

Financial Report 2017

DSB Bank N.V. in bankruptcy

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1.1 Key figures (x €1,000)

	2017	2016	2015	2014	2013	2012	2011	2010	2009
BALANCE SHEET									
Balance sheet total	1,728,568	1,983,463	2,297,142	2,630,342	2,919,073	3,282,731	3,560,678	3,968,256	4,693,412
Loans and advances	1,703,920	1,942,582	2,258,681	2,532,888	2,819,795	3,151,399	3,411,117	3,853,435	4,252,039
Provision for bad debts	-190,445	-209,744	-231,068	-252,298	-270,801	-265,472	-278,664	-363,432	-383,666
Provision as percentage of loans and advances	11.2%	10.8%	10.2%	10.0%	9.6%	8.4%	8.2%	9.4%	9.0%
Borrowings	330,000	629,949	1,028,158	1,377,900	381,981	489,472	588,967	455,208	1,161,118
Paid out to preferential and unsecured creditors (cumulative)	2,916,887	2,889,964	2,828,058	2,757,020	1,317,202	1,001,351	696,588		
Outstanding payables to unsecured creditors (cumulative)	887,184	914,107	972,803	1,030,318	2,527,247	2,829,312	3,109,476	3,817,554	-
Paid out to subordinated creditors (cumulative)	43,559	10,224	3,384						
Outstanding payables to subordinated creditors (cumulative)	86,935	121,656	128,399	131,880	131,880	143,303	143,303	143,303	147,853
Balance of assets and liabilities (cumulative)	263,179	158,579	-1,987	-176,384	-308,370	-429,135	-451,393	-631,688	-574,906
Interest not included in balance (cumulative)	-637,118	-652,335	-613,060	-582,129	-499,185	-400,172	-280,447	-148,593	-31,022
INCOME STATEMENT									
Revenue	103,393	132,199	160,987	190,922	199,805	187,569	210,241	239,744	342,512
Operating expenses	19,110	23,730	37,234	27,523	43,943	52,840	58,960	88,785	333,615
Operating result	84,283	108,469	123,753	163,399	155,862	134,729	151,281	150,959	8,897
Exceptional income (+) and expenses (-)	20,317	52,097	50,644	-31,413	-35,097	-112,471	17,714	-207,741	-816,496
Net result	104,600	160,566	174,397	131,986	120,765	22,258	168,995	-56,782	-807,599
OTHER KEY FIGURES									
FTEs on payroll (average)	15	18	31	47	98	153	216	271	1,211
FTEs on temporary contract (average)	8	14	30	27	56	99	71	n/b	n/b
Securitized loans	1,238,645	1,427,245	1,606,568	1,800,463	1,959,138	2,127,664	2,292,028	2,520,018	2,760,853
Compensation in respect of duty of care (cumulative)	323,987	323,987	324,386	314,506	206,906	177,728	48,444	27,344	

1.2 Introduction

General

DSB Bank N.V. was declared insolvent on 19 October 2009. The financial reports for the years 2009–2016 have been published on the website of DSB Bank N.V. (www.dsbbank.nl).

As DSB Bank N.V. in bankruptcy has carried on its business, albeit without granting new loans, a view is being provided of the bank's financial affairs in 2017 in a manner comparable to an annual report. As in the previous reports, the present report has been prepared on a separate basis, i.e. not consolidated, and the off-balance-sheet securitised assets have not been consolidated.

As a consequence of the insolvency, the claims of unsecured and subordinated creditors are included in the balance sheet without accrued interest since the date of insolvency. In the income statement, too, therefore, no interest is recognised in respect of these claims, which has the effect of flattering the net interest result. The accrued interest owed to creditors with effect from the date of insolvency will only be payable (in whole or in part), to the extent that there is a sufficient remaining balance, when all claims of the creditors, as allowed as at the date of insolvency, have been settled in full.

The 2017 reporting period

In 2017, the eighth year of the insolvency, further progress was made in the winding-up operation. In addition to the ongoing management of the portfolio, DSB Bank N.V. has made preparations for the management of the loan portfolio to be transferred to Finqus BV, a subsidiary of DSB Bank N.V. compliant with Financial Supervision Act on regulations. The transfer took place on 1 January 2018.

Verified holders of subordinated claims who had not already had an offer in settlement of their claim received payouts in 2017. Additionally, banks with an outstanding claim in respect of payments under the Deposit Guarantee Scheme received an offer of payment for the remaining amount. This offer was accepted by 22 banks. Finally, the insolvency of DSB Beheer B.V. was brought to a close in 2017 with a final distribution made to DSB Bank N.V. among other creditors.

The loan portfolio continued to shrink as repayments were made in 2017. These repayments, which were on average higher than in earlier years, were assisted by favourable economic developments in the Netherlands.

The good progress also had a positive effect on the value of the 'notes' owned by DSB Bank N.V., which are receivables from securitisation companies which purchased parts of DSB Bank N.V.'s lending portfolio. It was possible to reduce the provision for the notes, generating exceptional income.

As expected, operating income went down as a result of the decline in the lending portfolio. The average rate of interest received on the loans was also lower. Part of the fall in income was offset by lower expenses. The operating result – the amount of revenue less expenses – fell by 29% in 2017.

The financial report as at 31 December 2017 has not been audited although a firm of external auditors performed a number of specific activities with the purpose of reconciling this financial report with the bank's underlying accounting records. This financial report and the reports on the reconciliations have been discussed with the creditors' committee and the supervisory judge.

Outlook

The start of 2018 saw a large part of the assets of DSB Bank N.V. sold to the wholly-owned subsidiary Finqus BV. See page 25 of this report for details. With effect from 2018, consolidated operating income is expected to fall as the loan portfolio shrinks. Although operating expenses will also come down, the consolidated operating result is expected to turn out appreciably lower than in 2017 from 2018 onwards.

Bankruptcy Trustees of DSB Bank N.V.

