

Information for noteholders

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

provided by

Bankruptcy Trustees DSB Bank

28 March 2014

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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 31 January 2014)
 - Financial reports 2009 – 2012
 - Financial report 2013; published 20 March 2014
- Information / presentations for noteholders by Bankruptcy Trustees
 - 24 March 2011, 13 July 2011, 27 April 2012, 17 September 2012, 28 November 2012, 27 March 2013, 5 September 2013
 - 28 March 2014
- Presentations to noteholders by Security Trustees
 - 29 August 2011: Servicing
 - 27 October 2011: Duty of Care

2. General update bankruptcy

- In September 2011 DoC Compensation Arrangement with representatives of borrowers has been agreed. Implementation has started in October 2011. Procedure for ratification by court (WCAM) was filed in May 2013 and is still pending (see sheet 10).
- WCAM procedure has been communicated with all (former) clients and the press in May 2013; this initially triggered new applications for DoC compensations. Currently there are still some 50 -100 applications per week (see sheet 11).
- Sixth bankruptcy pay-out of 4% has taken place in December 2013 resulting in a total pay-out of 35%. Seventh pay-out of 4% is expected in June 2014.
- End of December 2013 DSB organisation consisted of 63 FTEs on the payroll and 37 FTEs temporary staff (End of December 2012 134 FTEs and 72 FTEs respectively).

2. Key figures 2013 DSB Bank (www.dsbbank.nl)

	2013	2012	2011	2010	2009
BALANCE SHEET					
Balance sheet total	2,919,073	3,282,731	3,560,678	3,968,256	4,693,412
Loans and advances	2,819,795	3,151,399	3,411,117	3,853,435	4,252,039
Provision for bad debts	-270,801	-265,472	-278,664	-363,432	-383,666
Provision as percentage of loans and advances	9.6%	8.4%	8.2%	9.4%	9.0%
Borrowings	381,981	489,472	588,967	455,208	1,161,118
Distribution to preferential and unsecured creditors (cumulative)	1,317,202	1,001,351	696,588	0	0
Outstanding payables to unsecured creditors (cumulative)	2,527,247	2,829,312	3,109,476	3,817,554	0
Subordinated payables (cumulative)	131,880	143,303	143,303	143,303	147,853
Balance of assets and liabilities (cumulative)	-308,370	-429,135	-451,393	-631,688	-574,906
Interest not included in balance	-499,185	-400,172	-280,447	-148,593	-31,022
INCOME STATEMENT					
Revenue	199,805	187,569	210,241	239,744	342,512
Operating expenses	43,943	52,840	58,960	88,785	333,615
Exceptional income and expenses	-35,097	-112,471	17,714	-207,741	-816,496
Net result	120,765	22,258	168,995	-56,782	-807,599
OTHER KEY FIGURES					
FTEs on payroll (average)	98	153	216	271	1,211
FTEs on temporary contract (average)	56	99	71	n/b	n/b
Securitized loans	1,959,138	2,127,664	2,292,028	2,520,018	2,760,853
Compensation in respect of duty of care	29,178	129,284	21,100	27,344	0
Compensation in respect of duty of care (cumulative)	206,906	177,728	48,444	27,344	0

3. Servicing

- Migration of servicing to Quion took place in June 2013.
- Payments from customers and sweeps to SPVs continued without interruption. Processing of Duty of Care compensations has been resumed 2 weeks after migration.
- Quion is responsible for primary and special servicing for the total loan portfolio of SPVs and DSB.
- Role of DSB is for the total portfolio:
 - to deal with discretionary matters like interest reset rates, prepayment penalty policy, property auctions and special arrangements with borrowers, that do not fit in the scope of instructions to Quion in the servicing agreement (Mandate Desk).
 - to supervise the servicing activities of Quion.
- DSB is intensifying its supervising role.
- SPVs in June 2013 started monthly / quarterly investor reporting based on export of loan data directly from Quion. Export of data is still in the process of further quality improvement.
- DSB continues to liaise with SPVs on matters regarding Quion's servicing.

