MAPLE BANK

ANNUAL REPORT 2013/2014

SELECTED FINANCIAL DATA

IN EUR MILLIONS	09/30/2014	09/30/2013	09/30/2012	09/30/2011	09/30/2010
TOTAL ASSETS	**3,753**	4,033	3,520	6,759	3,471
RECEIVABLES FROM CUSTOMERS	**287**	276	226	141	152
BONDS AND OTHER FIXED-INCOME SECURITIES	**130**	141	149	106	192
TRADING ASSETS	**2,427**	2,919	2,527	5,917	2,415
TRADING LIABILITIES	**1,334**	1,563	1,421	4,410	1,291
LIABILITIES TO CUSTOMERS	**1,985**	2,082	1,710	1,913	1,712
REGULATORY CAPITAL AFTER ADOPTION OF THE FINANCIAL STATEMENTS	**288**	305	315	307	312
PROFIT DISTRIBUTION/ (LOSS COMPENSATION)	**17**	11	17	(69)	67
COST-INCOME-RATIO	**65.3 %**	69.3 %	63.6 %	57.0 %	47.2 %
RETURN ON SHAREHOLDERS' EQUITY	**5.4 %**	3.3 %	4.2 %	(17.1 %)	16.1 %

CONTENTS

1. EXECUTIVE BODIES

1.1 SUPERVISORY BOARD

Thomas R. Higgins Chairman	Vancouver, Canada
William K. H. Fung	Aventura, U.S.A.

1.2 BOARD OF MANAGING DIRECTORS

Wolfgang Schuck Chief Executive Officer (until 31 October 2014)	Bad Soden
Stefan Bungarten Deputy Chief Executive Officer	Frankfurt am Main
Paul Hiob	Bad Soden
Walter Kraushaar	Frankfurt am Main
James Leach	Frankfurt am Main
Florian Wirsching	Frankfurt am Main

2. EXECUTIVE EMPLOYEES

2.1 EXECUTIVE VICE PRESIDENTS

Eric Blumhoff	Frankfurt am Main
Thomas Bruns	Schwalbach
Jochen Mann	Bad Homburg v. d. H.
Andreas Siadak	Oberursel

2.2 SENIOR VICE PRESIDENTS

Christoph Busch	Waldsolms
Michael Emmerich	Bad Vilbel
Daniel Gutschka	Frankfurt am Main
Frank Leber	Kelkheim
Birgit Moritz	Rödermark

Abraam Peço	Mannheim
Roland Schempp	Bad Nauheim

2.3 VICE PRESIDENTS

Holger Baumbach	Bad Soden
Frank Becker	Bad Soden
Anja Böttcher	Darmstadt
Jürgen Daume	Rodgau
Britta Dobersalsky	Schwalbach
Jens Ebinger	Montabaur
Barbara Fuchs	Frankfurt am Main
Diana Harwardt	Neu-Isenburg
Oliver Jäger	Hanau
Oliver Lenauer	Friedberg
Ute Möller	Maintal
Marcus Müller	Frankfurt am Main
Gabriele Neusinger	Sulzbach
Martina Nielsen	Rödermark
Thomas Romanski	Frankfurt am Main
Grant Saunders	Dreieich-Buchschlag
Michael Schaper	Bad Soden
Rainer Schröder	Frankfurt am Main
Andrey Shevchuk	Bad Soden
Sönke Vosgerau	Frankfurt am Main
Markus Werner	Breidenbach
Alexander Zuber	Frankfurt am Main

2.4 MANAGER TORONTO BRANCH

Paul Lishman	Mississauga, Canada

3. REPORT OF THE MANAGEMENT BOARD

3.1 MAPLE FINANCIAL GROUP INC., TORONTO FINANCIAL HIGHLIGHTS

	09/30/2014	09/30/2013
FINANCIAL RESULTS (EUR MILLIONS)		
Profit (loss) for the year	**-23.1**	4.2
Total comprehensive income (loss) for the year	**-27.6**	3.1
FINANCIAL POSITION (EUR MILLIONS)		
Total assets	**10,823**	9,923
Total liabilities	**10,445**	9,519
Shareholders' equity	**378**	404
RETURN ON SHAREHOLDERS' EQUITY		
Net income	**-5.7 %**	1.0 %
Comprehensive income	**-6.8 %**	0.8 %
PER COMMON SHARE (EUR)		
Net income	**-0.2510**	0.0457
Comprehensive income	**-0.3006**	0.0334
Book value (diluted)	**4.11**	4.41
Number of common shares in share capital (thousands)	**91,950**	91,475