Wognum, 15 March 2018

R.J. Schimmelpenninck

B.F.M. Knüppe

2. Financial report

2.1 Company balance sheet as at 31 December 2017 (x €1,000)

		2017	2016
ASSETS			
Cash	1	18,282	21,393
Loans and advances	2	1,513,475	1,732,838
Interest rate swaps	3	0	0
Investments in group companies	4	0	0
Receivables			
Receivables from DSB			
Ficoholding	5	0	5,300
Receivables from DSB Beheer	6	0	8,700
Other receivables	7	196,811	215,232
		196,811	229,232
		<u>1,728,568</u>	<u>1,983,463</u>

Company balance sheet as at 31 December 2017 (x €1,000)

		2017	2016
EQUITY AND LIABILITIES			
Borrowings	8	330,000	629,949
Other liabilities			
Tax and social security charges	9	6	35
Sundry other payables	10	11,264	9,137
		11,270	9,172
Provision for liquidation losses	11	150,000	150,000
Unsecured liabilities	12	887,184	914,107
Subordinated liabilities	13	86,935	121,656
Balance¹	14	263,179	158,579
		<u>1,728,568</u>	<u>1,983,463</u>

¹ Since the date of insolvency, there has been no recognition of interest on the claims of the unsecured and subordinated creditors in the balance sheet. Only when all the claims of the creditors have been settled and the insolvency has been brought to a formal close by the court will the creditors be able to claim payment of interest. In the whole period up to year-end 2017, the accumulated amount in respect of 'unrecognised accrued interest' was €637 million (year-end 2016: €652 million). This figure has been arrived at using the interest rates and terms stated in the contract or, if the term of the contractual interest rate has lapsed, the statutory interest rate for consumer transactions. See also page 24.

2.2 Company income statement for 2017 (x €1,000)

		2017	2016
Revenue			
Finance income – interest	15	102,986	131,936
Other income	16	407	263
		<u>103,393</u>	<u>132,199</u>
Operating expenses			
Finance expense – interest	17	5,967	11,003
Administrative expenses	18	13,143	12,727
		<u>19,110</u>	<u>23,730</u>
Net operating income		<u>84,283</u>	<u>108,469</u>
Exceptional income and expenses	19	20,317	52,097
Result before tax		<u>104,600</u>	<u>160,566</u>
Tax		0	0
Result		<u>104,600</u>	<u>160,566</u>

Since the date of insolvency, there has been no recognition of interest on the claims of the unsecured and subordinated creditors in the income statement. Only when all the claims of the creditors have been settled and the insolvency has been brought to a formal close by the court will the creditors be able to claim interest. See also page 24.

2.3 Cash flow statement (x €1,000)

	2017	2016
Receipts from management and sale of assets		
Payments on loans	545,754	637,619
Settlement of interest rate swaps	36,341	48,441
Coupon interest on notes	815	1,105
Redemption of notes & ddp	21,877	25,370
Receipt of receivable from DSB Beheer	9,008	5,027
Receipt of receivable from DSB Beheer	5,486	0
Proceeds from disposals	219	5,628
Other income	3,416	994
Total receipts	622,916	724,184
Expenditures		
Onward payments, repayments and non-operational expenditures		
SPVs sweep	240,122	236,274
Settlement of interest rate swaps	9,958	10,360
Interest payable on the special long-term loan facility	5,918	10,782
Interest on savings-type bank mortgage loans	90	233
Paid out to creditors	58,644	65,909
Other expenses	499	352
	315,231	323,910
Operating and administrative expenses		
Staff costs	1,338	1,736
Temporary staff/management services	2,931	3,861
Bankruptcy Trustees/Houthoff Buruma/other advisers	1,790	2,648
Servicing fee	3,467	4,210
Other expenses	1,235	1,888
	10,761	14,343
Total expenditures	325,992	338,253
Bankrupt estate financing		
Drawings on special long-term loan facility	20,000	0
Repayment of special long-term loan facility	-300,000	-395,000
DSB Beheer current account facility	-20,035	-3,410
Total bankrupt estate financing	-300,035	-398,410
Total cash flow	-3,111	-12,479
Cash balance:		
- as at 1 January	21,393	33,872
- as at 31 December	18,282	21,393
	-3,111	-12,479

2.4 General notes and accounting policies

A. GENERAL

Purpose of financial report

DSB Bank N.V. (DSB Bank) failed on 19 October 2009. The primary purpose of the financial report is to provide a view of the assets and liabilities as at 31 December 2017 and of the income and expenses for the period 1 January to 31 December 2017. It should be emphasised that the financial report is not intended to give an indication of the sales value (estimated or otherwise) of the assets or of the expected pay-out percentages.

Unaudited accounts

The figures included in the financial report have been taken from DSB Bank's accounting records. The accounting policies applied are detailed below. As a bankrupt estate, DSB Bank no longer has any obligation to have financial statements prepared, audited and published within the meaning of Section 394, Book 2, of the Dutch Civil Code. The figures in this financial report have therefore not been subjected to examination by external auditors.

Company balance sheet and income statement

DSB Bank is registered in the Netherlands and is a public limited liability company (NV) whose shares are held by DSB Ficoholding N.V. (DSB Ficoholding). The financial report contains the company balance sheet and income statement of DSB Bank.

Securitised mortgage and consumer loans

In the years 2003-2007, DSB Bank securitised a proportion of the receivables in respect of still current mortgage and consumer loans through the special purpose vehicles (SPVs), the beneficial ownership of these receivables being transferred to the SPVs by virtue of the transaction. Notes were issued by the SPVs to finance the acquisition of the receivables. These securitised receivables, the corresponding notes for which are held predominantly by third parties, are therefore not recognised in DSB Bank's company balance sheet and income statement.

B. GENERAL ACCOUNTING POLICIES

Accounting policies used in preparing the financial report

The financial report assumes that the present policy of running down the lending portfolio will continue to be pursued. The financial report as at 31 December 2017 has been prepared in many respects in compliance with Part 9, Book 2, of the Dutch Civil Code. Given the ongoing winding-up operation, however, different methods of valuation and determination of results may have been applied for a number of other aspects. Departures from Part 9, Book 2, of the Dutch Civil Code, concern for example:

- The carrying amounts of several balance sheet items, including loans and advances, property plant and equipment and receivables, on which separate disclosures are made in the notes to the balance sheet contained in the financial report.
- The presentation and recognition of the interest rate swaps, details of which are disclosed separately in the financial report under the general notes and accounting policies and under the rights and obligations not shown on the face of the balance sheet.
- The provision for other liquidation losses serves to cover present and future asset write-downs and claims on the bankrupt estate arising as a consequence of or during the liquidation process.
- Recognition of interest income and expense in the income statement at face value.
- The separate presentation of exceptional income and expenses in the income statement.
- Non-adherence to the provisions of Netherlands GAAP 170 Discontinuity and serious uncertainty concerning discontinuity.

The specific accounting policies applicable to the individual items in the financial statements are set forth below.

All amounts are presented in thousands of euros unless otherwise stated.