4. Duty of Care workflow: numbers of filings as at end of December 2013

Legenda: sheet 18

	Cumulative End of Q2-2013 Numbers	Cumulative End of Q4-2013 Numbers
Phase 1	28.790	33.499
COMPENSATION FOR INSURANCE- AND SECURITY LENDING PRODUCTS		
1. Filing & registration (not number)	28.790 100%	33.499 100%
2. Proposal to clients	24.913 87%	32.407 97%
2.1 Compensation proposed	22.127	28.317
2.2 Not qualified for compensation	2.786	4.090
3. Client response	19.908 69%	26.777 80%
3.1 Client rejects explicitly	3	5
3.2 Client requests re-assessment Phase 1	565	309
3.3 Client requests combined proposal Phase 1&2	1.034	578
3.4 Client accepts proposed compensation	18.306	25.885
3.5 As above and apply for Phase 2	6.208	6.963
4. Completed and processed	17.573 61%	25.544 76%
Phase 2	18.858	21.660
COMPENSATION FOR OVEREXTENSION		
5. Filing & registration for overextension including transfer from Phase 1, see 3.3 and 3.5 (not number)	18.858 100%	21.660 100%
6. No loan therefore not qualified for compensation	1.912 10%	2.755 12%
7. Client response to request for information	15.326 81%	18.138 84%
7.1 Clients who withdrew their request for compensation	590	1.067
7.2 Clients that did not response or information is incomplete	2.847	819
7.3 Clients that passed response time	4.715	6.388
7.4 Clients where information is complete	7.074	9.970
8. Proposal to clients	6.277 33%	9.704 45%
8.1 Compensation proposed	1.506	2.161
8.2 No compensation proposed	4.771	7.543
9. Client response	1.517 8%	2.439 11%
9.1 Client rejects explicitly	1	5
9.2 Client request re-assessment	297	479
9.3 Client accepts proposed compensation	1.219	1.955
10. Completed and processed	1.110 6%	1.905 9%

Total amount for completed and processed filings € 140.3 mln; breakdown next sheet

4. Duty of Care: Breakdown of estimated and completed / processed amounts (as at end of December 2013)

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	Estimate maximum reported 27 October 2011		End of Q2-2013 (cumulative)		End of Q4-2013 (cumulative)		
		Maximum scenario	Total		Total	DoC debt restructuring	DoC Compensation
A	Insurance policies	320,0	101,3	127,9	19,4	108,5	
	Investment policies	85,0	21,1	26,1	10,6	15,5	
	Overextension	150,0	21,9	28,5	12,2	16,3	
	Total	555,0	144,3	182,5	42,2	140,3	
B	No loan set-off	185,0	25,0	35,4	-	35,4	
	DSB Loan set-off	175,0	53,5	66,8	19,1	47,7	
C	Chapel 2003	75,0	26,1	31,7	7,7	24,0	
	Chapel 2007	85,0	25,7	31,7	10,5	21,2	
	Dome	10,0	3,3	4,1	1,0	3,1	
	Monastery 2004	10,0	3,2	4,1	0,7	3,4	
	Monastery 2006	15,0	7,5	8,7	3,2	5,5	
	SPV Loan set-off	195,0	65,8	80,3	23,1	57,2	
(D=B+C)	Total Loan set-off	370,0	119,3	147,1	42,2	104,9	
(=A+D)	Total	555,0	144,3	182,5	42,2	140,3	

