

# INSOLVENCY REPORT

Insolvency Report no. 23 by the Administrators of

**DSB Bank N.V.**

**31 October 2014**

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*The public insolvency reports of DSB Bank N.V. (**DSB Bank**) are published online on the website [www.dsbbank.nl](http://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.*

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## **MAIN POINTS OF THIS REPORT**

- On 19 October 2014, it was five years since the collapse of DSB Bank. The first five years of the insolvency can be summarised in the following rounded key figures:

<b>Number/amount/percentage</b>	<b>October 2009</b>	<b>October 2014</b>
Number of creditors	250,000	17,000
Paid out to unsecured creditors	n/a	€1,465,000,000
Percentage of claims paid	n/a	39%
Number of loans in portfolio	150,000	90,000
Number of claims for duty-of-care failures	n/a	30,000
Compensation awarded	n/a	€219,000,000
Number of staff	1,800	100

- In a press release issued on 25 September 2014, the Amsterdam Court of Appeal (the '**Court**') announced that the final decision would be given on the application made by the Administrators, three stakeholder organisations ('**Stakeholder Organisations**') and nine insurance companies ('**Insurers**') under the Collective Mass Claims Settlement Act ('**WCAM**') on **Tuesday, 4 November 2014**. The request is to have the compensation scheme ('**Scheme**') agreed by the Administrators, the Stakeholder Organisations and the Insurers ('**Applicants**') as part of the Heads of Agreement ('**AoH**') in September 2011 declared binding. For all material developments and documentation relating to this application, see [www.dsbcompensatie.nl](http://www.dsbcompensatie.nl) (the joint website of the Administrators and the Stakeholder Organisations) and section 5.2 of this report.
- On 8 July 2014, the Applicants submitted a Further Explanation to the Court, including an amended WCAM agreement in which the Applicants added amendments of a conditional nature in the sense that the Applicants would not be bound by them if the Court failed to declare the amended WCAM agreement binding. The Applicants are of the opinion that any amendments made should also be applied to the benefit of customers who have already accepted a compensation offer under the AoH. If the Court agrees with the amended WCAM agreement, it will mean that it will cost DSB Bank a total of approximately €20 million extra in payments to customers whose compensation has already been processed. In other words, this excludes the additional costs for the new claims received during the opt-in period under the WCAM.
- Customers can claim compensation under the Scheme. Large numbers of customers are availing themselves of the Scheme.
  - In the period up to 27 October 2014, 36,335 claims (average of almost 2 customers per claim) had been submitted, of which:
    - 31,351 have led to offers of compensation for PPI mis-selling. Of these, 29,200 have been accepted by the customers;
    - 2,502 have led to offers of compensation for excessive lending. Of these, 2,380 have been accepted by the customers;
  - The PPI mis-selling compensation amounts to an average of €4,896 and the excessive lending compensation averages €8,630 per case;

- The costs relating to duty of care, including a reserve for applications still to be settled, as at 30 September 2014 amounted to €219 million (excluding the additional €20 million approximately if the amended WCAM agreement is declared binding);
  - To date in 2014, DSB Bank has been receiving an average of 60 new applications a week. It will in any case continue to be possible to submit applications up to 31 December 2014 (or earlier if the WCAM agreement is declared binding) – see for details section 5.2 of this report.
- 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**), the District Court in Amsterdam gave an interim judgement on 25 June 2014. This interim judgement (Annex 4 to the Report published on 31 July 2014) ruled among other things that the case would be heard by the bench of the District Court on Tuesday, 16 December 2014, at 9:30 (with possible continuation on Friday, 19 December 2014, at 9:30). The purpose of the court session will be to gather information and to explore an amicable arrangement.
  - A seventh meeting of creditors as provided for by Section 178 of the Insolvency Act, presided over by the supervisory judge, will be held on Thursday, 13 November 2014, commencing at 10:00. The purpose of this meeting will be to allow late claims (almost exclusively connected with the award of compensation under the compensation scheme).
  - The Administrators will shortly be seeking the recommendations of the committee of creditors (**'Creditors' Committee'**) concerning the amount of the eighth interim distribution, to be made in December 2014. The supervisory judge will then be requested to order the payment to be made. The plan is for the creditors to be advised in writing around Monday, 8 December 2014, concerning the filing of the distribution lists with the clerk to the court.
  - As at 30 September 2014, the total amount of DSB Bank's loans was €4.4 billion, of which €2.6 billion was on the bank's own books and €1.8 billion was in the form of securitised loans.
  - 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 at a concluding stage, with one potential buyer already having completed a due diligence investigation. Partly in view of the subsequent process involving DNB (approval and declarations of no objection), delivery of the shares and receipt of payment will take place at the end of the year at the earliest.
  - 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 €130 million (position as at 30 September 2014 was €157 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 <sup>st</sup> distribution	June 2011	15%	100%
2 <sup>nd</sup> distribution	December 2011	4%	-
3 <sup>rd</sup> distribution	June 2012	4%	-
4 <sup>th</sup> distribution	December 2012	4%	-
5 <sup>th</sup> distribution	June 2013	4%	-
6 <sup>th</sup> distribution	December 2013	4%	-
7 <sup>th</sup> distribution	June 2014	4%	-
	<b>Total</b>	<b>39%</b>	-

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 creditors will be.

