

Information for noteholders

Chapel 2003, Monastery 2004, Monastery 2006,
Dome 2006, Chapel 2007

provided by

Bankruptcy Trustees DSB Bank

7 May 2015

1. Information for noteholders
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1. Information for noteholders

- Usual reports by the issuers to noteholders
- Reports to creditors by Bankruptcy Trustees (see www.dsbbank.nl)
 - Quarterly public reports (last report published 30 April 2015)
 - Financial reports 2009 – 2014 (2014 published 27 March 2015)
 - Ad hoc reports: last report published 5 December 2014 announcing 35% distribution and continuation of run-off (sheet 4).
- Presentations / information for noteholders by Bankruptcy Trustees
 - Presentations: 24 March 2011, 13 July 2011, 27 April 2012, 17 September 2012, 28 November 2012, 27 March 2013, 5 September 2013, 28 March 2014
 - Information: 5 September 2014, 7 May 2015
- Presentations to noteholders by Security Trustees
 - 29 August 2011: Servicing
 - 27 October 2011: Duty of Care

2. Highlights

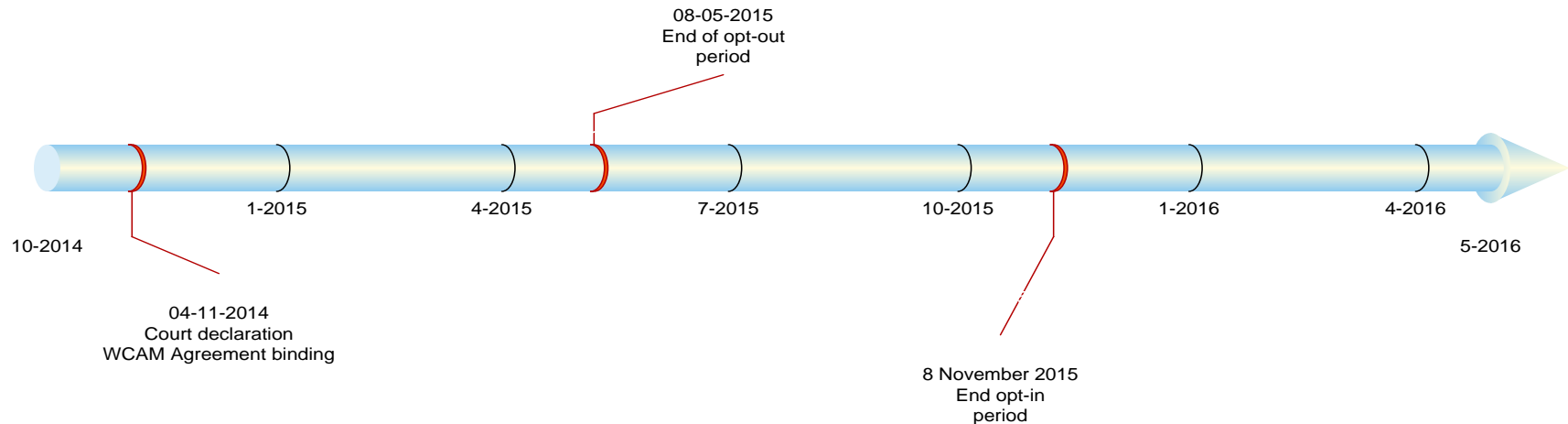
- Decision by bankruptcy trustees to continue running-off the loan portfolio over a period of 5 years, in principle (offices rented for 5 years).
- Bankruptcy pay-out:
 - Mega pay-out of 35% has taken place in December 2014, resulting in a total pay-out of 74%. Pay-out has been financed through cash flow and specially arranged loan facility.
 - Further pay-outs are not expected during the next 5 years because special loan facility needs to be repaid first.
 - All claims of unsecured and subordinated creditors are expected to be paid in full in the long term, based on existing projections. A remaining balance if any, will be paid out towards interest claims of creditors.
- Duty of Care
 - Compensation scheme declared binding by Court on 4 November 2014.
 - Total costs of the Scheme are estimated to be €320mln.
- Court declined claim of DSB Bank and organizations of private customers against Dutch Central Bank (DNB) regarding among other things insufficient supervision, on 29 April 2015. Claimants are reconsidering position.