Use of estimates and judgements

The preparation of a financial report requires that the Bankruptcy Trustees form judgements, make estimates and make assumptions affecting the application of accounting policies and the reported amounts of assets and liabilities and of income and expenses.

The estimates and underlying assumptions are regularly appraised and evaluated. The actual results can therefore differ from the estimates and assumptions made. The financial impact of changes in estimates is accounted for in the period in which the estimates are revised and in future periods for which such revision has implications.

Listed below are the main items in the financial statements where estimates affect the reported amounts:

- Provision for bad debts: estimate of lending losses.
- Receivables from DSB Ficoholding: estimate of recoverable amount.
- Provision for notes issued by the securitisation entities: estimate of redeemable amount.
- Provision for liquidation losses: estimate of future write-downs of assets, future claims and liquidation costs.

C. SPECIFIC POLICIES USED FOR THE BALANCE SHEET

The 2016 figures serve solely for comparison and no further disclosures are made relating to them.

Cash

Cash is considered to include all legal tender plus demand deposits with various banks.

Loans and advances

Accounted for in this item are the receivables in respect of loans to customers that are not held for trading purposes. These receivables are carried at face value less any necessary provision for impairment.

Having consulted the creditors' committee and the supervisory judge, the Bankruptcy Trustees have decided in principle not to dispose of the lending portfolio before year-end 2020. The assumptions underlying the amount of the necessary provision are disclosed in the notes to the item (page 13).

Loans and advances found to be uncollectible are written off against the provision.

Interest rate swaps

DSB Bank's interest rate swaps are divided into front swaps and interest rate hedging instruments.

Front swaps are contracted between SPVs and DSB Bank, with the interest income and the interest rate risk on the securitised loans passed on to DSB Bank by the SPVs.

Interest rate hedges are contracted between banking counterparties and DSB Bank in transactions which largely convert the interest rate on fixed rate loans to floating rates for DSB Bank. Prior to 2017, DSB Bank only entered into interest rate hedges to reduce the interest rate risk on the securitised loans. Since mid-2017, however, a large part of the interest rate risk on the loans on DSB Bank's own books has been hedged by means of interest rate swaps.

Interest rate swaps are not recognised in the balance sheet. The interest which is received or paid on the interest rate swaps during the year is accounted for on a cash basis in the income statement as part of finance income.

The expected cash flows generated by the front swaps in the current year are disclosed in the rights and obligations not shown on the face of the balance sheet. The face value of the front swaps as at balance sheet date is also disclosed. With respect to the interest rate hedges (which are standard interest rate swap contracts), both the face value and the fair value as at balance sheet date are disclosed. The fair value is based on the yield curves as at balance sheet date, as published by Bloomberg.

Investments in subsidiaries, associates and joint ventures

In principle, the amounts of these investments are measured using the equity method. If the shareholders' equity of an investee is negative, the carrying amount of the investment is nil.

Where investments are due to be disposed of in the short term, the carrying amount is equal to the expected proceeds from sale.

In the case of equity-measured investments where the carrying amount is zero, a provision for bad debts is recognised in respect of DSB Bank's other receivables from the entities concerned.

Any change in an entity's equity is recognised pro rata by DSB Bank. The results of subsidiaries, associates and joint ventures are similarly recognised on a proportionate basis in the DSB Bank income statement.

Receivables

Outstanding accounts receivable are carried at face value less any necessary provision for impairment.

Provision for other liquidation losses

The provision for other liquidation losses serves to cover any further write-downs on assets.

Unsecured creditors

The liquidation proceedings mean that the claims against DSB Bank have to be allowed by the court. The validation of the claims of unsecured creditors is described in note 12.

Subordinated loans

The liquidation proceedings mean that the claims against DSB Bank have to be allowed by the court. The validation of the claims of subordinated creditors is described in note 13.

D. SPECIFIC POLICIES USED FOR THE INCOME STATEMENT

Interest income and expense

The amounts of interest income and expense are recognised at face value in the year to which they relate.

Income and expenses

Income is recognised if it is probable that the economic benefits of transactions will flow to DSB Bank and the amount thereof can be reliably measured.

Staff costs and other administrative expenses are attributed to the year to which they relate.

Other income

Income which cannot be classified as interest income or value adjustments to financial instruments is recognised as other operating income in the period to which it relates.

Tax

Prior to 1 January 2016, DSB Bank formed part of the tax group including DSB Beheer B.V. (among other entities) for corporation tax purposes. On 1 January 2016, DSB Bank was removed from this tax group and became independently liable for corporation tax. Based on the separate opening tax-base balance sheet of DSB Bank N.V drawn up as a consequence of this and the result for 2017, there is no corporation tax liability with respect to the reporting period 1 January 2017 – 31 December 2017.

E. SPECIFIC POLICIES USED FOR THE CASH FLOW STATEMENT

Cash flow statement

The cash flow statement has been prepared using the direct method. The net cash flow is the movement in the balance of cash during the year.

2.5 Notes to the company balance sheet as at 31 December 2017 (x €1,000)**ASSETS**

	2017	2016
2. LOANS AND ADVANCES		
Mortgage loans with a first mortgage	1,382,563	1,565,519
Mortgage loans with a second mortgage	131,692	155,070
Consumer credit	59,107	83,782
Residual debts (mortgaged property repossessed and sold)	26,831	33,168
Loan payments in arrears by more than 12 instalments	103,727	105,043
Subtotal: gross loans	<u>1,703,920</u>	<u>1,942,582</u>
Provision for bad debts	-190,445	-209,744
	<u>1,513,475</u>	<u>1,732,838</u>

Loan payments in arrears by more than 12 instalments are disclosed separately. The management of these loans has been transferred to specialist service providers since mid-2015.

	2017	2016
Loans and advances as at 1 January	1,942,582	2,258,681
Receipts	-227,390	-241,218
Receipt from sale of portfolio	0	-63,177
Write-downs	-11,272	-11,704
Balance as at 31 December	<u>1,703,920</u>	<u>1,942,582</u>

Write-downs for credit risk concern amounts written off in connection with the settlement of residual debts, debt restructuring arrangements (under the law and otherwise) and the death of customers.

Provision for bad debts

There are experience-based rules for calculating bad debt provisions. In calculating the necessary provisions for bad debts, account is taken both of customers' arrears in meeting their interest and repayment liabilities and the sales value on repossession of the collateral security furnished. Depending on the number of monthly instalments remaining, a percentage is calculated for the provision for bad debts.

The total amount of the provision for write-downs on all of the above loans and advances as at year-end 2017 amounted to €190.4 million (2016: €209.7 million).