Is or will be accepted as SPV claim in bankruptcy

Legenda: sheet 19

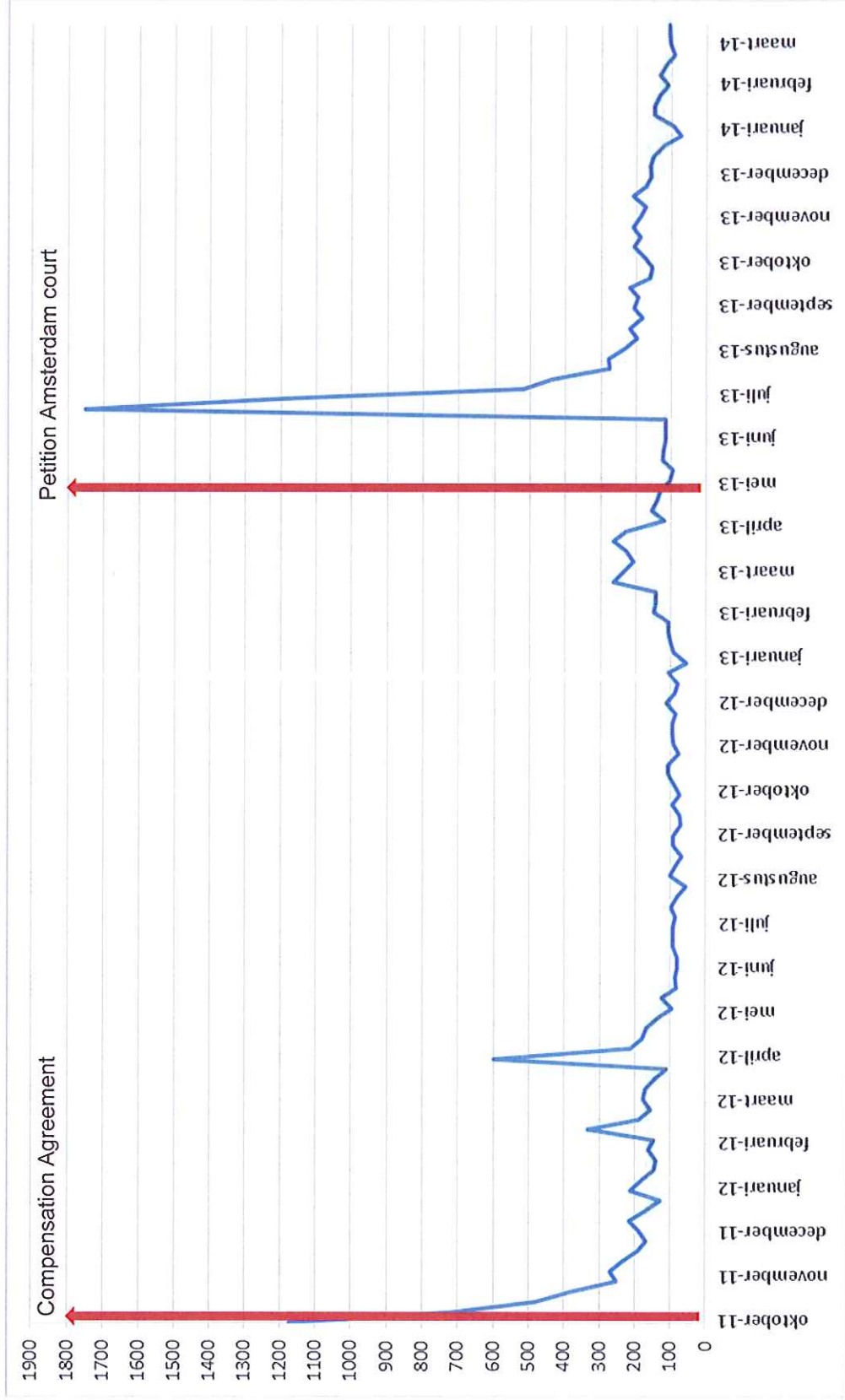
4. Duty of Care: Breakdown of estimated and completed / processed amounts (as at end of December 2013)

- Compensation with loan set-off is divided among loan categories as follows (amounts are cumulative):

	<u>30-jun-2013</u>	<u>31-dec-2013</u>
First Lien Mortgages	€ 35,9	€ 43,6
Second Lien Mortgages	€ 57,1	€ 69,9
Consumer Credit Loans	€ 26,3	€ 33,6
	€ 119,3	€ 147,1
	30%	30%
	48%	48%
	22%	22%
	100%	100%

- It is not possible to estimate the number of clients -and associated amounts- that will apply for compensation during the WCAM period.
- After external communication of WCAM procedure in May 2013, applications temporarily increased (see graph sheet 10).
- Currently there are on average 50 - 100 new applications per week.
- As at the end of February 2014 there was a total of more than 34,000 filings for compensation.
- There is no backlog in the processing of applications.
- Outcome of court declaration (procedure still pending) will be communicated with borrowers and press and may lead to extra applications.