3. Duty of Care

- On 4 November 2014, Amsterdam's High Court has given its final decision on the application under the Mass Claims Settlement Act ('WCAM').
- The compensation scheme under the Heads of Agreement of September 2011 and a number of amendments made in July 2014, have been declared binding.
- Customers have until 8 May 2015 to opt out and until 8 November 2015 to opt in (timeline sheet 6).
- From 8 November 2015 customers can no longer bring actions against DSB Bank on dereliction of duty of care*.
- End 2014 the provision for settlement of all future compensation claims is set at €105mln.
- Total DoC costs are currently estimated to amount to approximately 320mln (actual costs as at end of March 2015 €264mln; sheet 12).

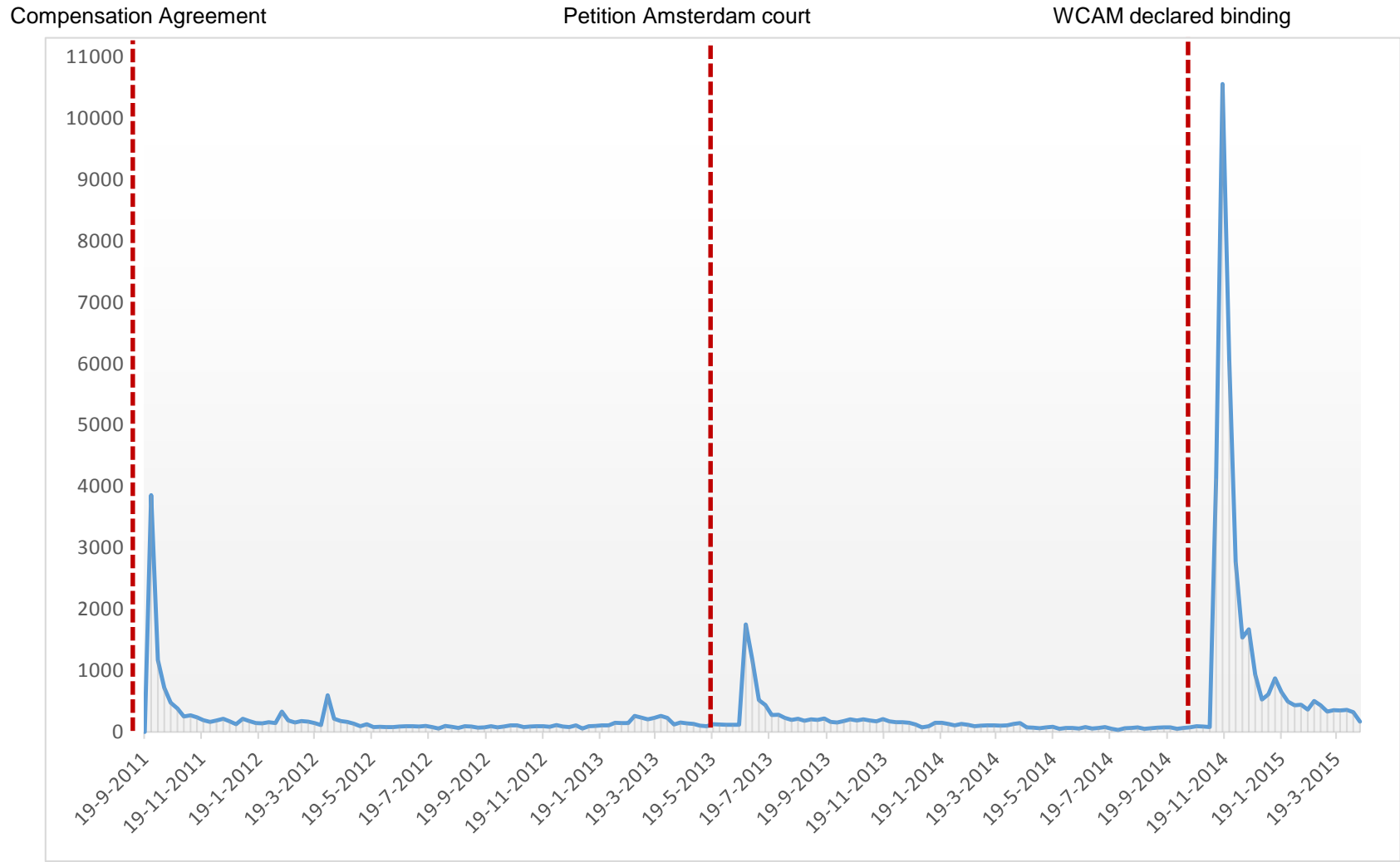
3. Duty of Care: timeline

- Phases and timeline of WCAM



- Upon external communication on WCAM court decision, applications temporarily increased strongly (sheet 7).
- In the period September 2011 until the end of March 2015, a total of almost 69,000 requests for compensation were filed (sheet 9).
- Currently there are on average around 300 new applications per week.
- Only 290 customers so far opted out. Impression is that many of them do not plan lawsuits but by opting-out indicate the wish to close their files.

3. Duty of Care: number of applications for compensation per week



3. Duty of Care workflow: number of filings

Insurance and security lending products

- For insurance and security lending products, the processing of filed complaints has proceeded with only limited backlog, despite the peak in applications after WCAM was declared binding (sheet 9).
- As at end of March 2015, 76% of the 69,000 filings qualified for compensation (end of December 2014 87%).
- 84% of these compensation filings have been completed and processed.

Overextension

- Of 57,000 filings for overextension as at end of March 2015, around 25,000 (44%) do not qualify for compensation, mainly because loans have been repaid.
- The processing of files for overextension is still in progress. About 22,000 customers have been requested to provide further information (income, expenditure, etc.), of which around 12,000 (54%) have actually submitted the information (sheet 9). 2,700 of the clients that submitted information (23%) have received a proposal for compensation.