	2017	2016
Movements in the provision for bad debts were:		
Balance as at 1 January	209,744	231,068
Adjustment to write-down for duty-of-care issues	0	488
Write-down for credit risk	-10,869	-9,345
Restructuring connected with the duty-of-care issues	0	-260
Released from the provision for loans > 12 instalments in arrears	-3,666	-3,159
Released following reappraisal of collateral value	0	-4,047
Released from/added to provision	-4,764	-5,001
Balance as at 31 December	<u>190,445</u>	<u>209,744</u>

3. INTEREST RATE SWAPS

The interest rate swaps are not recognised. Section 2.6.1 contains further information regarding the interest rate swaps.

4. INVESTMENTS IN GROUP COMPANIES**Finqus BV**

The subsidiary Finqus BV was established on 24 July 2017 with issued and paid-up share capital of one euro. Finqus obtained a licence from the Netherlands Authority for the Financial Markets to act as a Financial Services Provider on 29 December 2017. Finqus BV did not carry on any activities in 2017. For a description of the activities of Finqus BV as from 1 January 2018, reference is made to section 2.6.3.

DSB International B.V.

The remaining parts of DSB International will be liquidated in 2018. The shareholders' equity of DSB International as at year-end 2017 was nil (year-end 2016: nil).

5. RECEIVABLES FROM DSB FICOHOLDING**Receivable from DSB Ficoholding in respect of interim dividend**

	2017	2016
The movements were as follows:		
Balance as at 1 January	5,300	5,000
Less: Repayment received	-5,479	0
Add/Less: Released from/added to provision for bad debts	179	300
Balance as at 31 December	<u>0</u>	<u>5,300</u>
Receivable in respect of interim dividend	1,763	7,242
Provision for bad debts	-1,763	-1,942
Balance as at 31 December	<u>0</u>	<u>5,300</u>

On 4 June 2014, the Amsterdam District Court ratified the terms of the settlement arrived at between DSB Ficoholding and DSB Beheer relating to interim dividend paid (rightfully or wrongfully) in 2009. Following the court ruling, DSB Ficoholding was allowed as unsecured creditor in the insolvency of DSB Beheer up to an amount of €7.9 million. The amount of DSB Bank's receivable from DSB Ficoholding, which is only partially recoverable, remains unchanged and is recognised at the original amount of €11.3 million.

In connection with a payment schedule agreed back in 2012, DSB Ficoholding made an initial repayment of €0.7 million in 2014. DSB Ficoholding subsequently repaid €3.4 million in 2015 and €5.5 million in 2017, leaving an outstanding receivable of €7.2 million as at year-end 2017. It has been estimated that this receivable is not going to be settled and a provision has been recognised for the possible uncollectability of €1.8 million (year-end 2016: €1.9 million).

6. RECEIVABLES FROM DSB BEHEER

The insolvency DSB Beheer was concluded in 2017 with a final payout to its creditors. DSB Bank received its share of this final distribution, which was set against the amount receivable.

	2017	2016
The receivables from DSB Beheer are made up as follows:		
Receivables from DSB Beheer	0	7,400
Receivables of group companies in the insolvency of DSB Beheer taken over	0	1,300
	<u>0</u>	<u>8,700</u>

Receivables from DSB Beheer

As at 31 December 2014, DSB Bank's contingently allowed receivable in the insolvency of DSB Beheer amounted to €50 million. In May 2015, the shares of the insurance entities were sold by DSB Ficoholding. On the basis of the sale of the shares and the pledge established on these shares in favour of DSB Bank, an amount of €39.8 million was received by DSB Bank. DSB Bank's contingently allowed receivable in the insolvency of DSB Beheer, amounting to €50 million, was eliminated by this transaction. In the claim validation proceedings brought by DSB Bank against DSB Beheer, the District Court in Amsterdam allowed the residual amount of €10.2 million as the ultimate amount of the receivable (after liquidation of all collateral

security). The amount of DSB Bank's receivable from DSB Beheer ultimately allowed as at 31 December 2016 was €66.4 million.

DSB Beheer paid DSB Bank an amount of €0.9 million in 2015 (representing 8.5% of €10.2 million). An amount of €5.1 million had already been paid in 2014, making a total amount paid out up to 31 December 2016 of €6.0 million. In August 2017, €7.7 million was received as final distribution in the insolvency of DSB Beheer.

	2017	2016
The movements in the receivable from DSB Beheer were as follows:		
Balance as at 1 January	7,400	7,100
Final distribution received in the insolvency of DSB Beheer	-7,718	0
Reversal of recognised impairment	318	300
Balance as at 31 December	<u>0</u>	<u>7,400</u>

Receivables of group companies in the insolvency of DSB Beheer taken over

In 2013, two receivables in the insolvency of DSB Beheer were taken over and paid, involving an amount of €0.7 million. They were receivables of DS Sport B.V. and Gema Advies Groep B.V. from DSB Beheer, together having a face value of €11.1 million. In the period up to year-end 2014, a provision of 100% was recognised for the possible uncollectability of the amount receivable. In August 2017, €1.3 million was received as final distribution from DSB Beheer.

	2017	2016
The movements in the receivable taken over were as follows:		
Balance as at 1 January	1,300	1,100
Final distribution received in the insolvency of DSB Beheer	-1,290	0
Impairment/reversal of recognised impairment	-10	200
Balance as at 31 December	<u>0</u>	<u>1,300</u>

	2017	2016
7. OTHER RECEIVABLES		
Notes issued by securitisation companies	186,190	198,444
Receivable from SPV shareholders	55	55
Accrued interest	2,892	4,014
Customer direct debit receivables	7,514	9,409
Miscellaneous	160	3,310
	<u>196,811</u>	<u>215,232</u>

	2017	2016
Notes issued by securitisation companies		
A-Notes Chapel 2003	7,018	11,916
A-Notes Monastery 2004	14,968	17,678
A-Notes Monastery 2006	87,404	99,013
Junior Notes Chapel 2003	10,500	10,500
Junior Notes Chapel 2007	27,600	27,600
Junior Notes Dome 2006	27,600	29,937
Junior Notes Monastery 2004	13,500	13,500
Junior Notes Monastery 2006	20,400	20,400
Subtotal: Nominal of notes	<u>208,990</u>	<u>230,544</u>
Provision	-22,800	-32,100
	<u>186,190</u>	<u>198,444</u>

The notes relate exclusively to notes issued through SPVs involving DSB Bank loans.