Details of company	<b>DSB Bank N.V.</b>
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	: 30 July 2014 to 31 October 2014

### **Introductory remarks**

This is the twenty-third public insolvency report by the Administrators. It covers the period from 30 July 2014 to 31 October 2014 and contains financial information relating to the period ending 30 September 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](http://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-third 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.

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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](http://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 three 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 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*

On 13 December 2014, DSB Bank will be moving from the existing premises in Wognum, leased from the Medemblik municipal authority, to new premises in Wognum leased from the Scholtens property group. A detailed timetable has been drawn up for the move. See also the nineteenth public report.

*Premises leased to third parties*

See the twelfth public report.

### **3. Staff**

#### **3.1. Employees**

There are currently 57 people (42.46 FTEs) employed by DSB Bank, excluding the 23 Tadas staff. DSB Bank also employs the services of 44 freelance professionals (approximately 30 FTEs).

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

#### **3.2. Provisional continuation of activities**

DSB Bank staff have recently been mainly involved in implementing the Scheme, in managing the loan portfolio, in specific activities connected with the winding-up operation and in 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**

With the declining number of employees, the activities of the formal Works Council will shortly be continued by an employee representation committee. 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 and on DSB Beheer**

In Section 4.6 of the 11<sup>th</sup> public report and in Section 4.5 of the 14<sup>th</sup> public report, mention was made of a contested claim on the part of DSB Bank against DSB Ficoholding amounting to €11.3 million in respect of interim dividend paid to DSB Beheer in 2009 to which the latter was not entitled. DSB Ficoholding in turn filed a similar claim in the liquidation of DSB Beheer, which was contested by the administrators of DSB Beheer. A settlement has now been reached in this case, further to which the District Court in Amsterdam gave a ruling on 4 June 2014 as part of the claim validation proceedings under which an amount of €7.9 million of the DSB Ficoholding claim was allowed in the insolvency of DSB Beheer. A settlement to this effect was arrived at between DSB Bank and DSB Ficoholding. DSB Bank has since received 8.5% of the receivable of €7.9 million, i.e. €671,500, from DSB Ficoholding.

#### **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 is at an advanced stage: one of the potential buyers has already signed a term sheet and is currently engaged in a due diligence examination. Partly in view of the subsequent process involving DNB (approval and declarations of no objection), delivery of the shares and receipt of payment will take place at the end of the year at the earliest.

### *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 September 2014, DSB Bank had approximately 90,000 loans to customers outstanding, totalling approximately €4,4 billion (multiple loans to the same borrower in some cases). A proportion of these loans, amounting to over €1.8 billion, has been securitised.

#### 5.2. The WCAM and the Scheme

##### *Processing of the WCAM application*

In a formal application made on 27 May 2013, the Applicants requested the Court of Appeal to declare the Scheme based on the WCAM agreement to be binding under the Mass Claims Settlement Act (WCAM). A progress report can be found in the previous public report.

On 8 July 2014, the Applicants submitted a Further Explanation to the Court, including an amended WCAM agreement in which the Applicants had added amendments of a conditional nature in the sense that the Applicants would not be bound by them if the Court failed to declare the amended WCAM agreement binding. The Applicants are of the opinion that any amendments made should also be applied to the benefit of customers who have already accepted a compensation offer under the Heads of Agreement. If the Court agrees with the amended WCAM agreement, it will mean that it will cost DSB Bank a total of approximately €20 million extra in payments to customers whose compensation has already been processed. In other words, this excludes the additional costs for the new claims received during the opt-in period under the WCAM.

In a press release issued on 25 September 2014, the Court announced that its final ruling would be given on Tuesday, 4 November 2014.

See for the relevant court documents and other information relating to the WCAM mass settlement Scheme [www.dsbcompensatie.nl](http://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 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 December 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 27 October 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 28 July 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 - September 2014 (**Annex 3**).

Implementation of the Scheme is still progressing smoothly. As at 27 October 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 8,200 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 27 October 2014, this had led to the preparation of more than 26,282 claim files. So far the customers in more than 25,900 cases have received notice of Phase 1 compensation. Out of these, the customers in over 21,600 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 27 October 2014, the customers in over 2,380 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. Almost all the claim files relating to this group of customers have now been processed.