3. Duty of Care workflow: number of filings (end of March 2015)

Total amount for completed and processed filings €264mln;
breakdown sheet 11

	Cumulative AoH End of Q2-2014	Cumulative AoH End of Q4-2014	AoH + WCAM End of Q1-2015
	Numbers	Numbers	Numbers
Filing & registration	35.485	36.397	68.595
COMPENSATION FOR INSURANCE- AND SECURITY LENDING PRODUCTS			
1 Filing & registration	35.485 100%	36.397 100%	68.595 100%
2 Not qualified for compensation	4.324	4.499	14.937
3 Compensation proposed / granted	30.605 86% 100%	31.505 87% 100%	52.429 76% 100%
4 Completed and processed with compensation	28.181 92%	29.398 93%	44.068 84%
COMPENSATION FOR OVEREXTENSION			
5 Filing & registration	23.316	24.037	57.434
6 Not qualified for compensation	2.937	3.009	25.345
7 Clients where requested information is submitted and complete	11.014 100%	11.543 100%	11.865 100%
8 Compensation proposed / granted	2.426 22% 100%	2.494 22% 100%	2.701 23% 100%
9 Completed and processed with compensation	2.267 93%	2.398 96%	2.427 90%

Note. Workload of filings in process between filing & registration and compensation granted (overextension including information to be submitted by clients):

- Insurance and security lending products: 1.229 (1 minus 2 minus 3)
- Overextension: 20.224 (5 minus 6 minus 7)

3. Duty of Care: compensation amounts

Actual as per 31 March 2015

- The costs relating to DoC amounted to €264mln as at 31 March 2015 (sheet 11).
- €109mln of these costs have been set-off against securitized loans; these losses of SPVs are / will be accepted as unsecured claims in bankruptcy.
- 74% will be paid out for claims of SPVs that have not yet been filed; 100% pay-out is expected longterm.

Estimate of total DoC costs

- An estimation is made of total DoC costs based on trends in filings, WCAM ruling and timeline, completed and processed files and assumed allocation of compensations to DSB/SPVs based on the situation as per March 2015.
- This has led to estimated total DoC costs of €320mln, of which €132mln may be set-off against securitized loans (sheet 12). Actual costs may differ from these estimates.
- The expected total costs are substantially below the estimation of the potential maximum of €555mln that has been presented to noteholders in October 2011 at the time the Heads of Agreement was reached (58%)*.