Notes to the company balance sheet as at 31 December 2017 (x €1,000)

	2017	2016
The movements in the notes issued by securitisation companies were as follows:		
Balance as at 1 January	198,444	194,114
Redemptions	-21,554	-25,370
Movement in provision	9,300	29,700
Balance as at 31 December	<u>186,190</u>	<u>198,444</u>

Each year, DSB Bank has recognised a provision in respect of the notes issued by securitisation companies based on the estimated losses on the underlying loans contained in the SPVs concerned and possible uncertainties in settling this balance sheet position.

The release of €9,300 from the provision in 2017 reflects the improved performance of the SPVs (economic growth, reduced arrears and rising values of property/assets serving as security). This improved performance of the notes is also visible in the form of higher ratings of certain notes by Standard and Poor's and Moody's.

EQUITY AND LIABILITIES

	2017	2016
8. BORROWINGS		
Special long-term loan facility provided by a consortium of banks	330,000	610,000
DSB Beheer current account facility	0	19,949
	<u>330,000</u>	<u>629,949</u>

As at 31 December 2017, the weighted average interest rate on borrowings was 1.25 % (year-end 2016: 1.24%).

	2017	2016
The remaining term to maturity of the borrowings can be analysed as follows:		
Less than 3 months	300,000	320,000
More than 3 months, but not more than 1 year	0	250,000
Indefinite	30,000	59,949
	<u>330,000</u>	<u>629,949</u>

Special long-term loan facility provided by a consortium of banks

DSB Bank had contracted a special long-term loan facility maturing on 23 December 2014 with a consortium of banks (ING, Rabobank, ABN AMRO, Van Lanschot and NIBC). On 4 December 2014, the facility was extended up to 27 December 2017 by three of the banks in the consortium (ING, Rabobank and ABN AMRO), and further extended to 26 January 2018 by means of an addendum. On 26 January 2018, the facility was extended up to 27 December 2019 by three of the banks. Under the facility, it is possible to draw down loans with maturities of up to one year.

It is a condition of the special long-term loan facility that available cash flows from lending activities (non-securitised loans), front swaps and notes issued through SVPs, after payment of costs, are used to repay the special long-term loan.

	2017	2016
9. TAX AND SOCIAL SECURITY CHARGES		
Payroll deductions and VAT	4	35
Other	2	0
	<u>6</u>	<u>35</u>

	2017	2016
10. SUNDRY OTHER PAYABLES		
Amounts owed to securitisation companies	5,162	5,657
Current liabilities to DGS banks	999	0
Other amounts owed by the bankrupt estate	5,103	3,480
	<u>11,264</u>	<u>9,137</u>

The current liabilities to DGS banks concern the Deposit Guarantee Scheme distributions resulting from acceptance of the Offer (see page 18), paid in 2018.

11. PROVISION FOR LIQUIDATION LOSSES

The balance sheet as at the date of the insolvency contains a provision of €200 million. This provision was recognised to cover write-downs of assets immediately following the collapse and further losses as well as claims against the bankrupt estate arising in connection with or during the winding-up operation and the costs of the liquidation exercise.

In 2010, the amount of the liquidation provision was reduced to €150 million. The amount of the provision remains an estimate, however. Substantial uncertainties remain, on the assets side, so there is no reason to adjust the amounts of these provisions as at year-end 2017.

	2017	2016
12. UNSECURED LIABILITIES		
Allowed unsecured claims relating to the DGS	885,375	912,224
Other allowed unsecured claims	1,562	1,617
Claims provisionally allowed by the Bankruptcy Trustees	247	266
	<u>887,184</u>	<u>914,107</u>

The movements in the unsecured liabilities were as follows:	allowed claims	Claims provisionally allowed by Bankruptcy Trustees	total
Unsecured claims	3,514,577	962	3,515,539
Cumulative amount of distributions	-2,600,736	-696	-2,601,432
Balance as at 1 January 2017	913,841	266	914,107

Movements in 2017

Increase in amount of claims			0
Decrease in amount of claims due to acceptance of the Offer to DGS banks	-103,268	0	-103,268
Decrease in amount of claims due to acceptance of the Offer to customers	-158	-11	-169
Total movement in unsecured claims	-103,426	-11	-103,437
Distributions	-26,904	-19	-26,923
Decrease in amounts payable on claims due to acceptance of the Offer to DGS banks	103,268	0	103,268
Decrease in amounts payable on claims due to acceptance of the Offer to customers	158	11	169
Total movement in amount of distributions	76,522	-8	76,514
Unsecured claims	3,411,151	951	3,412,102
Cumulative amount of distributions	-2,524,214	-704	-2,524,918
Balance as at 31 December 2017	886,937	247	887,184

In insolvency proceedings, claims of creditors have to be allowed by the court before any distributions can be made on them. Claims were added to the allowed list in the period 2010 to 2017. It is also possible for claims to be submitted and/or allowed in 2018 and beyond.

Allowed claims

Meetings of creditors were held on 10 December 2010, 19 May 2011, 24 May 2012, 29 November 2012, 30 May 2013, 28 November 2013, 15 May 2014 and 13 November 2014. The total of the allowed preferential and unsecured claims less the amount in respect of creditors that have accepted the Offer is €3.41 billion (year-end 2016: €3.52 billion). In 2017, €26.8 million was paid out to Deposit Guarantee Scheme banks and €0.1 million to other creditors.

Claims provisionally allowed by the Bankruptcy Trustees

As at 31 December 2017, the claims provisionally allowed by the Bankruptcy Trustees amounted to 951 (year-end 2016: 962). This includes compensation awarded to customers and on loans from the securitisation entities which have not been formally recognised at a meeting pursuant to Section 178 of the Dutch Insolvency Act. These will be placed on the verification list for the next meeting pursuant to Section 178 of the Dutch Insolvency Act, to the extent that these creditors have not accepted the Offer.

Claims provisionally contested by Bankruptcy Trustees

As at 31 December 2017, a claim for €10 million which had been submitted was in dispute.

The Offer

On 4 December 2015, the Bankruptcy Trustees made an offer to all unsecured creditors of DSB Bank with allowed claims (with the exception of De Nederlandsche Bank N.V. ('DNB') in its capacity as administrator of the Deposit Guarantee Scheme (DGS)) and, as at year-end 2017, a total of 262 creditors had not taken advantage of the offer. 106 creditors have expressly rejected the offer and 156 creditors have not responded.

