

INSOLVENCY REPORT

Insolvency Report No. 28 by the Bankruptcy Trustees of

DSB Bank N.V.

30 October 2015

*The public insolvency reports of DSB Bank N.V. (**DSB Bank**) are published online on the website www.dsbbank.nl. The trustees in the bankruptcy of DSB Bank (**Bankruptcy Trustees**) 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 30 September 2015, the total amount of DSB Bank's lending was approximately €4 billion, of which almost €1.6 billion was in the form of securitised loans.
- The special long-term loan facility stood at €1,070 million as at 30 September 2015 (position as at 30 June 2015: €1,135 million). This special long-term loan is to be repaid out of cash flow over the years 2015–2020. Only after that will it be possible for DSB Bank to resume distributions to unsecured creditors.
- Claims by DSB Bank creditors for payment of interest relating to the period since the date of insolvency do not qualify for inclusion in the claim validation proceedings (see Section 128 of the Insolvency Act) and may also expire after five years, since an extension *ipso jure* of the period of limitation (see Section 36 of the Insolvency Act) does not apply to these interest claims. A large number of creditors – including De Nederlandsche Bank N.V. (**DNB**) in relation to its claim in connection with the Deposit Guarantee Scheme – applied in September 2015 to interrupt the limitation period of the interest claims against the company DSB Bank. The five stakeholder organisations involved with DSB Bank have also applied for interruption (on a collective basis) on behalf of all existing and former customers covered by the object for which they were established. This means that existing and former customers with interest claims relating to credit balances or in connection with dereliction of the duty of care no longer need to apply individually for interruption of the period of limitation. The Bankruptcy Trustees have already written to the trade creditors advising them of this possibility of interrupting the limitation period.
- In September 2011, along with three stakeholder organisations representing the interests of existing and former customers of DSB Bank with complaints concerning duty of care (the **Stakeholder Organisations**), and other parties, the Bankruptcy Trustees reached Heads of Agreement (**AoH**) covering among other things a mass

compensation scheme (the **Scheme**). The Amsterdam Court of Appeal (the **Court**) subsequently declared the Scheme binding under the Mass Claims Settlement Act (**WCAM**) on 4 November 2014. See also www.dsbcompensatie.nl, the joint website of the Bankruptcy Trustees and the Stakeholder Organisations.

- As a consequence, under the Scheme, existing and former customers of DSB Bank had until 8 May 2015 to indicate that they did not wish to be bound by the Scheme (**opt out**) and 300 claimants have opted out, of whom 297 qualify as existing or former customers of DSB Bank. Additionally, existing and former DSB Bank customers have until 8 November 2015 to apply for compensation under the Scheme (**opt in**).
- Between the date on which the Scheme was declared binding and 24 October 2015, the Bankruptcy Trustees received almost 40,000 applications and applications are still coming in at a rate of over 200 a week on average. On Saturday evening, 24 October 2015, the television programme KASSA covered at some length the fact that the application deadline was fast approaching. After the programme, there was an increase in the numbers of visits to the website (almost 6,000 individual visitors) and in applications for the Scheme. Since the broadcast, almost 2,000 new existing and former customers have applied for the Scheme.
- Implementation of the Scheme is still progressing smoothly. Almost 22,400 claims from existing and former customers have now been settled with payment of compensation for insurance mis-selling and in excess of 750 claims for excessive lending have been approved.
- The process of settling the applications for compensation under the AoH that were still being processed on 4 November 2014 and the extra compensation payable to existing and former customers who had already accepted the terms of the AoH but subsequently qualified for the improvements in compensation awarded by the Court has almost been completed.

Prospects for creditors:

To date, the Bankruptcy Trustees 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%	-
7 th distribution	June 2014	4%	-
8 th distribution	December 2014	35%	-
	Total	74%	-

In the context of the eighth distribution of 35% in December 2014, it should be borne in mind that the special long-term loan raised for the purpose has to be repaid out of cash flow over a period of approximately five years. Accordingly, it is not expected to be possible to distribute any further percentages to the creditors before 2020.

