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Subject Judgment court case Dutch State vs. Deutsche Bank

Dear Chairman,

On 24 August 2017 my predecessor informed you about the legal proceedings that the Dutch State started against Deutsche Bank AG (DB) to get clarity on the interpretation of the International Swaps and Derivatives Association (ISDA) contract. The reason for these proceedings is a difference of opinion about the payment of negative interest over cash collateral posted by DB with the State. The laws of England and Wales apply to the ISDA-contract and for that reason proceedings were brought before the Commercial Court in London.

Today the English judge rendered his judgment and ruled against the Dutch State. His judgment means that negative interest does not have to be paid and is not offset against the cash collateral posted by DB with the State. For the State this means a loss that has risen to 18 million euro in the meantime.

Considering this judgment, I have asked for legal advice from my lawyers. They have advised me to appeal against the decision. I have therefore decided to appeal against the judgment. This appeals procedure will also be brought before the English judge, this time the Court of Appeal in London.

I will inform you of the result of this appeals procedure in due course.

Yours sincerely,
The Minister of Finance,

W.B. Hoekstra