3.2 MAPLE FINANCIAL GROUP INC., TORONTO CONSOLIDATED MANAGEMENT REPORT OCTOBER 1, 2013 TO SEPTEMBER 30, 2014

Introduction

Maple Financial Group Inc. (“Maple”) is a privately owned Canadian company that operates through its subsidiaries, primarily in Germany, the United States, Canada, and the United Kingdom. Because these subsidiaries are based in those countries, they are subject to regulation by the relevant local regulators. The principal subsidiary, Maple Bank GmbH, Frankfurt am Main, Germany, is subject to supervision by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) and the German Federal Bank (Deutsche Bundesbank), and is a member of the Association of German Banks (Bundesverband deutscher Banken e.V.) and the Auditing Association of German Banks (Prüfungsverband deutscher Banken e.V.). It has a branch in Toronto, which is subject to German and local banking regulation (including the Office of the Superintendent of Financial Institutions – OSFI), and operates regulated broker-dealer subsidiaries in London, Jersey City and Toronto.

The Maple Group is subject to the European regulatory requirements and has been compliant with those requirements at all times. We believe we are well prepared for Basel III. In times of challenging market conditions and changing regulatory requirements, an effective risk management system is vital. Maple’s Group-wide risk-bearing capacity framework is an essential component of this risk management system, and management has applied this framework to ensure that the assessed material risks faced by the Group are within the scope of its risk-taking potential. Management therefore believes that the Maple Group is able to bear the material risks it faces.

Our activities focus on securities lending and repo transactions for equities and bonds, and other secured lending, including securitization business in connection with Canadian mortgage receivables. Maple also arranges structured equities/derivatives transactions on behalf of customers and conducts agency business for institutional customers. This business is supplemented by market-neutral proprietary trading. Our activities are supported by an efficient global treasury function.

Economic Environment

As in the previous year, there was again a degree of variability in the economic environment in the leading industrialized nations. While U.S. gross domestic product grew by 2.8% in the 2014 calendar year, and is expected to rise by as much as 3.2% in 2015, forecasts for the eurozone are a great deal more pessimistic. Despite stable growth forecasts, the U.S. Federal Reserve made it clear that it intends to maintain its policy of cheap money for the present. Federal Reserve Chair Yellen has stated that key labor market indicators and inflation forecasts do not currently justify a change in interest rates.

The eurozone revised downwards its growth and inflation forecasts for the current year. According to current figures, the European Commission is still expecting growth of 1.3%, following a figure of just 0.9% for 2014. The European Commissioners also believe that the economy and labor market situation have deteriorated, and that important matters such as structural reform and investment must be tackled as a matter of urgency.

Having achieved growth of 1.3% in 2014, the German economy is forecast to grow by just 1.1% in 2015.

The DAX German stock index began the fiscal year at 8,825 points and, after many months of volatility, ended the year at 9,465. The trend on the Dow Jones was also positive, with the industrial average rising from 15,191 points to 17,042 over the course of the year. The main reasons for the positive trend on the stock markets were the prospect of higher returns than on the bond markets and abundant market liquidity.

Yields on ten-year German government bonds stood at 0.95% at the end of the fiscal year. Having begun the fiscal year at 2.65%, yields on ten-year U.S. government bonds reached 2.39% at the end of September 2014. Yields on ten-year Spanish and Italian government bonds fell during the course of our fiscal year, from 4.16% and 4.42%, to 2.14% and 2.33% respectively.

The ECB reduced its refinancing rate in three stages during the fiscal year, from 0.5% to today's figure of 0.05%. It also cut its deposit rate from 0% to minus 0.20%. This action was intended to stimulate lending by the banks and promote investment within the eurozone. In an additional measure aimed at reviving the struggling economy, the ECB announced a four-year long-term financing tender, beginning with two tranches in September and December 2014.

In the U.S., the Federal Reserve maintained its interest rate corridor of between 0.00% and 0.25%. Towards the end of the fiscal year, the markets began to consider the possibility that the Federal Reserve might increase interest rates, having already scaled back and subsequently ended its program of bond purchases in October 2014. However, no increase has yet taken place.