The Bankruptcy Trustees do, however, believe it will be possible in due course, based on current projections, to pay in full the amounts owed to both unsecured creditors and subordinated creditors, provided the existing policy as regards winding up the loan portfolio (run-off scenario) continues to be pursued for at least five years.

If, in the longer term, all the creditors have been paid in full, it should be possible to use any remaining balance to make payments in respect of the accrued interest owed to the creditors. This generally concerns the interest calculated on the amounts owed to the creditors since the date of insolvency. Existing and former customers with a claim on DSB Bank under the Scheme will not be able to claim payment of interest until a later date. Concerning the possible expiry of the interest payment claims, see the first page of this report.

Details of company : **DSB Bank N.V.**

Insolvency case number : F13 / 09 / 798

Decision date : Emergency ruling : 12 October 2009
Insolvency : 19 October 2009

Bankruptcy Trustees : R.J. Schimmelpenninck and B.F.M. Knüppe

Supervisory judge : M.J.E. Geradts (District Court for Noord-Holland,
Amsterdam branch)

Reporting period : 31 July 2015 to 30 October 2015

Introductory remarks

This is the twenty-eighth public insolvency report by the Bankruptcy Trustees. The report covers the period from 31 July 2015 to 30 October 2015 and contains financial information on the period up to 30 September 2015. This report should be read in conjunction with the previously published public reports. All the reports, together with the Financial Reports for the years 2009-2014 can be found on the website www.dsbbank.nl.

The insolvency of DSB Bank is legally complex. In this report, the Bankruptcy Trustees give a simplified account of the current state of affairs in accordance with the generally accepted standards for insolvency reporting in the Netherlands. The Bankruptcy Trustees 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.

This (unofficial) English translation of this twenty-eighth report will again be published on the above website. Reliance can only be placed on the Dutch text.

In conducting their activities, the Bankruptcy Trustees 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.

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0. General information for creditors of DSB Bank

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

1. Introduction

Principal activities in the recent reporting period

For the principal activities of the Bankruptcy Trustees 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 corporate 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

The appeal of the interim ruling given by the District Court in The Hague on 11 January 2012 (described in the previous public report under §2.3) has been struck off the case list for 7 October 2015 as a result of the settlement which has been reached.

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 opt-out period (deadline now passed). In a number of these cases, a valid opt-out was submitted before the end of the opt-out period. The desirability of pursuing these cases is being examined. With regard to those cases in which DSB Bank appears as defendant and no opt-out has been submitted, the claimants are now bound by the settlement under the Scheme. In these cases, too, the desirability of pursuing them is being examined.

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

2.4. Individual cases brought before the courts since the insolvency

There are no more cases pending in which the Bankruptcy Trustees 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 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

Since 15 December 2014, DSB Bank has been renting the second floor of the premises on Geert Scholtenslaan, Wognum, from the firm of Scholtens. DSB Bank decided to relinquish part of the rented space with effect from 1 August 2015. The size of the DSB Bank staff will diminish to such an extent in the period ahead that part of the rented space is no longer needed.

Premises leased to third parties

Four offices have been leased to third parties in the office building at Johan Duikerweg 15 in Heerhugowaard. The Tadas Verzekeringen lease terminates on 31 December 2015. Tadas has already vacated the premises.

The office building has been actively marketed for sale through estate agents Jaspers & Van Diepen in Wognum since June 2015. The current plan for selling the building includes offering vacant office space for rent.

3. Staff

3.1. Employees

There are currently 32 people (26.3 FTEs) employed by DSB Bank. The bankrupt estate also employs the services of 28 freelance professionals (representing an average of 17 FTEs) for, among other things, implementing the Scheme.

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

3.2. 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 Bankruptcy

Trustees' policy to notify the staff at the earliest possible stage concerning the expectations regarding the rundown of the activities concerned.