On 9 November 2017, with the agreement of DNB in its capacity as DGS administrator, the Bankruptcy Trustees made a similar offer to all the banks that had contributed towards the DGS except for the three banks that made the largest contributions. As at year-end 2017, 16 banks had accepted this offer and received the payout. In the period 1 January–16 January 2018, six banks took advantage of the Offer and this has been accounted for in the statement of movements in unsecured creditors, the amount paid out being included in the current liabilities.

	2017	2016
13. SUBORDINATED LIABILITIES		
Allowed subordinated claims relating to the DGS	86,891	89,526
Allowed other subordinated claims of financiers	0	32,085
Allowed other subordinated claims	44	45
	<u>86,935</u>	<u>121,656</u>

Allowed subordinated claims relating to the DGS

The movements in the other allowed subordinated claims were as follows:

	2017	2016
Balance as at 1 January	89,526	89,526
Payments made in connection with the Offer	<u>-2,635</u>	<u>0</u>
Balance as at 31 December	<u>86,891</u>	<u>89,526</u>

Allowed other subordinated claims

The movements in the other allowed subordinated claims were as follows:

	2017	2016
Balance as at 1 January	45	6,788
Payments made in connection with the Offer	<u>-1</u>	<u>-6,743</u>
Balance as at 31 December	<u>44</u>	<u>45</u>

The Offer

On 4 December 2015, the Bankruptcy Trustees made an offer to all 311 allowed subordinated deposit holders in addition to all unsecured creditors of DSB Bank with allowed claims (with the exception of DNB in its capacity as administrator of the DGS), and just three creditors had not taken advantage of this as at year-end 2017.

Allowed other subordinated claims of financiers

The movements in the allowed other subordinated claims of financiers were as follows:

	2017	2016
Balance as at 1 January	32,085	32,085
Released following waiver of further claims by creditors	-2,006	0
Payments	-30,079	0
Balance as at 31 December	<u>0</u>	<u>32,085</u>

Under an arrangement, payment of 94% of the principal was made to the allowed other subordinated financiers after they had waived rights to interest and to make any further claims. The amount of 2,006 released has been accounted for under exceptional income and expenses.

14. BALANCE

The movements in the balance were as follows:

	2017	2016
Balance as at 1 January	158,579	-1,987
Result	104,600	160,566
Balance as at 31 December	<u>263,179</u>	<u>158,579</u>

The balance represents the difference between the assets and liabilities of DSB Bank.

Since the date of insolvency, there has been no calculation of interest on the claims of the unsecured and subordinated creditors. Only when all the claims of the creditors have been settled and the insolvency has been brought to a formal close by the court will the creditors be able to claim payment of interest. In the whole period up to year-end 2017, the accumulated amount in respect of 'unrecognised accrued interest' was €637 million. This figure has been arrived at using the interest rates and terms stated in the contract or, if the term of the contractual interest rate has lapsed, the statutory interest rate for consumer transactions.

2.6 Rights and obligations not shown on the face of the balance sheet as at 31 December 2017

2.6.1 Interest rate swaps

Interest rate risk on the loan portfolio on DSB Bank's own books

Interest rate risk

For the first time since the insolvency, DSB Bank contracted interest rate hedges in mid-2017 in respect of the loans on its own books. This was because of sharply increasing average remaining fixed-rate periods resulting from relatively large numbers of long-term fixed-rate repricing dates occurring in the 2017 and 2018.

The policy is to evaluate the interest rate hedges every three months, based on the existing amounts and the interest rate risk profile of the loans on the Bank's own books, contracting new interest rate hedges as necessary. The interest rate risk on loans with repricing dates in 2020 and beyond is hedged by interest rates hedging instruments, taking due account of premature redemptions and an upward forward yield curve.

Nominal value

The nominal value of the interest rate hedges against the interest rate risk on loans as at year-end 2017 was €500 million (December 2016: nil).

	2017	2016
The remaining term to maturity of the interest rate hedges can be analysed as follows:		
Less than 3 months	0	0
More than 3 months, but not more than 1 year	0	0
More than 1 year, but not more than 5 years	130,000	0
More than 5 years	370,000	0
	<u>500,000</u>	<u>0</u>

Fair value

The net fair value of the interest rate hedges against the interest rate risk on loans as at year-end 2017 was €3.0 million negative (December 2016: nil).

	2017	2016
The fair value of the interest rate hedges is as follows:		
Positive fair value	5	0
Negative fair value	-3,025	0
	<u>-3,020</u>	<u>0</u>

Interest rate risk on the securitised loan portfolio

Interest rate risk

DSB Bank has assumed the interest rate risk on the securitised loans from the SPVs by means of front swaps. DSB Bank's liabilities under the front swaps have been guaranteed by Rabobank. The interest rate risk on the securitised loans is largely hedged by interest rate instruments.

The policy is to evaluate the interest rate hedges every three months, based on the existing amounts and the interest rate risk profile of the securitised loans, contracting new interest rate hedges as necessary. The interest rate risk on loans with interest rates fixed for longer than one year is covered by interest rate hedges, taking account of assumptions for premature redemptions and fixed-period repricings.

Nominal value

The nominal value of the front swaps taken over by DSB Bank as at year-end 2017 was €1,127 million (December 2016: €1,307 million).

The nominal value of the interest rate hedges against the related interest rate risk as at year-end 2017 was €860 million (December 2016: €925 million).

	2017	2016
The remaining term to maturity of the interest rate hedges can be analysed as follows:		
Less than 3 months	35,000	55,000
More than 3 months, but not more than 1 year	145,000	315,000
More than 1 year, but not more than 5 years	460,000	435,000
More than 5 years	220,000	120,000
	<u>860,000</u>	<u>925,000</u>

The remaining terms of the interest rate hedges reflect the remaining interest rate time horizons of the front swap.

Fair value

The net fair value of the interest rate hedges against the related interest rate risk as at year-end 2017 was €4.2 million negative (December 2016: €11.8 million negative).

	2017	2016
The fair value of the interest rate hedges is as follows:		
Positive fair value	1,551	577
Negative fair value	-5,761	-12,408
	<u>-4,210</u>	<u>-11,831</u>

Forecast cash flows

The cash flows from the front swaps and the related interest rate hedges, less the costs of the guarantee fee, generated in 2017 have been included in the 2017 income statement and amount to €26.3 million. In 2018, these inward cash flows are expected to amount to around €17 million. In the ensuing years, the cash flows will continue to decline. Based on estimates of the relevant parameters (trend in interest rates, loan losses and repayments), the cash flows in the period 2019–2020 are expected to be approximately €25 million.

