

Security Trustee Report

CHAPEL 2003-I

This report (the "**Report**") is made available by Stichting Security Trustee Chapel 2003-I (the "**Security Trustee**") to the holders of notes (the "**Noteholders**") of each of the following class(es):

€ 890,000,000 floating rate Senior Class A Asset-Backed Notes 2003 due November 2064, issue price 100 per cent. ISIN: XS 0179679328

€ 39,000,000 floating rate Mezzanine Class B Asset-Backed Notes 2003 due November 2064, issue price 100 per cent. ISIN: XS 0179679674

€ 23,500,00 floating rate Junior Class C Asset-Backed Notes 2003 due November 2064, issue price 100 per cent. ISIN: XS 0179679914

€ 47,500,000 floating rate Subordinated Class D Asset-Backed Notes 2003 due November 2064, issue price 100 per cent. ISIN: XS 0181842146

(the "**Notes**" and each class of Notes, a "**Class of Notes**" and together the "**Classes of Notes**")

7 January 2016

1. INTRODUCTION

The Notes are backed by certain loan receivables originated by DSB Bank N.V. ("**DSB**"). DSB was declared bankrupt on 19 October 2009. Mr. R.J. Schimmelpenninck and Mr. B.F.M. Knüppe act as bankruptcy trustees of DSB (the "**Bankruptcy Trustees**").

This Report is the report to be made available by the Security Trustee and provides information relating to the Extraordinary Resolution (as set out below) to be submitted for adoption at the Noteholders Meetings (as defined below) and certain information with respect to attendance, voting and quorum requirements for the adoption of the Extraordinary Resolutions at the Noteholders Meetings.

The information herein is preliminary and may be superseded by any other information subsequently provided by the Security Trustee and/or the Issuer. The Security Trustee, the Issuer or the Directors are not responsible for the accuracy of the information herein and accept no responsibility whatsoever for the contents of this Report.

Capitalised terms used but not defined herein shall have the meanings defined in the prospectus, dated 16 December 2003, relating to the issue and the offering of the Notes, or the trust deed, dated 16 December 2003, by and between, the Issuer and the Security Trustee [as amended on 26 March 2012](#) (the "**Trust Deed**").

Noteholders are recommended to seek their own financial, legal or other advice from their professional advisers if they are in doubt as to the action to take.

2. SUBJECT OF THE NOTEHOLDERS MEETINGS

2.1. The Other Creditor Offer

On 3 December 2015, the Bankruptcy Trustees have announced that they have made an offer to the unsecured (meaning ordinary, non-subordinated) creditors of DSB, with the exception of *De Nederlandsche Bank N.V.* (the Dutch Central Bank), and all 311 subordinated deposit holders of DSB. The Bankruptcy Trustees have offered these creditors to pay off their claims against DSB against payment of an amount received as a lump sum, in return for which the creditors waive all claims against DSB and claims against third parties in relation to DSB (the "**Other Creditor Offer**"). The Other Creditor Offer is valid for a period of three months. In short, the Other Credit Offer entails that the lump sum payment is equal to the difference between the validated claims of the relevant creditor and the amounts already paid/the cumulative distribution to that creditor. As a result thereof, a creditor accepting the Other Creditor Offer will receive 100% payment of its validated claim, which is by nature excluding interest due as from the date of bankruptcy. Details of the Other Creditor Offer have been published and are available through [http://www.dsbbank.nl/crediteuren/en/public-reports/dsb-bank-\(public-reports\)](http://www.dsbbank.nl/crediteuren/en/public-reports/dsb-bank-(public-reports)). ~~The We~~ [understand that the](#) report will be available from 11 January 2016.

2.2. Claims of the Issuer

In 2009 the Issuer and the Security Trustee did not know which part of the loan receivables that were the subject of the Chapel 2003-I transaction would be set-off against duty of care claims. Therefore, they filed a claim equal to the then outstanding amounts of the loan receivables in the Chapel 2003-I transaction in the bankruptcy estate of DSB.