* Note that the 2011 estimates were rough indications of the potential maximum and at that time not all parameters for the scheme were already set in detail. Moreover, the financial impact of the amendments of July 2014 were not taken into consideration at that time.

3. Duty of Care: breakdown of processed filings (actual)

	End of Q2-2014 (cumulative)	End of Q4-2014 (cumulative)	End of Q1-2015 (cumulative)	
	mIn €	mIn €	mIn €	% of total
Insurance policies	139,1	150,6	202,0	77%
Investment policies	28,5	28,9	28,9	11%
Overextension	30,6	33,1	33,1	12%
Total	198,2	212,6	264,0	100%
No loan set-off	38,9	42,5	64,6	24%
DSB Loan set-off	72,1	77,2	90,4	34%
Chapel 2003	34,9	37,4	44,4	17%
Chapel 2007	34,0	36,1	42,0	16%
Dome	4,4	4,7	5,6	2%
Monastery 2004	4,4	4,8	5,6	2%
Monastery 2006	9,5	9,9	11,4	4%
SPV Loan set-off	87,2	92,9	109,0	41%
Total	198,2	212,6	264,0	100%

Is or will be accepted as unsecured SPV claim in bankruptcy;
claims are expected to be paid out in full.

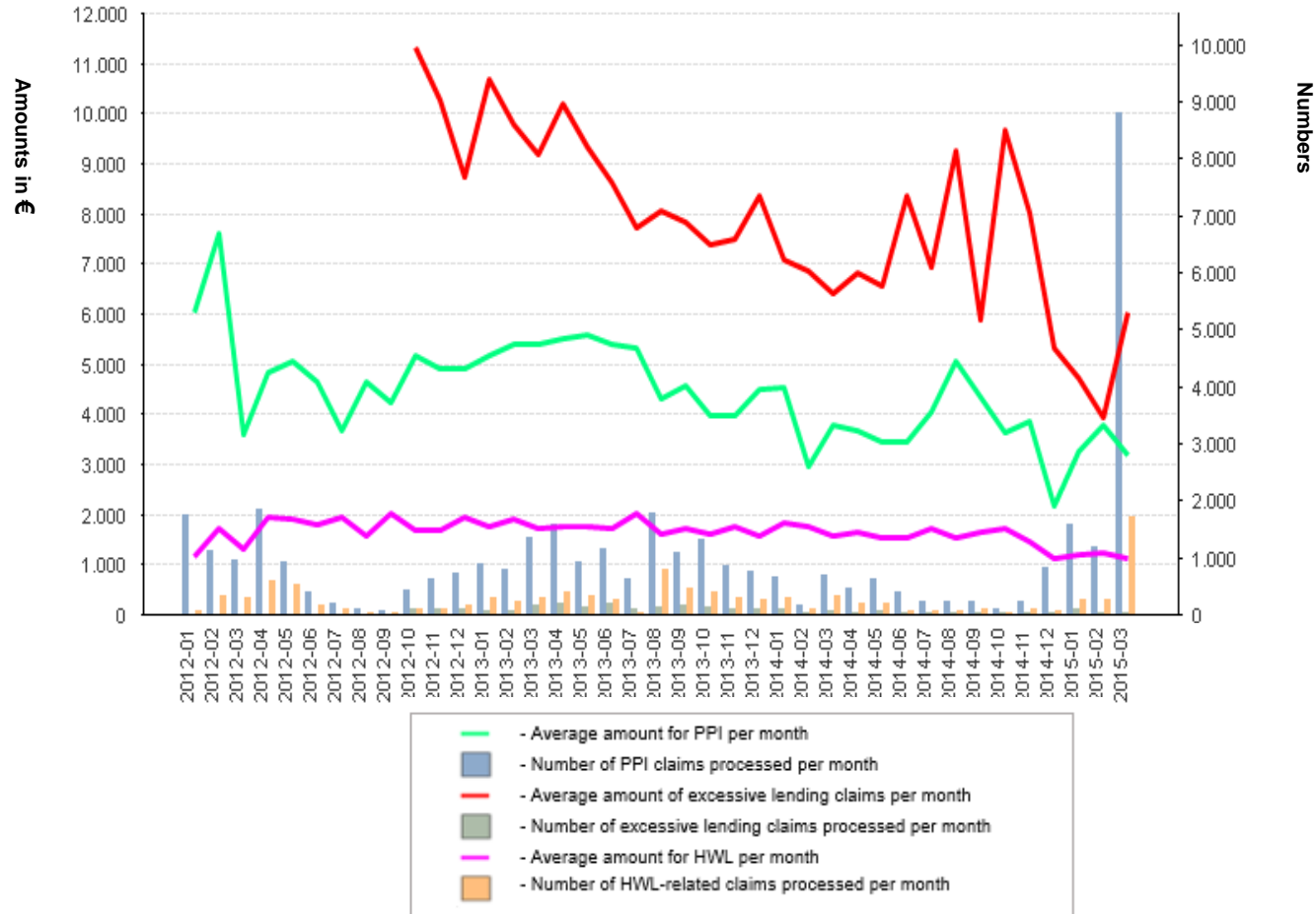
3. Duty of Care: total and breakdown of estimated costs