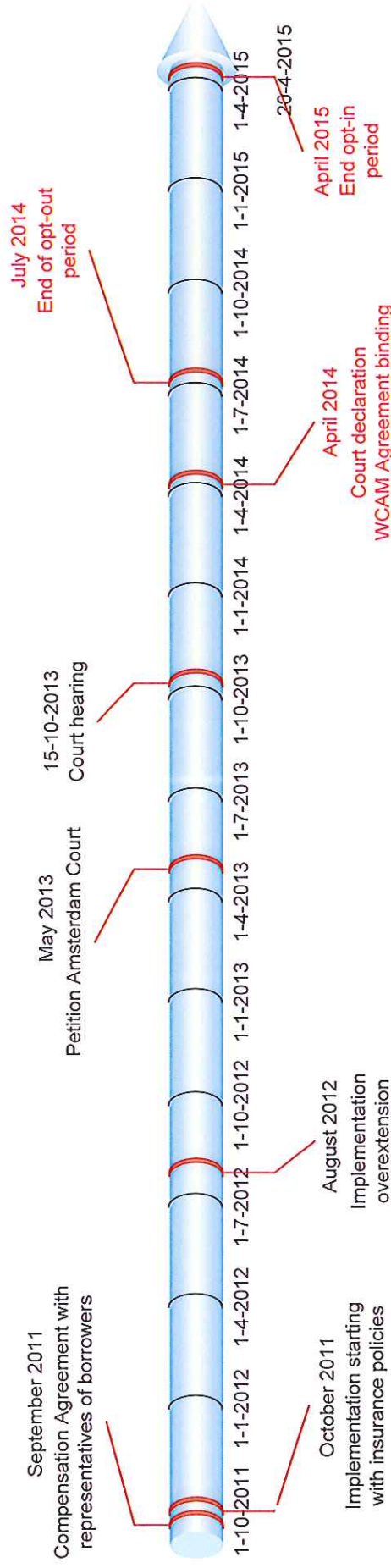
4. Applications for DoC compensation (per week since October 2011)



Note: Some borrowers filed a complaint twice. Corrected for duplications, the numbers of new applications in 2014 are about 20% lower than the gross numbers mentioned in the graph.

4. Duty of Care: phases and expected timeline of WCAM (Collective Settlement of Mass Claims)

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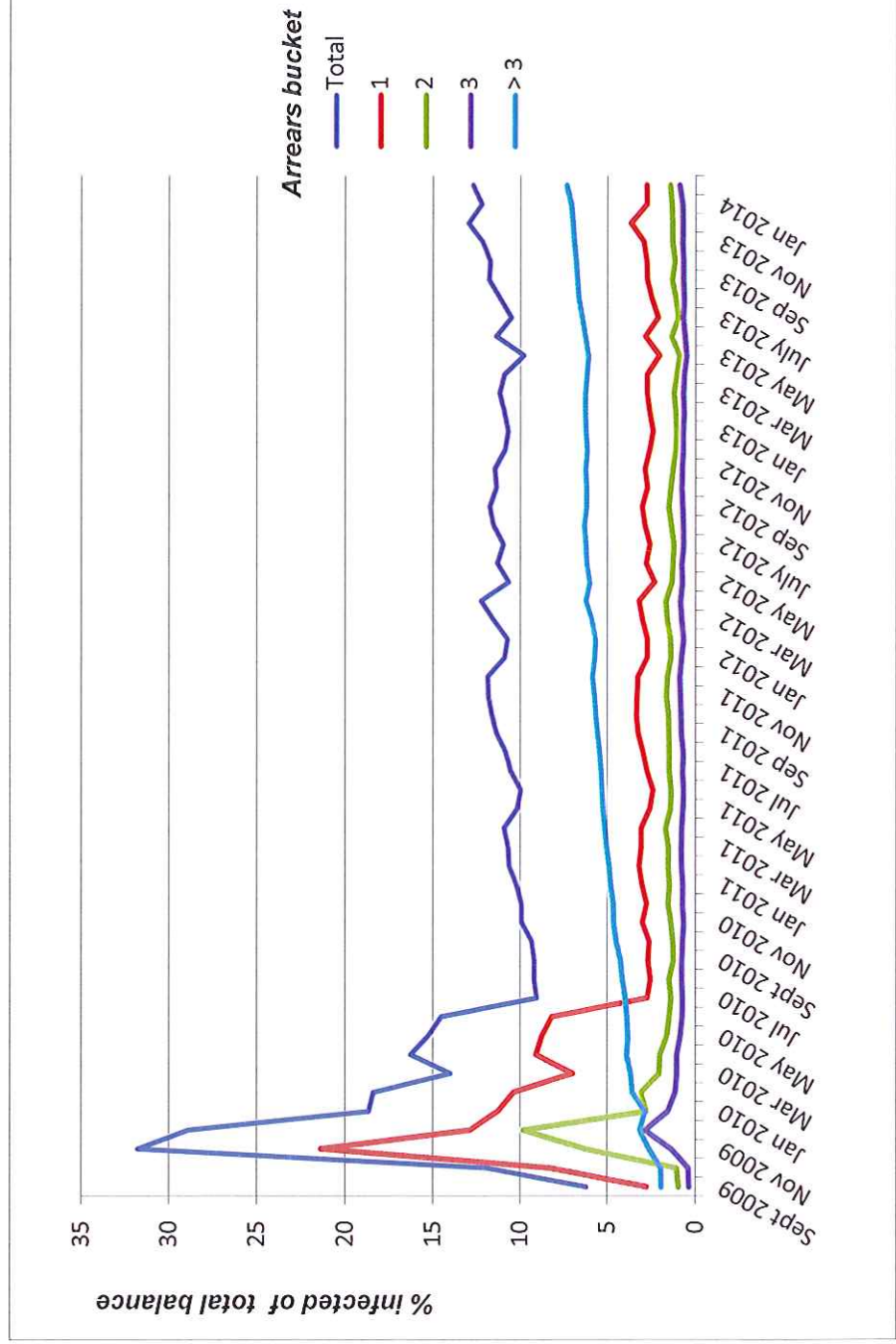
- Additional information requested by the court from the applicants has been provided in March 2014. Court ruling is still pending. For presentation purposes in the timeline presented above, court ruling is assumed in April 2014. Further milestones that depend on the indicative date of ruling are presented in red.
- Borrowers who do not want to be bound by the Scheme, need to express so explicitly in writing within 3 months after the scheme has been declared binding by Court (end opt-out period).
- Expiry of the time limit for submission of DoC claims is 1 year after the scheme has been declared binding by Court (end opt-in period).
- After the end of this opt-in period, borrowers cannot file applications for compensation under the Scheme anymore.