3.3. Works Council

In view of the reduction in the number of staff, the Works Council as such has been dissolved and continues in existence as an informal body representing the staff. This staff representative body will be kept regularly informed and/or involved by the Bankruptcy Trustees regarding important matters.

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 Bankruptcy Trustees 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 and two other service organisations for a specific part of the loan portfolio.

4.3. Registered property

See the previous public reports. It has since been decided to place the real estate in Heerhugowaard, which is the unencumbered property of DSB Bank, with an agent with a view to actively marketing it for sale. See also Section 2.6 of this public report.

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

The sale of the shares of Waard Leven and Waard Schade, which were assets of Fico but which were pledged to DSB Bank as security for DSB Bank's receivables from DSB Beheer, meant that the Bankruptcy Trustees were able to reach agreement with the bankruptcy trustees of DSB Beheer concerning the amount of DSB Bank's additional receivable from DSB Beheer, at a figure of approximately €10.1 million. The initial distribution of 8.5% made by the Bankruptcy Trustees of DSB Beheer in respect of the said amount of €10.1 million has been set against the present value of several outstanding receivables of DSB Beheer from DSB Bank in connection with assignment on the part of various group companies. As a consequence, approximately €564,000 was received by DSB Bank.

There was no change in the reporting period in the amount of DSB Bank's receivable from its shareholder Fico, originally amounting to €11.3 million. Since then, Fico has already paid DSB Bank €671,000. The liquidation of the shares of Waard Leven and Waard Schade, being assets of Fico (but pledged to DSB Bank) gives Fico a right to recover in excess of €39.8 million from DSB Beheer. The initial distribution of 8.5% out of the insolvency of DSB Beheer in respect of the recoverable amount, i.e. an amount of approximately €3.4 million, was paid to Fico in September 2015. Fico then immediately paid this amount to its sole creditor, DSB Bank.

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 Bankruptcy Trustees make reference to Annex 2 to the first public report. The Bankruptcy Trustees have the following specific remarks concerning the individual subsidiaries, associates and joint ventures of DSB Bank.

DSB International B.V.

This company is the subholding company between DSB Bank and the entity now in charge of the Belgian loan portfolio. The shares of this entity were recently sold to a Belgian company. There were no material proceeds from the disposal.

Additionally, DSB International holds (either directly or indirectly) the entire share capital of two German companies. As soon as the liquidation of these two companies, which is currently in progress, has been completed, DSB International will itself be wound up.

4.7. Domain names

The Bankruptcy Trustees 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 2014 Financial Report.

As at the end of September 2015, DSB Bank had approximately 77,000 loans to customers outstanding, totalling approximately €4 billion (multiple loans to the same borrower in some cases). A proportion of these loans, amounting to over €1.6 billion, has been securitised.

5.2. The WCAM and the Scheme

WCAM decision and opt-in

Between the date on which the Scheme was declared binding and 24 October 2015, the Bankruptcy Trustees received more than 40,000 applications. The website www.dsbcompensatie.nl was accessed more than 136,000 times over that period.

For details of the progress with the processing of these new applications in the period up to 24 October, see the appended factsheet (**Annex 2**), from which it can be seen, amongst other things, that almost 22,400 claims from existing and former customers have now been settled with payment of compensation for insurance mis-selling. Almost 750 compensation claims for excessive lending have now also been honoured.

Existing and former customers of DSB Bank still have until 8 November 2015 to apply for compensation under the Scheme. Between the date on which the Scheme was declared binding and 24 October 2015, the Bankruptcy Trustees received almost 40,000 applications and applications are still coming in at a rate of over 200 a week on average. In order to make it clear to existing and former customers that the opt-in period clock is ticking, a countdown timer has been incorporated on the homepage of www.dsbcompensatie.nl showing exactly how many months, days and hours remain for DSB Bank's existing and former customers to apply for the Scheme.

Opt-outs

By the end of the opt-out period, 300 individuals had submitted formal opt-outs, of whom 297 qualify as existing or former customers of DSB Bank. However, the impression is that many of them do not plan to take DSB Bank to court but simply wish to close their files.