Subsequently, the Issuer (in consultation with the Security Trustee) and the Bankruptcy Trustees entered into a practical arrangement, providing for a method of validating the Issuer's claims. This arrangement entails that (after the regular verification meeting) the Bankruptcy Trustees have held and will hold several additional creditors' meetings (as provided for in section 178 of the Dutch Bankruptcy Act) to validate the Issuer's claims in the bankruptcy estate up to the amount that the loan receivables have been set-off against duty of care compensation in the period immediately preceding the relevant creditors' meeting. So far the Bankruptcy Trustees have acted in accordance with this arrangement and 74% of the validated Issuer's claims has been paid (which percentage is in line with the payment on claims of other ordinary creditors).

2.3. The offer made to the Issuer

In line with the Other Creditor Offer, the Bankruptcy Trustees have indicated that they wish to settle the claims of the Issuer. The offer made by the Bankruptcy Trustees (the "**Offer**") entails the following:

- The Bankruptcy Trustees will make a lump sum payment to the Issuer in an amount equal to the part of the Total Accepted Amount (as defined below) which to date is unpaid.
- The Total Accepted Amount is equal to the sum of (a) the Issuer's claims that have been formally validated and approved in the bankruptcy; and (b) the additional amount acknowledged by the Bankruptcy Trustees based on more recent duty of care compensation.
- The Issuer and Security Trustee waive all claims, against DSB and against third parties, in relation to losses incurred due to duty of care breaches by DSB. This includes a waiver of interest that became due over claims after the date of bankruptcy.
- If and to the extent that now or in the future any duty of care compensation granted by the Bankruptcy Trustees, any competent court or tribunal is or has been set off against amounts to which the Issuer is entitled (a "**Set Off Amount**") and that Set Off Amount has not been validated and approved as a claim of the Issuer and/or the Security Trustee in the bankruptcy of DSB before the date of acceptance of the Offer (such Set Off Amount to the extent not already forming part of the Total Accepted Amount, an "**Unvalidated Set Off Amount**"), the Bankruptcy Trustees will pay an amount equal to such Unvalidated Set Off Amount to the Issuer.

The Bankruptcy Trustees have informed the Issuer and the Security Trustee that the committee of creditors (*commissie uit de schuldeisers*) appointed in relation to the bankruptcy of DSB has positively advised in relation to the Offer and that the supervisory judge (*rechter-commissaris*) appointed in relation to the bankruptcy of DSB has approved the Offer.

The Security Trustee wishes to request the instruction of the Noteholders as to whether or not to accept the Offer.

2.4. **Security Trustee's considerations**

The Security Trustee is not in a position to make an assessment as to whether the proposals, or any particular element thereof, are beneficial to Noteholders from an economic or financial point of view or not, or are otherwise in the interests or contrary to the interests of Noteholders. Accordingly, the Security Trustee refrains from expressing any view or opinion to Noteholders in that respect.

The Security Trustee notes that the details of the Ordinary Creditors Offer as referred to above and accessible through [http://www.dsbbank.nl/crediteuren/en/public-reports/dsb-bank-\(public-reports\)](http://www.dsbbank.nl/crediteuren/en/public-reports/dsb-bank-(public-reports)) contains a discussion by the Bankruptcy Trustees of the current status of the bankrupt estate and certain projections by the Bankruptcy Trustees, which may or may not be informative for the Noteholders. ~~The~~**We understand that the** report will be available from 11 January 2016. Please note that said information is provided by the Bankruptcy Trustees. The Security Trustee, the Issuer and the Directors have not assessed or verified said information from the Bankruptcy Trustees, are not responsible for the accuracy thereof and accept no responsibility whatsoever for the contents thereof.

2.5. **Acceptance of the Offer**

The Security Trustee is willing to accept the Offer, provided that (i) each Class of Noteholders during a meeting of such Class of Noteholders (each a "**Noteholders Meeting**") and together the "**Noteholders Meetings**") has been consulted and has been given the opportunity to express its view with respect to the Offer and to vote on the Extraordinary Resolution and (ii) the Senior Class A Noteholders have, at a Noteholders Meeting, adopted the Extraordinary Resolution, irrespective of the outcome of the vote on such Extraordinary Resolution at Noteholders Meetings in respect of other Classes of Notes. This is in line with the terms and conditions of the Notes stating that the exercise by the Senior Class A Noteholders of their powers will be binding on the other Noteholders regardless of the effect on the interest of such other Noteholders.