5. Arrears

- Arrears relate to total portfolio (SPVs and DSB's own book), serviced by Quion since June 2013.
- Arrears presented in Noteholders meeting of 5 September 2013 relate to the period up to May 2013.
- In the period July 2013 to February 2014 the infection ratio rose from 10.59% to 12.78%, an increase of 2.19% (sheets 13 and 14). The infection ratio is affected by
 - General increase caused by (amongst others) economic circumstances
 - Increase as a result of aging of the portfolio (total balance decreased leaving the portfolio with a higher share of lower quality loans; sheet 15).
 - Decrease caused by DoC compensations, as these are firstly offset against arrears. Part of the clients who were compensated however fell back to an arrear situation after compensation.
 - In December 2013 arrears temporarily increased with 0,83% largely due to the technical issues following implementation of SEPA; many direct debet payments that initially bounced were corrected in January 2014.
- Arrears of less than 12 monthly instalments excluding Residual Debts, increased by 1,67% (sheet 16).
- DSB is intensifying its supervising role.

5. Arrears

Total portfolio serviced by Quion
Month-end figures September 2009 – February 2014
(legenda sheet 20)



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. As from February 2013 PL (personal loan) contracts with small "arrears" are no longer left out of the reported figures.

5. Arrears

End of month	Total	1 month	2 months	3 months	>3 months
Feb. 2012	10.98	2.67	1.21	0.73	6.38
Mar. 2013	11.25	2.80	1.31	0.77	6.37
Apr. 2013	10.98	2.81	1.16	0.72	6.29
May 2013	9.86	2.10	0.99	0.58	6.19
June 2013	11.44	2.92	1.47	0.68	6.37
July 2013	10.59	2.18	1.07	0.79	6.55
Aug. 2013	11.21	2.54	1.21	0.73	6.74
Sept. 2013	11.85	2.81	1.43	0.76	6.84
Oct. 2013	11.78	2.85	1.27	0.76	6.91
Nov. 2013	12.22	3.00	1.40	0.81	7.02
Dec. 2013	13.05	3.76	1.41	0.80	7.09
Jan. 2014	12.28	2.83	1.45	0.82	7.17
Feb. 2014	12.78	2.84	1.53	0.98	7.43

