but cannot be resolved within the framework provided by the Compensation Scheme). In addition, one creditor accuses DSB Bank of unlawful seizure. The claim in question was already pending prior to the insolvency. The proceedings will be continued from the position reached at the time of the declaration of insolvency. The other claim was put on the case list for 8 January 2014. On that occasion, the creditor put the case for having the claim allowed directly before the court, so that the Administrators now find themselves on the case list for 19 February 2014, when they will present their statement of defence.

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 still negotiating with DNB on the conclusion of the case and the terms and conditions of such settlement. The amount of this contested claim, as submitted, was approximately €3.3 million but the amount still in fact currently in question is only about €40,000.

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.

Subordinated deposit holders

Letters have been sent by the Administrators to all holders of a subordinated deposit, offering each of them a settlement under the terms which the Administrators agreed with Vereniging DSB Deposito's. Only two creditors have refused the offer. A very small group of creditors could not be found or have not responded. Contrary to that which was stated in the previous report, the Administrators have decided to allow the claims of this group as if they had accepted the decision. This settlement gave all the creditors concerned a more favourable position in the insolvency. For some holders of a subordinated deposit, the settlement means that the entire amount of their claim remained subordinated. The claims of these creditors and of those who were unwilling to accept the settlement on offer were put forward for validation as subordinated claims by the Administrators at the creditors' meeting of 28 November 2013. None of the holders of a subordinated deposit objected, which brings the whole matter of the subordinated deposits to a close.

8.5. Suppliers and WCAM Scheme

At the request of the Amsterdam Court of Appeal, the Administrators also wrote to the suppliers 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 suppliers 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.

8.6. 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 66 DSB Bank employees and 52 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 2,290 hours in the period 1 October 2013 to 31 December 2013 on the liquidation of DSB Bank. During the same period, PwC spent about 840 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 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. After completing the investigation into the causes of the insolvency, 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

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

Wognum, 31 January 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 December 2013 and of the income and expenditure during the fourth quarter of 2013.
- Annex 2: Factsheet on the Scheme as at 27 January 2014