2.6.2 The Offer made by the Bankruptcy Trustees to creditors

The Bankruptcy Trustees made the offer to all unsecured creditors of DSB Bank with allowed claims (with the exception of De Nederlandsche Bank N.V. ('DNB') in its capacity as administrator of the deposit guarantee scheme) on 4 December 2015. In addition the Bankruptcy Trustees have made an offer to all 311 subordinated deposit holders. The essence of the offer is described below. For full details of the offer, reference is made to 'The Offer from the Bankruptcy Trustees' as published on the DSB Bank N.V. website.

On 9 November 2017, with the agreement of DNB in its capacity as DGS administrator, the Bankruptcy Trustees made a similar offer to all the banks that had contributed towards the DGS except for the three banks that made the largest contributions.

2.6.3 Other rights and obligations not shown on the face of the balance sheet

Indication of interest not accounted for

As from the date of insolvency, with the exception of loans for which security has been provided in the form of pledges, no interest has been calculated on the customer accounts (funding). Purely by way of indication, a calculation has been made of the total amount of accrued interest on the allowed claims of unsecured and subordinated creditors over the period 19 October 2009–31 December 2017.

Interest calculation method

The applicable interest rates stated in the contract are used for individual creditors for the terms stated in the contract. Thereafter, the statutory interest rate for consumer transactions applies. Account is also taken of interim redemptions.

As from the date of the insolvency up to 2014, the statutory interest rate for consumer transactions fluctuated between a minimum of 3% and a maximum of 4%. The statutory interest rate as at 1 January 2015 was set at 2% and remains at this rate.

The obligation for accrued interest as at 31 December 2017 amounts to €637 million.

The movements were as follows:

	2017
Balance as at 1 January	652
Less: reduction in interest claim due to change in interest calculation method	-21
Less: reduction in interest claim in connection with arrangements with creditors	-27
Add: increase in interest for interest on claims in 2017 (including accrued interest) from then remaining creditors	33
Balance as at 31 December	<u>637</u>

The reduction of €21 million in the interest claim results from the calculation of the claimant interest at individual creditor level. Changes in the calculation method include the start date of the subordinated claim. The requirements for the award of contractual interest and statutory interest have also been tightened up.

The accrued interest figure of €637 million as at 31 December 2017 is, incidentally, no indication of the actual amount of interest payable to creditors at any given date. This will depend on the available funds, as explained below.

In principle, the Bankruptcy Trustees are prohibited under the Dutch Insolvency Act from making distributions in respect of interest claims arising after the date of insolvency as part of insolvency proceedings (first insolvency). Pursuant to the Dutch Insolvency Act, the DSB insolvency is brought to a close when the allowed claims of all Creditors in the insolvency of DSB have been paid in full. The payment of interest in respect of allowed claims that has been accrued since the declaration of insolvency can only commence after termination of the first insolvency.

At the end of the insolvency, DSB will not have sufficient funds to pay all interest claims accrued since the declaration of insolvency. That is why there will be a subsequent insolvency. The creditors must submit the interest claims - accrued during the current insolvency up to the date of the second insolvency order - to the Bankruptcy Trustees in the second insolvency.

The interest claims will subsequently be established in the second insolvency in the manner described in the Dutch Insolvency Act. This means, inter alia, that the Bankruptcy Trustees and each creditor in the second insolvency have the possibility of disputing submitted interest claims and taking their dispute to court.

In the event that interest claims are allowed and sufficient funds are available for distribution, distributions can then be made in respect of the allowed interest claims.

Other obligations

It is possible for obligations incumbent on the bankrupt estate to arise as a result of acts or omissions on the part of the Bankruptcy Trustees.

It should be noted that, until such time as the final distribution list in the insolvency is declared binding, it is still possible for late unsecured creditors to file claims. There is, after all, no statute of limitations with respect to such claims. However, it is not possible currently to determine the amount of such obligations and claims.

Current legal proceedings

The outcomes of the current legal proceedings will not have any material impact on the balance sheet items.

Transfer to Finqus BV

Finqus BV was set up by DSB Bank as shareholder on 24 July 2017 with issued and paid-up share capital of one euro. Finqus BV is licensed to offer mortgages and consumer credit and also to act as intermediary for arranging mortgages and consumer credit, income protection insurance and investments. The licences were issued by the AFM on 29 December 2017.

Finqus BV has taken over DSB Bank's own portfolio with effect from 1 January 2018, together with the management of the securitised loan portfolio. The purchase price for the loan assets and related receivables amounted to €1,512 million. In connection with the transaction, DSB Bank has granted a loan to Finqus BV amounting to €1,325 million and – as sole shareholder of Finqus BV – has paid in the share premium of €187 million.

In order for these activities to be carried on, all the staff of DSB Bank became employees of Finqus BV with effect from 1 January 2018. All the contracts with service providers related to the loan management activities and with other suppliers were also transferred to Finqus BV at the beginning of 2018.

Lease obligations for premises

As from 15 December 2014, DSB Bank has been leasing the second floor in the building situated at Geert Scholtenslaan 10, Wognum. A five-year lease has been signed. DSB Bank is paying a monthly rent of 10, including service costs and utilities. With effect from 1 January 2018, this obligation has been transferred to Finqus BV

Corporation tax

Prior to 1 January 2016, DSB Bank formed part of the tax group including DSB Beheer B.V. (among other entities) for corporation tax purposes. On 1 January 2016, DSB Bank was removed from this tax group and became independently liable for corporation tax. With effect from 24 July 2017, DSB Bank has been part of a new tax group with Finqus BV. DSB Bank has a considerable amount in tax loss carryforwards.

2.7 Notes to the company income statement for 2017 (x €1,000)

	2017	2016
15. FINANCE INCOME - INTEREST		
Interest on mortgages and consumer credit	77,373	95,170
Interest on front swaps and interest rate hedges	24,798	35,661
Interest on notes	815	1,105
	<u>102,986</u>	<u>131,936</u>

The average interest rate on first mortgages in 2017 amounted to approximately 4.0% (2016: 4.3%), on second mortgages 5.0% (2016: 5.3%) and on consumer credit 6.7% (2016: 7.0%).

	2017	2016
17. FINANCE EXPENSE - INTEREST		
Interest payable on the special long-term loan facility	5,792	10,646
Loans and other interest charges	175	357
	<u>5,967</u>	<u>11,003</u>

As from the date of insolvency, with the exception of loans for which security has been provided in the form of pledges, *no* interest has been calculated on the customer accounts (funding). In 2017, the 'unaccounted for interest' amounted to an estimated €33 million, excluding the non-recurring release to income of €48 million as a result of arrangements with creditors (2016: €39 million interest expense).