Settlement of compensation claims under the AoH

The opportunity for customers to claim compensation under the AoH ended when the Scheme was declared binding on 4 November 2014. The processing of the outstanding files relating to the claims submitted prior to 4 November 2014 has almost been completed. This also applies to the award of extra compensation to existing and former customers who had previously accepted the terms of the AoH but subsequently qualified for the improvements in compensation awarded by the Court in the WCAM decision.

Absolutely unnecessary payment protection insurance

In practice, it has been found that hardly any existing or former customers of DSB Bank qualify for this part of the Scheme.

Case reviews, objections and appeals

In response to requests from existing and former 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 Bankruptcy Trustees regarding the offer they have received. Customers also have the option of appeal to the Disputes Committee or Exceptional Circumstances Committee. The Disputes Committee is currently considering one appeal and there are no appeals currently before the Special Circumstances Committee. The decisions of the two committees can be found on www.dsbcompensatie.nl. The annual report for 2014 produced by the Committees has also been published on this website.

Costs of the Scheme

In the 29th public report due to be published on 29 January 2016, the Bankruptcy Trustees plan to include a comprehensive financial statement showing all compensation amounts awarded. Details will also be disclosed of the amount of the operating expenses associated with implementing the Scheme over the years. For the amounts paid out in compensation up to year-end 2014 – including the provision for new applications received from 1 January 2015 onwards – see also page 30 of the 2014 Financial Report.

For the interim positions, reference is 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 2015 (**Annex 3**).

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 relatively small proportion of the complaints concerns 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 Bankruptcy Trustees 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 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 June 2015 and (ii) the income and expenditure of DSB Bank during the third quarter of 2015.

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.

DSB bank has contracted a special long-term loan facility with ING Bank N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and ABN AMRO Bank N.V. As at 30 September 2015, DSB Bank can borrow up to a maximum of €1.3 billion; existing borrowing under the facility, as at 30 September 2015, stands at €1,070 million (position as at 30 September 2015: €1,135 million).

6.3. Servicing

See Section 6.3 of the 26th and 27th public reports. The next transfer of the loan portfolio of consumer credit that is more than 12 months in arrears is scheduled for November 2015. There was no transfer of accounts with arrears of more than 12 months in either September or October 2015.

There continues to be intensive contact regarding the servicing of the loan portfolio by Quion.

6.4. Outsourcing of ICT

Recent months saw preparations for the controlled migration of the existing data centre in Wognum to the new SLTN data centre in Waalwijk. The actual migration was successfully accomplished in the weekend of 10 and 11 October 2015, marking the successful completion of the ICT 2.0 project and placing the ICT environment entirely under the management of SLTN in Hilversum.

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

In January 2012, the Bankruptcy Trustees 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 still has four vehicles on operating leases.

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 bankrupt estate 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 Bankruptcy Trustees 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 Bankruptcy Trustees 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 Bankruptcy Trustees together with three organisations representing DSB Bank customers, viz. Vereniging DSB- spaarder.nl, Vereniging DSBdepositos.nl and Stichting Belangen Rechtsbijstand- verzekeren DSB. Amongst other things, a judgement of the court was sought to the effect that DNB had acted unlawfully vis-à-vis DSB Bank and/or its creditors.

7.3. On 29 April 2015, the Amsterdam District Court delivered its verdict in the above case. The Court's decision was published on www.rechtspraak.nl and in JOR 2015/206 (comment by E.J. van Praag). The court rejected all claims against DNB. The Bankruptcy Trustees have safeguarded the appeal period by commencing appeal proceedings against the District Court's decision in conjunction with the stakeholder organisations concerned. The appeal will be heard in 2016.