Results

Net revenues rose by 32% from EUR 85 million to EUR 112 million during fiscal year 2014, while operating expenses fell by 3% from EUR 73 million to EUR 71 million. The increase in net revenues was mainly attributable to the highly successful securities finance division, as well as our special finance business. A reduction in operating expenses was largely the result of a fall in consulting costs. Profit before taxes grew by EUR 29 million, rising from EUR 12 million to EUR 41 million. Tax adjustments for fiscal years 2007 to 2009 meant that the result after taxes and before other reserves fell from a profit of EUR 4 million to a loss of EUR -23 million. Total assets rose by 10%, from EUR 10 billion to EUR 11 billion. This was largely due to the expansion of securitization business as part of the special finance division in Canada. Where appropriate, assets are measured at fair value. In other cases they are presented at amortized cost, subject to provisions for potential losses or write-downs where actual losses occur. Management believes that the write-downs and provisions made are appropriate.

We successfully expanded our securities finance business in equities and bonds again during the fiscal year, thanks to an ongoing process of tighter integration across the Group. We also increased the number of counterparties we work with once again. We expect this business segment to report a similar result again next year, as a result of the launch of off-balance-sheet agency lending business and the regulatory changes that have led to rising demand for highly liquid fixed-income securities as a substitute for liquidity.

The expansion of securitization business in Canada resulted in a considerable increase in its contribution to results. We also expect securitization business to make a larger contribution to results over the coming year, thanks to further expected growth in Canada and plans to extend this business into Europe.

Year-on-year growth in revenue from proprietary trading includes both model-based trading strategies and carry books. We expect a moderate decline in revenues from these segments in the coming year.

As in the previous year, revenue from structured equity transactions remained at a comparatively low level in fiscal year 2014. Nonetheless, we were able to win new customers in spite of the difficult market environment, and results improved somewhat in comparison with the previous year. The current pipeline shows that we understand how to handle this type of transaction in an efficient and orderly manner, and can give our customers the highest possible degree of flexibility in achieving their hedging objectives.

In spite of the difficult market environment, institutional agency sales performed well and made a positive contribution to results, although revenues were somewhat lower than in the previous year. We expect a moderate increase in revenues in the year to come.

Our commercial finance business in Halifax, Canada, has now largely been wound up and we therefore do not expect it to generate any significant further costs.

Maple's treasury and securities finance divisions enabled it to keep a large supply of liquidity available for its businesses and to source the securities it needed for its trading and hedging activities.

Management Comment

Management is very satisfied with operational performance for 2013/14 and is also confident that this progress can be maintained, despite the ongoing challenges presented by the market environment and increasing regulatory requirements.

We will continue to reap the benefits of our high degree of adaptability and flexibility, our sophisticated risk-management system and strong capital base. The ongoing commitment and professionalism of our employees is a decisive factor in our success and we would like to express our thanks to them and our appreciation of the contribution they make.

We would especially like to thank our customers, investors and business partners for the confidence they continue to show in Maple, which both stimulates us to perform better and provides a yardstick to measure our progress. We look forward to continuing and expanding these relationships. We would also like to thank our shareholders for their continued support.

Subsequent Events

No events have occurred since the end of the fiscal year that could have a material impact on the company's net assets, financial position, or results.

Anticipated Developments

We will continue to push ahead with the expansion of our financing activities in the securities finance division, and with securities and derivative trading with institutional customers.

At the same time, we intend to remain a committed, reliable partner for our existing and future customers. Integration of our services in Frankfurt, Toronto, London and New Jersey, along with new global infrastructure, will continue to provide impetus for future business.

Our special finance division is currently involved in establishing secured lending operations both in North America and the Netherlands. We expect the overall volume of securitization business in connection with purchased mortgage receivables to grow further in the coming year, and that this business will generate significantly higher revenues.

We plan to establish and expand new business relationships in institutional agency sales. Given that the market environment is likely to remain challenging, there could be a slight year-on-year decline in our other proprietary trading activities.

We anticipate that we will be able to maintain a stable financial position and liquidity within the Maple Group at all times over the coming year.

Increasingly strict global regulatory requirements, the expansion of our customer business, and new business activities such as establishing a branch in the Netherlands mean that we will continue to invest in our IT and organizational infrastructure. In the coming years this will result in a higher level of depreciation and amortization on fixed and intangible assets.