Portfolio	Total % Feb. 2014	Total % Jan. 2014	Total % Apr. 2013
Total	12.78	12.28	10.98
1H	8.68	8.24	8.38
2H	11.56	11.23	15.78
CK	23.57	22.85	20.05

Note: Residual Debts were included in the CK portfolio after migration to QSP. Before migration they were part of the 1H portfolio as well as the 2H portfolio. This transition resulted in an initial decrease of the infection rates for both Mortgage portfolios and an increased infection rate in the Consumer Loans portfolio.

5. Arrears total portfolio

Infection rates normalized for effects of Compensation and Aging

Total portfolio	February	January
Total outstanding in € 1,000	4,655,642	4,683,766
Total outstanding infected in € 1,000	595,003	574,935
Infection %	12.78%	12.28%
Arrears in € 1,000	74,469	72,650
Number of outstanding contracts	96,360	97,432
Number of contracts in Arrears	13,788	13,484

	Total portfolio						Efficiency F (= D - E)
	Infection % start of month A	Compensation effect (initial) B	Aging Effect C	Infection % end of month		Actual E	
				Expected D (= A + B + C)			
sep-12	11,58%	- 0,01%	0,05%	11,62%	11,80%	-0,18%	
okt-12	11,80%	- 0,10%	0,04%	11,74%	11,43%	0,31%	
nov-12	11,43%	- 0,12%	0,06%	11,37%	11,51%	-0,14%	
dec-12	11,51%	- 0,10%	0,08%	11,49%	10,94%	0,55%	
jan-13	10,94%	- 0,18%	0,05%	10,81%	10,76%	0,05%	
feb-13	10,76%	- 0,20%	0,07%	10,63%	10,98%	-0,35%	
mrt-13	10,98%	-0,29%	0,07%	10,76%	11,25%	-0,49%	
apr-13	11,25%	-0,40%	0,09%	10,94%	10,98%	-0,04%	
mei-13	10,98%	-0,24%	0,07%	10,81%	9,86%	0,95%	
jun-13					11,44%		
jul-13	11,44%	-0,07%	0,12%	11,50%	10,59%	0,91%	
aug-13	10,59%	-0,31%	0,07%	10,35%	11,21%	-0,85%	
sep-13	11,21%	-0,34%	0,07%	10,93%	11,85%	-0,92%	
okt-13	11,85%	-0,24%	0,08%	11,69%	11,78%	-0,09%	
nov-13	11,78%	-0,18%	0,07%	11,66%	12,22%	-0,56%	
dec-13	12,22%	-0,21%	0,08%	12,09%	13,05%	-0,96%	
jan-14	13,05%	-0,18%	0,10%	12,97%	12,28%	0,69%	
feb-14	12,28%	-0,02%	0,06%	12,32%	12,78%	-0,46%	

Note I: June figures for Compensation and Aging could not reliably be calculated as a result of migration.

Note II: The compensation effect is calculated as the difference between the following two infection rates:

- 1) infection rate based on current total outstanding and infected balance (reported infection rates)
- 2) infection rate where compensation amounts are added to principal amounts and/or arrears (infection rates without compensation)

5. Arrears < 12 months

Infection Rates (12+ bucket and Residual Debts excluded)

	jul-13	aug-13	sep-13	oct-13	nov-13	dec-13	jan-14	feb-14
1st Lien Mortgages	5,75%	6,34%	6,94%	6,84%	7,22%	7,35%	7,09%	7,52%
2nd Lien Mortgages	7,48%	8,23%	8,53%	8,27%	8,89%	10,20%	8,47%	8,74%
Consumer Loans	8,59%	10,31%	10,31%	9,77%	10,47%	14,83%	10,17%	10,49%
Total	6,32%	6,95%	7,53%	7,36%	7,79%	8,52%	7,60%	7,99%

6. Interest reset policy

- In September 2013 DSB communicated to noteholders that, after consultation with the SPV's, it had decided on the following changes in the loan conditions of clients:
 - Not actively offer floating rate loans anymore. Fixed interest periods start as from 1 year. Decision had been taken for reasons of duty of care (protection against the risk of rising interest rates).
 - Change in the policy of prepayment penalties: in contracts with a prepayment penalty of a fixed percentage of notional amount, the penalty will be the lower of this percentage and the present value of the interest differential of the new and the current client interest rate (PV). PV is considered fair and economically justifiable to clients.
- In connection with these changes, it was also decided not to charge prepayment penalties anymore for interest periods up to 1 year.
- Changes have been implemented in November 2013.