8. Creditors / payables

8.1. Creditors' Committee (the Committee)

In the recent reporting period, the Committee was made up of Chapel 2003-I B.V., ING Bank N.V. and Mrs T. de Graaf. A meeting with the Committee was held on 23 September 2015 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 Bankruptcy Trustees to the Committee as and when required by law. The Committee has appointed lawyers to look into the legal aspects on behalf of the Committee. The Bankruptcy Trustees are also in regular contact with this legal team.

8.2. Assignment of allowed claims

There have been a total of 329 cases of assignment relating to 328 unsecured claims (one claim has been the subject of two separate assignments), representing a face value of approximately €12.1 million. The figure is slightly lower compared with the previous reporting period because of the cancellation of claims assigned to DSB Beheer.

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

There will be no further meetings pursuant to Section 178 of the Insolvency Act (FW) in the short term. By far the majority of the 'new' creditors have claims under the Scheme, which, pursuant to Section 110, subsection 3, and Section 179 of the Insolvency Act do not have to be formally validated. Additionally, all new creditors will be paid an interest-free advance equal to the amount of the distributions they have missed so that they do not have to wait for their money unnecessarily.

8.4. Remaining claim validation proceedings against the Bankruptcy Trustees

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

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

One customer accuses DSB Bank of failure in its duty of care and also of unlawful seizure. The merits of the case are being examined.

Pensions

The pension claims made by Mr and Mrs Scheringa, amounting to €8.8 million and €1 million, respectively, were contested at the meeting of creditors on 29 November 2012. The cases have been struck off *ex officio* by the competent judge but can be reinstated at any time for further proceedings.

8.5. Liabilities of the bankrupt estate

In view of the position of the bankrupt estate, the Bankruptcy Trustees continue to pay amounts agreed by them as being owed by the bankrupt estate 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 Bankruptcy Trustees 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 Bankruptcy Trustees or actions which they should take. The Bankruptcy Trustees 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) may 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 010-242 22 00. Customers with personal loans that are more than 12 months in arrears should get in touch with the organisation to which the Bankruptcy Trustees have entrusted the management of the receivables concerned.

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 32 DSB Bank employees and 28 freelance professionals (see Section 3.1).

The Bankruptcy Trustees 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 Bankruptcy Trustees along with the legal and tax consultants of Houthoff Buruma have together spent approximately 1005.4 hours in the period 30 June

2015 to 30 September 2015 on the liquidation of DSB Bank. PwC spent approximately 560 hours on the insolvency of DSB Bank in the reporting period.

9.5. Timetable for the settlement of the liquidation

In any event, the liquidation process will continue to require intensive activities during 2015. 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 Bankruptcy Trustees and the organisation of the bankrupt estate will continue to work methodically on the settlement of the liquidation. The Bankruptcy Trustees will be focusing on:

- The management of the loan portfolio;
- The correct implementation of the Scheme;
- An efficient office organisation for the bankrupt estate;
- Proper monitoring of outsourced services.

9.7. Publication of the next report

The next periodical public report is expected to be published at the end of January 2016.

Wognum, 30 October 2015

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 2015 and of the income and expenditure during the third quarter of 2015.
- Annex 2: Factsheet on the WCAM as at 24 October 2015.
- Annex 3: Graph showing average amounts and numbers of insurance mis-selling compensation and excessive lending claims up to the end of September 2015

ANNEX 1 TO THE PUBLIC REPORT OF 30 OCTOBER 2015

Cash flow statement

Notes

Each quarter, a cash flow statement is published as an annex to the Public Report. The cash flow statement shows all receipts and expenditures occurring on the bank accounts of the DSB Bank bankrupt estate during the insolvency proceedings in the preceding quarter. A proportion of the revenues and expenses relating to the period ending 1 October 2015 will not result in cash flows until after that date. Where VAT is applicable, the amounts disclosed in this statement include VAT. The majority of the expenditures relating to operating and administrative expenses including VAT.