	2017	2016
18. ADMINISTRATIVE EXPENSES		
Staff costs	1,389	1,606
Temporary staff	1,872	2,165
Management services	1,183	1,658
Bankruptcy Trustees/Houthoff Buruma	1,756	1,489
Advisers	216	432
Office overheads	1,742	1,320
Servicing fee + loan portfolio management costs	4,845	3,829
Motor vehicles costs	21	33
Premises costs	119	195
	<u>13,143</u>	<u>12,727</u>

The company had an average of 15 full-time equivalent employees in 2017, all active in the Netherlands (2016: 18 FTEs).

	2017	2016
19. EXCEPTIONAL INCOME AND EXPENSES		
Movements in the provision for bad debts (note 2)	4,764	9,048
Income from loans > 12 instalments in arrears (note 2)	3,666	3,159
Gain on the receivable from DSB Ficoholding (note 5)	179	300
Gain on receivable from DSB Beheer (note 6)	308	500
Movement in the provision for notes issued by the securitisation entities (note 7)	9,300	29,700
Income from sale of Tadas Verzekeringen and exercise of pledge	219	750
Non-recurring proceeds from sale of sub-portfolio	0	3,820
Agreement with two former directors	0	1,421
Payout from professional liability insurance for two former directors	0	3,008
Movement in claims of unsecured creditors	0	-98
Movement in claims of subordinated creditors (note 13)	2,006	0
Movement in claims of unsecured creditors	0	464
Other	-125	25
	<u>20,317</u>	<u>52,097</u>

3. Additional information

3.1. Information relating to the SPVs (x €1,000)

DSB Bank, as originator, transferred loans to five SPVs, viz. Monastery 2004, Monastery 2006, Dome 2006, Chapel 2003 and Chapel 2007. The separate SPVs each have their own management board and keep independent accounts.

The balance of the securitised loans transferred to SPVs, without allowing for the provisions for bad debts made by the SPVs, was made up as follows:

	2017	2016
Monastery 2004	171,321	188,944
Monastery 2006	359,455	396,296
Dome 2006	326,131	380,802
Chapel 2003	184,299	220,595
Chapel 2007	197,439	240,608
	1,238,645	1,427,245

DSB Bank has various contractual financial positions with the separate SPVs, chief among which are:

Monastery 2004

Notes as at balance sheet date	Total	Held by DSB Bank
Class A2	99,429	14,968
Class B	24,500	1,500
Class C	21,500	7,000
Class D	8,500	1,500
Class E	10,500	3,500
Class F	1,500	0
Class G	6,817	0
<i>Total</i>	<i>172,746</i>	<i>28,468</i>

- Receivable from Monastery 2004 in respect of deferred purchase price receivable amounting to €5.0 million accounted for in other receivables (note 7). A provision has been recognised in respect of the full amount of these receivables.
- Payable to Monastery 2004 as regular cash flow still payable (daily sweep less servicing costs) in connection with servicing activities, totalling €0.6 million, recognised in sundry other liabilities (note 10).

Monastery 2006

Notes as at balance sheet date	Total	Held by DSB Bank
Class A2	284,740	87,404
Class B	28,000	0
Class C	28,700	20,100
Class D	9,500	300
<i>Total</i>	<i>350,940</i>	<i>107,804</i>

- Receivable from Monastery 2006 in respect of deferred purchase price receivable amounting to €24.7 million accounted for in other receivables (note 7). A provision has been recognised in respect of the full amount of these receivables.

Additional information

- Payable to Monastery 2006 as regular cash flow still payable (daily sweep less servicing costs) in connection with servicing activities, totalling €0.7 million, recognised in sundry other liabilities (note 10).

Dome 2006

Notes as at balance sheet date	Total	Held by DSB Bank
Class A	269,100	0
Class B	22,100	0
Class C	13,800	13,800
Class D	13,800	13,800
Class E	0	0
<i>Total</i>	<i>318,800</i>	<i>27,600</i>

- Receivables from Dome 2006 relating to received deferred purchase price, payments into the reserve account and other receivables. These receivables total €6.3 million and are accounted for in other receivables (note 7). A provision has been recognised in respect of the full amount of these receivables.
- Payable to Dome 2006 as regular cash flow still payable (daily sweep less servicing costs) in connection with servicing activities, totalling €1.6 million, recognised in sundry other liabilities (note 10).

Chapel 2003

Notes as at balance sheet date	Total	Held by DSB Bank
Class A	46,965	7,018
Class B	39,000	1,000
Class C	23,500	0
Class D	47,500	9,500
Class E	8,849	0
<i>Total</i>	<i>165,814</i>	<i>17,518</i>

- Receivable from Chapel 2003 in respect of deferred purchase price receivable amounting to €15.8 million accounted for in other receivables (note 7). A provision has been recognised in respect of the full amount of these receivables.
- Payable to Chapel 2003 as regular cash flow still payable (daily sweep less servicing costs) in connection with servicing activities, totalling €0.4 million, recognised in sundry other liabilities (note 10).

Chapel 2007

Notes as at balance sheet date	Total	Held by DSB Bank
Class A1	0	0
Class A2	86,040	0
Class B	13,800	2,200
Class C	23,500	9,200
Class D	17,900	9,900
Class E	13,800	6,300
Class F	13,800	0
Class G	6,900	0
<i>Total</i>	<i>175,740</i>	<i>27,600</i>

- Receivable from Chapel 2007 in respect of deferred purchase price receivable amounting to €33.3 million accounted for in other receivables (note 7). A provision has been recognised in respect of the full amount of these receivables.
- Payable to Chapel 2007 as regular cash flow still payable (daily sweep less servicing costs) in connection with servicing activities, totalling €0.5 million, recognised in sundry other liabilities (note 10).

3.2. List of subsidiaries, associates and joint ventures

As at 31 December 2017, the company balance sheet includes the following investments in subsidiaries, associates and joint ventures (amounts in euros):

Name of company	Domicile	Interest	Authorised share capital	Paid-up and called capital
DSB International B.V.	Wognum	100%	€90,000	€18,000
- DSB Direkt GmbH	Düsseldorf	100%	€25,000	€25,000
- DSB Deutschland GmbH	Düsseldorf	100%	€25,000	€25,000
Finqus BV (established 24 July 2017)	Wognum	100%	€1	€1