	Estimated Maximum October 2011		Actual end of Q1-2015 (cumulative)		Total Estimate (cumulative)		
	mIn €	% of total	mIn €	% of total	mIn €	% of total	% of maximum
Insurance policies	320,0	58%	202,0	77%	245	77%	77%
Investment policies	85,0	15%	28,9	11%	34	11%	40%
Overextension	150,0	27%	33,1	12%	41	12%	27%
Total	555,0	100%	264,0	100%	320	100%	58%
No loan set-off	185,0	33%	64,6	24%	78	24%	42%
DSB Loan set-off	175,0	32%	90,4	34%	110	34%	63%
Chapel 2003	75,0	14%	44,4	17%	55	17%	73%
Chapel 2007	85,0	15%	42,0	16%	52	16%	61%
Dome	10,0	2%	5,6	2%	6	2%	60%
Monastery 2004	10,0	2%	5,6	2%	6	2%	60%
Monastery 2006	15,0	3%	11,4	4%	13	4%	87%
SPV Loan set-off	195,0	35%	109,0	41%	132	41%	68%
Total	555,0	100%	264,0	100%	320	100%	58%



3. Duty of Care: compensation for insurance policies and excessive lending

Average amounts and numbers of compensation claims processed per month (not cumulative)

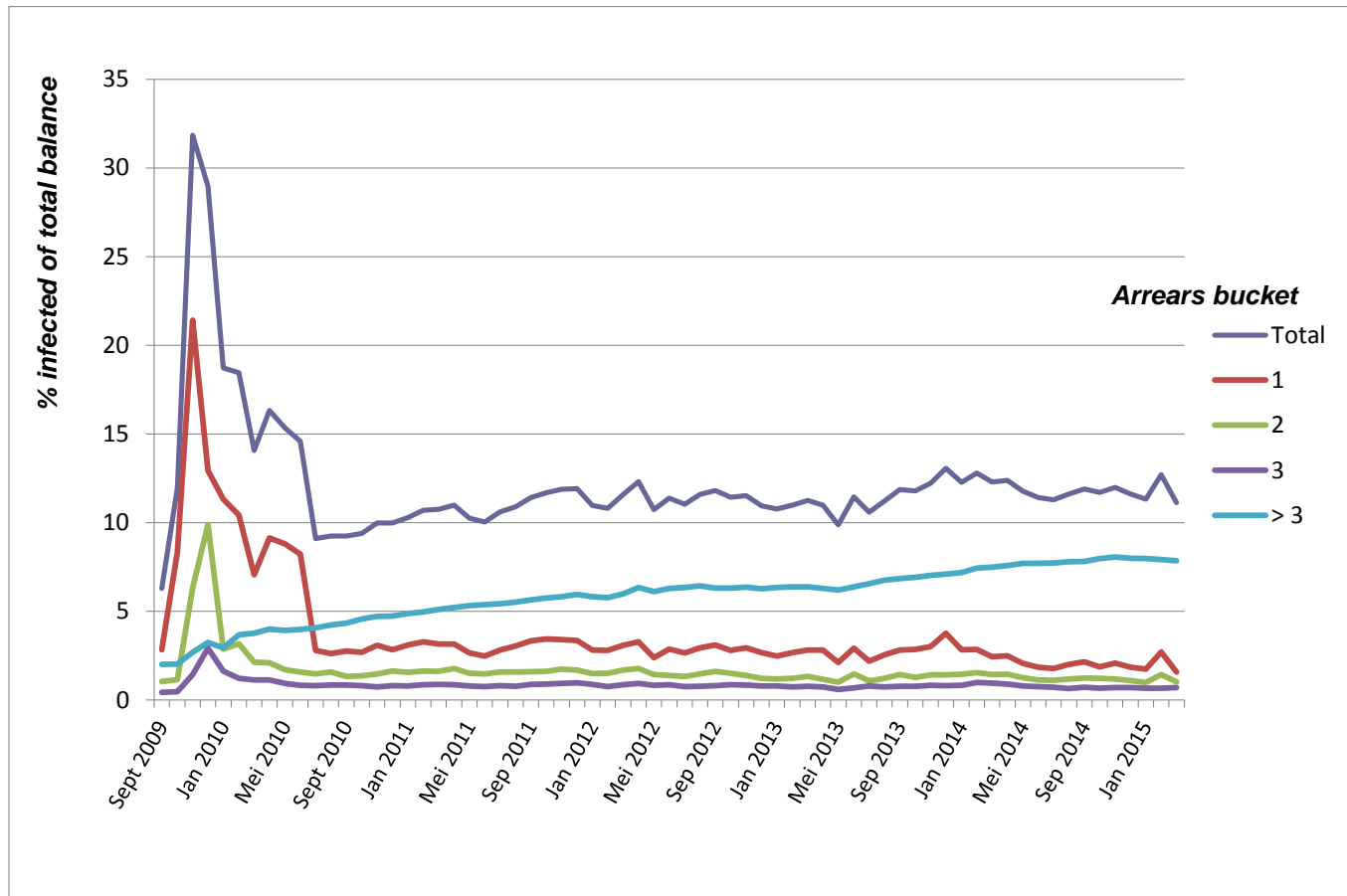


4. Arrears

- Arrears relating to the total portfolio of SPVs and DSB decreased 0.16%-point in the period since July 2014*, to 11.13% in March 2015 (sheet 15).
- This decrease is despite aging of the portfolio and redemptions on loans, which are partially off-set by DoC compensations that have been settled with arrears. These effects combined accounted for 1.15%-point increase of infected balance and thus normalised arrears decreased by 1.31%.
- In February 2015 arrears temporarily increased, caused by direct debits on private loans on Saturday, month-end 28th. These instalments could not be collected on that day which has been redressed in March.

4. Arrears