The total of the above cash flows is as follows:

	Total movements 19/10/09– 30/06/2015	Q3 2015	Total movements 19/10/09– 30/09/2015
Opening balance of cash	13,461,096		13,461,096
Add: Total receipts from management and sale of assets	4,915,833,869	184,290,849	5,100,124,718
Less: Total expenditures relating to onward payments, repayments and non-operational expenditures	-5,879,829,790	-93,645,312	-5,973,475,102
Less: Total expenditures relating to operational and administrative expenses	-204,785,950	-4,293,348	-209,079,298
Add: Total bankrupt estate financing	1,186,339,775	-93,950,000	1,092,389,775
Total cash movements	17,557,904	-7,597,812	9,960,092
Closing balance of cash	31,019,000		23,421,188

Presented on the next page is a detailed cash flow statement.

Cash flow statement for the period 19/10/09 to 30/09/2015

(See previous page for explanatory notes)

	Total movements 19/10/09- 30/06/2015	Q3 2015	Total movements 19/10/09- 30/09/2015
Opening balance of cash	13,461,096		13,461,096
<i>Receipts from management and sale of assets</i>			
Interest and repayments, loans	3,979,474,349	159,448,069	4,138,922,418
Settlement of interest rate swaps	151,802,390	13,269,011	165,071,402
Results on disposal of rights/shares/coupons	4,959,566	0	4,959,566
Servicing fee	19,200,435	0	19,200,435
Refund received from ING	2,400,747	0	2,400,747
Coupon interest on notes	35,088,900	366,560	35,455,461
Received from former directors	1,030,000	0	1,030,000
Redemption of notes	254,320,792	6,769,208	261,090,000
Refunds received in connection with restructuring	4,131,538	0	4,131,538
Received from DSB Beheer and DSB Ficoholding	57,423,403	4,250,000	61,673,403
Interest and repayments, CreaHypo Fin/Silver Finance	346,455,525	0	346,455,525
Interest and repayments, Memid	8,122,260	0	8,122,260
Proceeds from disposals	18,357,622	1,019	18,358,641
Sale of Tadas	13,085,250	0	13,085,250
Commission	4,481,835	0	4,481,835
Other income	15,499,255	186,980	15,686,235
Total receipts	4,915,833,869	184,290,849	5,100,124,718
<i>Expenditures</i>			
Onward payments, repayments and non-operational expenditures			
SPVs sweep /redemption of pledgees	2,106,146,734	64,678,000	2,170,824,734
Settlement of interest rate swaps	56,399,550	2,311,189	58,710,739
Interest payable on the special long-term loan facility	52,361,592	3,598,725	55,960,317
Repayment of loan from ECB/DNB	795,000,000	0	795,000,000
Loan to DSB Ficoholding	13,000,000	0	13,000,000
ATM/EPOS transaction payments following insolvency	6,695,488	0	6,695,488
Settlement of HWS complaints	826,931	1,811	828,742
Customer payments not owing after bankruptcy	15,665,290	674,786	16,340,076
Settlement of current accounts	6,888,474	0	6,888,474
Payment of capital to subsidiary	9,000,000	0	9,000,000
Interest on savings-type bank mortgage loans	1,500,413	79,957	1,580,369
Other expenses	5,195,411	258,835	5,454,246
Distributions to creditors	2,811,149,908	22,042,010	2,833,191,918
Subtotal	5,879,829,790	93,645,312	5,973,475,102
Operating and administrative expenses			
Staff costs	64,759,056	628,574	65,387,630
Temporary staff / management services	53,268,035	1,375,692	54,643,727
Bankruptcy Trustees / Houthoff Buruma /other advisers	49,825,318	649,155	50,474,474
Servicing fee paid	7,769,962	1,155,385	8,925,347
Premises costs	5,527,371	13,323	5,540,694
Security costs	733,430	533	733,964
Insurance costs	2,122,303	107,351	2,229,653
TNT	3,595,977	49,111	3,645,088
ICT costs	4,445,760	216,229	4,661,988
Other expenses	12,738,739	97,995	12,836,734
Subtotal	204,785,950	4,293,348	209,079,298
Total expenditures	6,084,615,740	97,938,661	6,182,554,401
<i>Bankrupt estate financing</i>			
Drawings on special long-term loan facility	2,971,000,000	0	2,971,000,000
Repayment of special long-term loan facility	-1,811,000,000	-90,000,000	-1,901,000,000
DSB Beheer current account facility	26,339,775	-3,950,000	22,389,775
Tadas Verzekeringen current-account facility	0	0	0
Bankrupt estate financing	1,186,339,775	-93,950,000	1,092,389,775
Movement in cash		-7,597,812	
Closing balance of cash	31,019,000		23,421,188