Annex 1 Legenda Duty of Care Workflow (sheet 7)

Complaints:	Registered DoC client complaints in the period prior to the DoC Framework Agreement of 19 September 2011
Applications:	Registered applications since 19 September 2011 after the DoC Framework Agreement of 19 September 2011
1.	Filing & registration
1.	Filing & registration (gross number)
2.	Duplications
3.	Filing & registration (net number)
2.	Proposal to clients:
1.	Compensation proposed: Clients with a compensation proposal
2.	Not qualified for compensation: Clients who do not qualify for compensation
3.	Client response:
1.	Client rejects: clients who rejected proposal for compensation.
2.	Client requests re-assessment: clients who have asked for reassessment of the compensation proposal in Phase 1
3.	Client requests combined proposal Phase 1 & 2: clients who have requested a combined compensation proposal for the Phase 1 & 2
4.	Client acceptance:
5.	Final settlement Phase 1: clients who have accepted proposal for Phase 1
6.	As above and apply for Phase 2: clients who have accepted proposal for Phase 1 and at the same time apply for Phase 2
4.	Completed and processed: clients where compensation is set-off against arrears and / or principal of the loans and / or compensation is admitted as claim in bankruptcy
5.	Filing & registration for overextension including transfer from Phase 1: See 3.3. and 3.6.
6.	Request for information: clients to whom a request for detailed financial information has been sent which is required to make a compensation proposal
7.	Information submitted
1.	Clients who withdrew their request for compensation
2.	Clients where information is incomplete
3.	Clients where information is complete.
8.	Proposal to clients
1.	Loan and compensation proposed
2.	Loan and no compensation proposed
3.	No loan therefore not qualified for compensation
9.	Client response: See 3.1, 3.2 and 3.4.
10.	Completed and processed: See 4.

Annex 2. Legenda estimated / processed amounts DoC (Sheet 8)

ESTIMATE

- Estimate is an indication of the maximum costs of the Compensation Arrangement as presented in October 2011 (maximum for excessive lending may be exceeded). No estimation has been made for absolutely unnecessary policies.
- It is assumed that in case of loans currently outstanding, compensation amounts for single premium insurance policies and overextension will be set-off against these loans.
- Compensation for investment policies is not expected to have material impact on loans.
- Set-off will take place firstly against arrears and subsequently against principal of the loan.
- For set-off against principal, imputation right of clients is assumed where clients are expected to select a set-off priority of first consumer credit loans than second lien mortgages followed by first lien mortgages.
- For securitised loans where DoC compensation amounts are set-off against loans, it has been assumed that owners of the loans will claim these amounts as unsecured claims in the bankruptcy. The impact as presented in the table is the impact before bankruptcy pay-out.

ACTUALS

- 'DoC Debt Restructuring' is the debt restructuring applied prior to the Scheme for clients with DoC complaints and serious payment problems.
- Allocation of average compensation amounts per policy to owners of the loans (SPV's and DSB) and comparing these allocations with the estimates in the maximum scenario is not possible:
 - Compensations are first set off against arrears
 - Clients in their imputation rights make their own choices with respect to the loans with which compensation is set-off
 - Older programs on average have loans with a higher average number of insurance policies and a higher compensation amount for interest in comparison to younger programs and DSB's own book.

Annex 3. Legenda arrears (sheets 13 – 16)

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	<table border="1"> <tr> <td>Infection ratio expressed as monthly installments</td> <td><u>Bucket</u></td> </tr> <tr> <td>0</td> <td>0</td> </tr> <tr> <td>0.01 – 1.00</td> <td>1</td> </tr> <tr> <td>1.01 – 2.00</td> <td>2</td> </tr> <tr> <td>2.01 – 3.00</td> <td>3</td> </tr> <tr> <td>3.01 - ∞</td> <td>>3</td> </tr> </table>	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
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).												