

KOPIE



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**Ons kenmerk**  
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**Uw brief (kenmerk)**

**Bijlage**  
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Datum

**This unofficial translation of the letter of the Dutch minister of Finance regarding the offer for compensation with respect to the expropriation of securities and capital components of SNS REAAL and SNS Bank confers no rights and is provided for convenience purposes only.**

Subject: Offer for compensation with respect to the expropriation of securities and liabilities of SNS REAAL and SNS Bank

Dear Sir/Madam,

Unfortunately on 1<sup>st</sup> February 2013 I was forced to decree, in the interest of the stability of the financial system, to expropriate certain securities and capital components of SNS REAAL and SNS Bank.<sup>1</sup> On 25<sup>th</sup> February the Administrative Jurisdiction Division of the Council of State gave its decision on the appeals that had been lodged against this decree. The Administrative Jurisdiction Division decided that I was entitled to conclude that there was a grave and imminent threat to the stability of the financial system, and that I was therefore entitled to expropriate the securities and capital components of SNS REAAL and SNS Bank mentioned in the decree, with the exception of the obligations and liabilities of SNS REAAL or SNS Bank mentioned in article 1, paragraph 2, sub b, of the decree. As the result of the decision of the Administrative Law Division the expropriation has become irreversible.

Pursuant to the articles 6:8, paragraph 1, and 6:10, paragraph 2, of the Dutch Act on Financial Supervision (Wet op het financieel toezicht) an expropriated person has a right to compensation and I am obliged to make an offer for compensation. With respect to the compensation the rule applies that the actual value of the expropriated securities and capital components is compensated, taking into account the future prospect of SNS Bank and SNS REAAL if expropriation had not taken place. Today I have announced the offer for compensation by publishing a press release and this letter on the website of the Dutch ministry of Finance. A copy of this letter has also been sent to the (representatives of) the expropriated persons I am aware of.

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<sup>1</sup> Stcrt. 2013, 3018.

The main problem of the SNS REAAL group is the severely loss-making real estate portfolio of Property Finance. Due to the significant financial and operational ties within the group, such as the funding of Property Finance by SNS Bank and the guarantee by SNS REAAL for the debts of SNS Bank, the losses on the real estate portfolio would have caused the bankruptcy or liquidation of SNS REAAL and SNS Bank. Given, among other things, the fact that SNS Bank on 1<sup>st</sup> February 2013 did not have an acceptable solution for the capital shortage observed by the Dutch Central Bank and the resulting consequences in the view of the Dutch Central Bank, and given the fact that there were no alternatives, I am of opinion that without the expropriation SNS REAAL and SNS Bank would have gone bankrupt or have gone into liquidation.

To determine the actual loss for the expropriated parties, it would have to be assessed what payment these parties would have received in such bankruptcy or liquidation scenario. In this scenario the so-called "bankruptcy ladder" would be applied. This bankruptcy ladder determines the order in which creditors can recover losses on a bankrupt's assets. In a bankruptcy scenario the proceeds of the winding-up would be insufficient to pay all ordinary creditors, and nothing would remain for the subordinated creditors, let alone for the shareholders.

Given the foregoing, my offer for compensation for the securities and capital components mentioned in the decree amounts:

€0,- for every share issued by SNS REAAL and for every share issued by SNS Bank that is held by others than SNS REAAL or its group companies (article 1, paragraph 1, sub a to and including d, of the decree);

€0,- for every Stichting Beheer SNS REAAL Core Tier 1 capital security (article 1, paragraph 1, sub e, of the decree);

€0,- for every subordinated bond issued by SNS REAAL or SNS Bank (article 1, paragraph 1, sub f to and including i, of the decree);

€0,- for every loan contracted by SNS REAAL or SNS Bank that as a result of the expropriation has been transferred to Stichting Afwikkeling Onderhandse Schulden SNS REAAL (article 1, paragraph 2, header, sub a and conclusion, of the decree).

I will as soon as possible request the Enterprise Chamber of the Court of Amsterdam to set the compensation in accordance with my offer. A copy of the petition to that effect will be placed on the website of the Dutch ministry of Finance. Lawful claimants who do not agree with the offer for compensation can forward their defence to the Enterprise Chamber of the Court of Amsterdam.

Sincerely,  
the Dutch minister of Finance,

J.R.V.A. Dijsselbloem