Analysis of the item Bankruptcy Trustees / Houthoff / other advisers:

	Total movements 19/10/09– 31/03/ 2015	Q3 2015	Total movements 19/10/09– 30/06/ 2015
Bankruptcy Trustees / Houthoff	31,823,482	437,127	32,260,608
Other advisers	18,001,837	212,029	18,213,865
	<hr/> 49,825,318	<hr/> 649,155	<hr/> 50,474,474

As at 30 September 2015, an amount of €32,260,608 (including VAT) had been paid to the Bankruptcy Trustees / Houthoff Buruma in respect of the period 19 October 2009 up to the end of May 2015. As at 30 September, the statements of hours worked in the months August and September 2015 were awaiting approval by the supervisory judge and had not yet been paid.

WCAM Scheme

ANNEX 2 TO THE PUBLIC REPORT OF 30 OCTOBER 2015

Factsheet on WCAM Scheme progress up to the end of week 43

The table below shows the progress which has been made with respect to the WCAM Scheme up to 24 October 2015. All customers who have applied for compensation under the Scheme since 4 November 2014 qualify for review of their claims for compensation for mis-selling of insurance. Some customers may also be able to apply for compensation on grounds of excessive lending.

Applications for inclusion in the WCAM Scheme can be made through the dedicated DSB Bank compensation website www.dsbcompensatie.nl. Currently, almost 12 months after the Scheme was declared binding on 4 November 2014, DSB Bank is still receiving around 200 applications a week on average.

Application and insurance mis-selling compensation

Application for inclusion in the WCAM Scheme potentially results in a file being created. Each file may include one or two customers, and will be assessed for insurance mis-selling compensation and, if also claimed, compensation for excessive lending. Customers with products qualifying for the WCAM Scheme will be sent a Claim Registration Form (*Registratie van Aanmelding*). When this form has been completed and returned by the customer, the amount of insurance mis-selling compensation to which they are entitled will be calculated.

WCAM Scheme – Applications	
Number of WCAM Scheme applications received	39,888
Number of files resulting from WCAM Scheme applications	38,568
Number of files with no products qualifying for assessment	6,512
Number of files with products qualifying for assessment	32,056
Number of files where a Claim Registration Form has been sent out	31,609

WCAM Scheme – Insurance Mis-Selling Compensation	
Number of files where the completed claim form has been returned	26,441
Files for which compensation has been calculated – Compensation > EUR 0	22,381
Files for which compensation has been calculated – Compensation = EUR 0	3,978

