

LIQUIDATOR STATEMENT IN RESPECT OF AN AUTHORIZED FOREIGN BANK

Pursuant to Section 156 of the *Winding-Up and Restructuring Act*, R.S.C. 1985, C.W-11, as amended

June 15, 2016

IN THE MATTER OF THE LIQUIDATION OF THE BUSINESS IN CANADA OF MAPLE BANK GMBH AND ITS ASSETS AS DEFINED IN SECTION 618 OF THE BANK ACT

The Liquidator gives notice and declares that:

Background

On February 16, 2016, the Ontario Superior Court of Justice [Commercial List], on Application of the Attorney General of Canada pursuant to the *Winding-Up and Restructuring Act* (the “WURA”), granted an order (the “**Winding-Up Order**”) to (i) wind-up the Business in Canada (the “**Business**”) of Maple Bank GmbH (“**Maple Bank**”); and (ii) appoint KPMG Inc. as liquidator (the “**Liquidator**”) of the Business and its assets as defined in section 618 of the *Bank Act* (the “**Assets**”).

The Liquidator has previously prepared statements of both assets and liabilities of the Toronto Branch of Maple Bank (the “**Toronto Branch**”) as at the date of the Winding-Up Order, which are included in the second report to the Court of the Liquidator, dated March 30, 2016 (the “**Second Report**”). Estimated balances in the statement of assets and liabilities presented herein may differ from those provided in the Second Report in some instances, as the Toronto Branch has updated its books and records in the normal course.

Purpose

The purpose of this notice is to provide certain financial information associated with both the Toronto Branch and the Business in accordance with Section 156 of the WURA, which provides as follows:

A liquidator shall, within 120 days after appointment in respect of an authorized foreign bank, prepare a statement of:

- (a) the assets, debts and liabilities of the authorized foreign bank in respect of its business in Canada and of the value of those assets as shown by the books and records of the authorized foreign bank; and*
- (b) the assets of the authorized foreign bank, other than those in respect of its business in Canada, and the value of the assets as shown by the books and records of the authorized foreign bank or, where the books and records are not available, an estimated value of the assets.*

Maple Bank Toronto Branch Asset and Liability Summary

The following is a summary statement of the estimated assets and liabilities (“**Statement of Assets and Liabilities**”) of the Toronto Branch as at the date of the Winding-Up Order. This information is based on the books and records of the Toronto Branch as at February 16, 2016.

Terms of Reference & Disclaimer

In preparing this Statement of Assets and Liabilities, the Liquidator has been provided with, and has relied upon, unaudited and other financial information, books and records (collectively, the “**Information**”) prepared by the Toronto Branch and/or its representatives, and discussions with its former management and/or its former representatives. The Liquidator has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided and in consideration of the distribution of this report in accordance with the WURA. However, the Liquidator has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

The information contained in this Statement of Assets and Liabilities is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Liquidator.

| Maple Bank Toronto Branch | Estimated |
|--|--------------------|
| Statement of Assets and Liabilities | Balance |
| Amounts in CAD Millions | 16-Feb-2016 |

Assets

| | |
|---|-------------------|
| Cash | \$ 316.9 |
| Securities | 501.0 |
| Receivables | 72.4 |
| Mortgages ⁽¹⁾ | 224.1 |
| Structured loans | 375.0 |
| Derivative instruments | 85.9 |
| Intercompany receivables ⁽²⁾ | 67.1 |
| Other assets | 0.8 |
| Total Assets | \$ 1,643.2 |

Liabilities

| | |
|---|-------------------|
| Term deposit liability | (686.0) |
| Mortgage reserve account | (6.8) |
| Employee related payable ⁽³⁾ | (6.2) |
| Income tax payable ⁽⁴⁾ | (6.2) |
| Other trade creditors | (2.5) |
| Related party liabilities | (20.2) |
| Total Liabilities ⁽⁵⁾ | \$ (727.9) |

Notes

1. The Toronto Branch mortgage business consists of approximately \$3.7 billion of assets which are offset by approximately \$3.5 billion in related liabilities. For the purposes of this Statement of Assets and Liabilities, the Liquidator has shown the net asset balance.
2. The intercompany receivable balance includes approximately \$40 million related to the eventual settlement of a reverse repurchase transaction. The related securities are held in a capital equivalency deposit account with BMO Trust Company.
3. The employee related payable balance consists primarily of accrued bonuses due to the Toronto Branch's staff. The Liquidator has performed a preliminary estimate of the Toronto Branch employees' termination notice and severance pay claims, which could be approximately \$5.4 million in addition to the accrued bonus liability.
4. The income tax payable liability excludes the effect of potential income tax re-assessments that may arise upon Canada Revenue Agency's review of the Toronto Branch's income tax filings. The Toronto Branch has appealed certain income tax re-assessments in respect of the 2009, 2010 and 2012 tax years.

5. Liabilities related to the costs of liquidating the Toronto Branch's Assets and administering its estate are not considered in the Statement of Assets and Liabilities.

Maple Bank GmbH Asset Summary (excluding Toronto Branch Assets)

Section 156 (b) of the WURA requires that the Liquidator prepare a statement of the assets of the authorized foreign bank, other than those in respect of its business in Canada (as outlined above). The Liquidator has requested this information from the German Insolvency Administrator (the "GIA"), who has advised that the German insolvency proceedings are not public and since the Toronto Branch is not a creditor of the German Maple Bank estate, the Liquidator is not entitled to such information. The Liquidator is therefore unable to fulfil its statutory duties as outlined in Section 156 (b) of the WURA.

Contact Person for the Liquidator:

KPMG Inc. Court appointed Liquidator of
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Dated at Toronto, Ontario this 16th day of June, 2016.

KPMG Inc.

Solely in its capacity as Court Appointed Liquidator of the
business in Canada of
Maple Bank GmbH and its assets as defined in section 618
of the *Bank Act* and not in its personal or corporate capacity



Philip J. Reynolds
Senior Vice President