### *Absolutely unnecessary payment protection insurance*

In total, the customers in 1,284 cases have received assessments for their compensation claims relating to absolutely unnecessary payment protection insurance. In nine cases, this has led to an award. There are a further three 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, 797 customers have availed themselves of this opportunity. To date, a total of 78 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 45 cases before them. The Disputes Committee has now ruled in 15 cases, declaring 13 of the appeals either wholly or partially inadmissible or unfounded and 2 appeals wholly or partially justified. The Special Circumstances Committee has ruled in six cases, rejecting the customers' appeals in each case. These decisions can be found on [www.dsbcompensatie.nl](http://www.dsbcompensatie.nl). In fourteen 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](http://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 30 September 2014 is approximately €219 million, including the costs associated with the settlements with a duty-of-care aspect but excluding approximately €20 million if the amended WCAM agreement is declared binding.

It should be noted specifically that these figures do not take account of customers from whom applications have been received since 01 October 2014.

### *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-a-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](http://www.dsbbank.nl) and [www.dsbcompensatie.nl](http://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 June 2014 and (ii) the income and expenditure of DSB Bank during the third 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 €157 million as at 30 September 2014 and the current figure is €130 million.

#### 6.3. Servicing

Following intensive negotiations, agreement has now been reached with Quion on the transfer of consumer credit accounts with arrears of more than 12 monthly instalments to a different servicing organisation. The precise details of the migration of the relevant accounts from Quion to the new servicing organisation are currently being worked out. Quion will continue to focus on the optimisation of the 'special servicing' of accounts with arrears of less than 12 monthly instalments.

#### 6.4. Outsourcing of ICT

See the 22nd public report. There is close liaison with SLTN aimed at maintaining the desired service level. A service provider selection procedure has also been undertaken to identify a suitable supplier for the next stage in the outsourcing of ICT, which, in addition to the already outsourced management of the environment, will involve outsourcing the ownership and the

hosting of the ICT environment as well. This will mean that DSB Bank will be outsourcing the entire ICT activities on a service basis. The aim is to finalise these outsourcing decisions in the next few months.

#### 6.5. Securitisation programmes

The key figures relating to the underlying loan portfolios connected with the individual securitisation programmes are supplied to the SPVs. 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 currently still party to 6 lease contracts relating to company cars for DSB Bank staff. No new lease contracts will be entered into except for very limited 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](http://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](http://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

A court case was brought against DNB on 5 November 2013 by the Administrators together with three organisations representing DSB Bank customers, Vereniging DSB-spaarder.nl, Vereniging DSBdepositos.nl and Stichting Belangen Rechtsbijstand-verzekerden DSB. DNB presented its statement of defence on 16 April 2014. DNB rebuts all aspects of the claims filed against it. On 25 June 2014, of the District Court in Amsterdam gave an interim judgement. This interim judgement (**Annex 4** to the twenty-second public report) rules among other things that the case will be heard by the bench of the District Court on **Tuesday, 16 December 2014, at 9:30** (with possible continuation on Friday, 19 December 2014, at 9:30). The purpose of this session will be to provide information and to explore an amicable settlement.

### 8. **Creditors / payables**

#### 8.1. Creditors' Committee

In the recent reporting period, the Creditors' Committee was made up of Chapel 2003-I B.V., ING Bank N.V. and Ms T. de Graaf. A meeting with the Committee was held on 4 September 2014 during the reporting period. 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 244 cases of assignment relating to 243 unsecured claims (one claim has been the subject of two separate assignments), representing a face value of approximately €10.2 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)

There will be a further meeting of creditors on Thursday, 13 November 2014, commencing at 10:00. Notice of this meeting will 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 accuse DSB Bank of failure in 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 had already been struck off *ex officio* by the Court. DNB has stated that it will no longer be pursuing the case so the claim can be considered to have been dropped. It had been provisionally admitted and the related interim distributions had been set aside. These provisions have now been released.

##### *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 01 April 2015.

#### 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](http://www.dsbbank.nl) and [www.dsbcompensatie.nl](http://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](mailto: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 57 DSB Bank employees and 44 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 2,097 hours in the period 01 July 2014 to 30 September 2014 on the liquidation of DSB Bank. The hours spent by PwC on the insolvency of DSB Bank in the reporting period will be added to this report at a later date.

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 January 2015.

Wognum, 31 October 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 30 September 2014 and of the income and expenditure during the third quarter of 2014.
- Annex 2: Factsheet on the Scheme as at 27 October 2014
- Annex 3: Graph showing average amounts and numbers of mis-selling compensation and excessive lending claims.