Total portfolio
Month-end figures September 2009 – March 2015
Legenda sheet 17



Note. Small "arrears" due manual monthly payments that are not made exactly on due date are left out of the reported figures since August 2010.

5. Servicing / portfoliomanagement

- It is scheduled to migrate special servicing of the loan portfolio of SPVs of consumer loans, second lien mortgages and residual debts with arrears of 12 months and more, from Quion to specialised servicers Vesting Finance and Ultimoo by the end of Q2-2015.
- Service fees of Vesting Finance and Ultimoo are exclusively based on a percentage of collected cash thus creating alignment of interests.
- Separated collection accounts are established to avoid additional third party risks.
- As a result higher net recoveries are anticipated.

Annex 1. Legenda arrears (sheet 15)

1H	1st lien mortgage loans	
2H	2nd liend mortgage loans	
CK	Consumer Loans	
DK	Revolving Loans	
PL	Personal Loans (non revolving)	
Infected balance	Total balance of loans in arrears	
Arrears balance	Total amount of due installments -/- actual installments paid	
Infection ratio	Arrears balance / last installment	
Arrears buckets	Infection ratio expressed as monthly installments	<u>Bucket</u>
	0	0
	0.01 – 1.00	1
	1.01 – 2.00	2
	2.01 – 3.00	3
	3.01 - ∞	>3
Report date	Month end	
Reported portfolio	Own book and securitised loans to consumers in The Netherlands	
Aging	Increase of the infected balance as a percentage of the total balance as a result of the decrease of the total balance leaving the portfolio with a higher share of lower quality loans (arrears).	