2.6. **Text of the Extraordinary Resolution to be submitted for adoption**

At the Noteholders Meetings, the Security Trustee wishes to submit the following Extraordinary Resolution for adoption. Please note that the full text of the Extraordinary Resolution is set out in Annex I hereto.

The Noteholders instruct the Security Trustee by means of an Extraordinary Resolution to, and/or if necessary, to instruct the Issuer to, accept the Offer and to enter into the Settlement Agreement.

3. **NOTEHOLDERS MEETINGS**

The formal notice to convene the Noteholders Meetings has been disseminated by the Security Trustee via Euroclear Bank S.A./N.V. as operator of the Euroclear System and Clearstream Banking, société anonyme (the "**Notice**") on or about 5 January 2016.

The Noteholders Meetings will take place at the offices of Stibbe N.V. located at Strawinskylaan 2001, Amsterdam, the Netherlands, on 27 January 2016 at ~~10.15~~9.30 hrs CET, as specified in the Notice.

4. **ATTENDANCE, VOTING AND QUORUM**

Detailed information about the notice of and the attendance of the Noteholders Meetings, the voting at the Noteholders Meetings and the quorum required to adopt the proposed resolutions is set out in Annex II hereto.

5. **AGENT**

ABN AMRO Bank N.V. acts as agent (the "**Agent**") for the Security Trustee in respect of each of the Noteholders Meetings. The details of the Agent are set forth under 7 below.

6. **MINUTES**

At the Noteholders Meetings, a chairman of such Noteholders Meeting and a civil law notary will be present who will prepare the minutes of the meeting.

The chairman will be:

Mr. [H.M. Pereboom van Dijk](#) (representative of the Security Trustee) or any other person appointed by the Security Trustee

The civil notary will be:

Mr. P.H.N. Quist (notary of Stibbe N.V.) or a legal substitute for Mr. P.H.N. Quist

Minutes of each of the Noteholders Meetings will be made available shortly after each Noteholders Meeting and will be signed by the chairman of each Noteholders Meeting and the civil law notary present at such Noteholders Meeting.

Noteholders wishing to obtain the minutes are requested to submit or procure to submit a request to the Agent, which request should contain the details of the relevant nominal amount and the ISIN code of each Class of Notes held and all relevant details of the Noteholder (including full contact details and the e-mail address to which the minutes need to be sent).

7. CONTACT DETAILS

Contact details of the Security Trustee:

SGG Netherlands N.V.
Director of the Security Trustee
Hoogoorddreef 15
1101BA Amsterdam
THE NETHERLANDS
NLSecuritisation@sgggroup.com

Contact details of the Agent:

ABN AMRO Bank N.V.
Corporate Broking
Tel. +31 20 344 2000
Fax: + 31 20 628 8481
Email: corporate.broking@nl.abnamro.com

ANNEX I

Proposed Extraordinary Resolution

The Noteholders instruct the Security Trustee by means of an Extraordinary Resolution to, or if necessary, to instruct the Issuer to, accept the Offer and to enter into the Settlement Agreement.

The Noteholders authorise, direct, request and empower the Issuer and Security Trustee to (i) enter into and execute any agreements and documents in connection with the implementation of this Extraordinary Resolution (both future and existing) and any further documents, deeds, instruments, agreements, notices, powers of attorney, resolutions, acknowledgements, letter agreements, memoranda, statements and certificates as may be ancillary, necessary, required or useful in connection therewith and (ii) do all such acts and things as may be necessary or desirable in connection with the implementation of this Extraordinary Resolution.

In accordance with Clause 10.3 of the Trust Deed, the Noteholders discharge and exonerate the Issuer, the Security Trustee and their Directors from all liability for which they may have become or may become responsible under the Trust Deed, the Notes or otherwise in respect of any act or omission in connection with the exercise by the Issuer or the Security Trustee of this Extraordinary Resolution, the implementation thereof, and any agreements and documents referred to in this part of the Extraordinary Resolution.

The Noteholders consent to the Security Trustee implementing this Extraordinary Resolution within a reasonable period after its adoption.

The Noteholders confirm that the Issuer and the Security Trustee and their respective advisers and others may rely on this Extraordinary Resolution.

ANNEX II

Attendance, voting and quorum

The relevant provisions regarding the notice and attendance of a Noteholders Meeting, the voting during a Noteholders Meeting and the quorum required in a Noteholders Meeting to adopt an extraordinary resolution are set out in Schedule 1 of the Trust Deed and are in more detail discussed below.