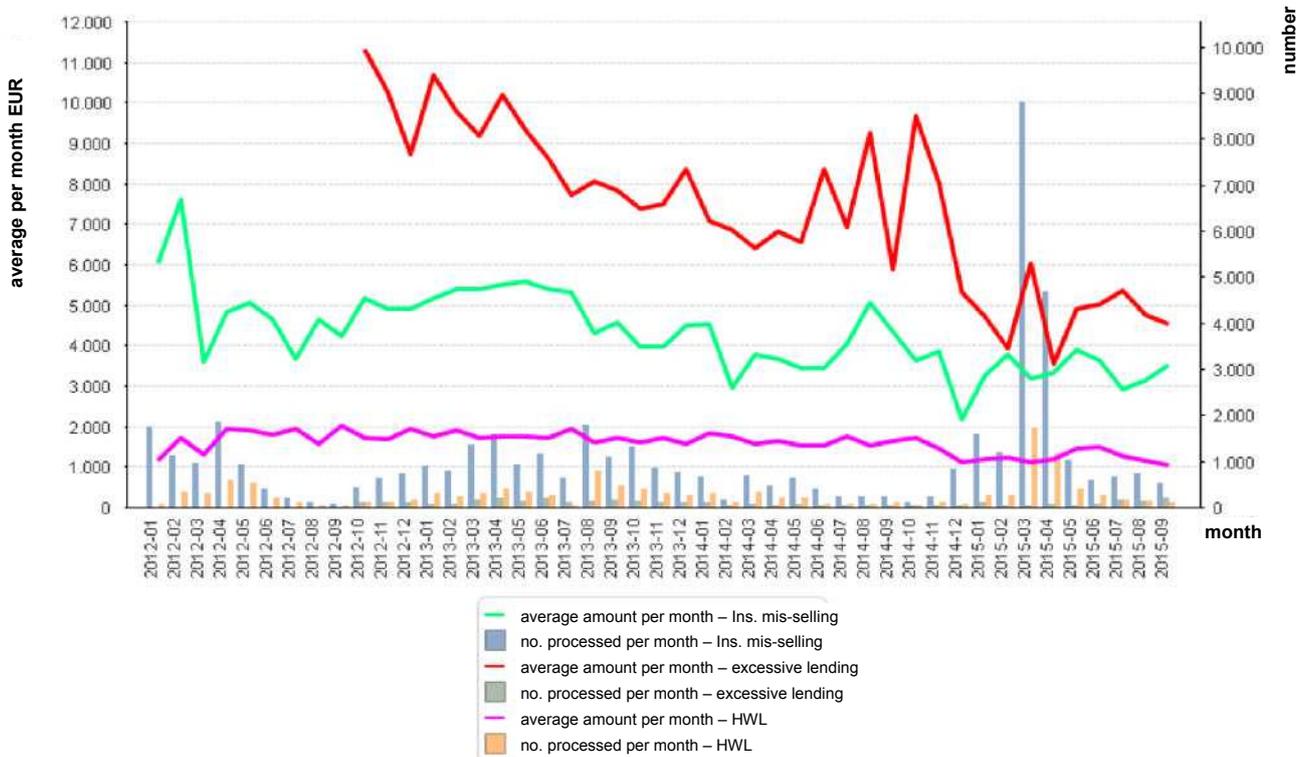
Excessive lending

Where application is made for assessment of excessive lending, customers are requested to submit documentation – after the insurance mis-selling compensation application has been completed. When the file documentation is complete, the file can be assessed for excessive lending.

WCAM Scheme – Excessive Lending	
Number of files ready for excessive lending process	14,416
Number of files excluded – no existing loan	3,879
Number of files for requiring documentation request – existing loan	10,537
Number of files with documentation requested – existing loan	10,518
Number of files with complete documentation	6,949
Number of files ready for assessment	5,788
Number of files in processing backlog	28
Files for which compensation has been calculated – Compensation > EUR 0	756
Files for which compensation has been calculated – Compensation = EUR 0	5,004

COMPENSATION FOR PPI MIS-SELLING AND EXCESSIVE LENDING

Average amounts and numbers of compensation claims processed per month (not cumulative) up to the end of September 2015, including claims for mis-selling of insurance relating to current HWL policies up to the end of June 2015



N.B.: These figures relate to AoH and WCAM Scheme files.

Definitions:

Average amount per month: arithmetic mean for the month
 Processed per month: number of files processed during the month

Statistics for mis-selling insurance (excluding current HWL policy compensation)

Highest amount for any one file (whole period): € 59,298
 Average amount per file in the month of September 2015: € 3,383
 Average amount per file overall: € 4,087

Statistics for excessive lending

Highest amount for any one file (whole period): € 65,841
 Average amount per file in the month of September 2015: € 4,549
 Average amount per file overall: € 7,557