Notification

Formal notice (the Notice) by the Security Trustee to convene the Noteholders Meetings in respect of each Class of Notes was given on 5 January 2016, by means of (*inter alia*) an announcement via Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and a press release by the Issuer on its website.

ABN AMRO Bank N.V. acts as agent of the Issuer in respect of each Noteholders Meeting (the "**Agent**"). The contact details of the Agent are set forth in paragraph 7 of the Report.

Instructions in relation to in person attending, and voting at, the Noteholders Meetings

- (A) Noteholders, their representatives or their proxyholder(s) wishing to attend the Noteholders Meeting on 27 January 2016 in person and to vote at such Noteholders Meeting are requested to submit or procure to submit (i) a blocking instruction to the Agent; and (ii) a voting certificate which may be obtained from the Agent; both through and in accordance with any procedures of Euroclear or Clearstream, Luxembourg by no later than 17.00 hours CET on 25 January 2016. Such blocking instruction should contain details of the relevant nominal amount and the ISIN code of each Class of Notes held and all relevant details of the Noteholder (including full contact details). Noteholder representatives or proxyholders wishing to attend the relevant Noteholders Meeting in person must produce at such Noteholders Meeting a valid voting certificate issued by the Agent relating to each such Class of Note(s) in respect of which he or she wishes to vote.
- (B) As of 28 January 2016 the relevant nominal amount of each Class of Notes, for which a blocking instruction has been submitted, will be unblocked.

Instructions in relation to authorising the Agent to attend and to vote at, the Noteholders Meetings

- (A) Noteholders, wishing to vote but not to attend a Noteholders Meeting in person are requested to submit or procure to submit a blocking instruction to the Agent which is to include a voting instruction, all through and in accordance with any procedures of Euroclear or Clearstream, Luxembourg by no later than 17.00 hours CET on 25 January 2016. Such combined blocking instruction and voting instruction should contain details of the relevant nominal amount and the ISIN code of each Class of Notes held, all relevant details of the Noteholder (including full contact details) and the appointment of the Agent as proxyholder to attend and vote at each Noteholder Meeting in accordance with the voting instruction received from such Noteholder.

- (B) As of 28 January 2016 the relevant nominal amount of each Class of Notes, for which a blocking instruction has been submitted, will be unblocked.

Quorum, adoption and implementation of Extraordinary Resolution

Each Note carries one vote.

In accordance with Clause 2.4 of Schedule 1 of the Trust Deed, in order for a Class of Noteholders to pass an Extraordinary Resolution during a Noteholders Meeting of such Class of Noteholders a majority of not less than two-thirds of the validly cast votes at such meeting is required at which meeting at least two-thirds of the principal amount of that Class of Notes then outstanding are represented. In case of an adjourned meeting a majority of at least 51 per cent. of the validly cast votes at such a meeting is required without taking into account the percentage of representation.

After voting in accordance with the procedures set forth in Schedule 1 of the Trust Deed, the chairman of each Noteholders Meeting will count the votes which have been validly cast. In the minutes of each Noteholders Meeting it will be stated whether or not the Extraordinary Resolution is adopted.

In accordance with Clause 3.1 of Schedule 1 of the Trust Deed, an Extraordinary Resolution duly adopted by the Noteholders of a Class of Notes shall be binding upon all Noteholders of the relevant Class, irrespective of whether or not all Noteholders of such Class have attended the relevant Noteholders Meeting and have voted in favour of the Extraordinary Resolution.

The terms and conditions of the Notes state that the exercise of the Senior Class A Noteholders of their powers will be binding on the other Classes of Noteholders, irrespective of the effect on the interest of such other Classes of Noteholders.

Document comparison by Workshare Compare on vrijdag 15 januari 2016
13:17:28

Input:	
Document 1 ID	interwovenSite://STIBBEDMS/Legal/17248323/1
Description	#17248323v1<Legal> - 20160107 - ST Report Chapel 2003-I (DSB Settlement)
Document 2 ID	interwovenSite://STIBBEDMS/Legal/17248323/2
Description	#17248323v2<Legal> - 20160107 - ST Report Chapel 2003-I (DSB Settlement)
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	7
Deletions	5
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	12