As interest rates are set to remain at historic low levels, which in turn means low margins for most business areas, we expect to achieve a pre-tax return of over 7% in fiscal year 2014/2015, which is in line with current performance. In fiscal year 2015/2016 we aim to increase our pre-tax return to between 8% and 10%, primarily as a result of expanding the services we provide to a growing customer base.

On behalf of the Executive Committee

Stefan Bungarten
President & Chief Executive Officer
Maple Financial Group Inc.

4. FINANCIAL STATEMENTS 2013/2014

4.1 MANAGEMENT REPORT FOR THE REPORTING PERIOD 2013/2014

4.1.1 BUSINESS DEVELOPMENT

Macroeconomic Conditions

The year under review was dominated by the ongoing European sovereign debt crisis. Overall, the situation stabilized in most countries. However, the problems within the eurozone do not yet appear to have been fully resolved. The European Central Bank continued to provide liquidity in an attempt to calm the situation in the eurozone, keep interest rates low and stimulate new economic growth. However, the benefits of its monetary policy measures were short-lived. The introduction of a negative interest rate for funds on deposit at the European Central Bank was one major step. The main aim was to encourage bank lending to businesses to allow them to invest. However, this step has not fully achieved the expected outcome so far. Overall, economic growth remained below expected levels with a real risk of stagnation, or even recession, still remaining during the year under review. Although there was some recovery in the countries hardest hit by the debt crisis, low growth and continuing high levels of unemployment continue to cause problems, particularly in France and Spain.

The economic situation within the eurozone remains fraught, as it had been in the previous reporting period. Real growth over the full fiscal year was 0.8 percent. Growth in the second half of the year was not able to match the relatively strong figures of the first two quarters. The momentum seen at of the end of 2013 and the start of 2014 proved to be short-lived, with growth rates falling as the year progressed. Even so, the situation in Cyprus and Greece improved, particularly towards the end of the year under review. Germany remains the driving force within Europe, with real economic growth of 1.2 percent during the reporting period. Despite this, growth weakened significantly during the last two quarters of the year under review.

The overall situation in the labor market in the eurozone improved slightly. The unemployment rate fell from 11.9 percent to 11.5 percent at the end of the year under review. There were only negligible improvements in labor market data in the countries that were hardest hit by the European sovereign debt crisis during the previous reporting period. While unemployment in Germany ranged from 4.9 percent to 5.2 percent during the year under review, the rates in Greece, Spain, and Portugal, for example, were 25.9 percent, 23.7 percent, and 13.1 percent respectively. The unemployment rate in the USA improved over the period from 7.2 percent to 5.9 percent in September 2014.

Inflation in western countries remained very low. At 0.4 percent, inflation within the eurozone was substantially lower than the previous year's figure of 1.1 percent and hence was far below the European Central Bank's target rate of 2.0 percent. In contrast, inflation in the USA rose slightly, starting at 1.2 percent and reaching 1.7 percent in September 2014.

European government bond markets grew, despite the ongoing economic problems. However, this was largely the result of the ECB's policy of low interest rates. Yields on ten-year Portuguese, Italian, Irish, Greek and Spanish government bonds fell during the year under review. The most significant fall was in the yield on Irish ten-year government bonds, which dropped from around 3.8 percent at the start of the reporting period to roughly 1.7 percent at the end of September 2014.

The European Central Bank reduced its key interest rate once again during the year under review, in order to provide liquidity and stimulate the economy. Indeed, it was reduced over a total of three separate phases. It was first reduced from 0.5 percent to 0.25 percent in November 2013. There were then subsequent reductions, ending at a rate of 0.05 percent in September 2014. This represents a historic low. It is also significant that a negative interest rate has now also been introduced for funds on deposit at the European Central Bank. A negative deposit rate was set for the first time in June 2014, having been reduced from 0.0 percent to -0.1 percent. It was then reduced further in September 2014, to -0.2 percent. The principal aim of this policy is to encourage Banks to increase their lending to businesses, which in turn allows them to invest.

Stock markets performed extremely well, as they had done in the previous reporting year, with relatively low volatility throughout the period. Driven by the low prevailing interest rates, and a consequent lack of alternative investments, the DAX reached a new all-time high of 10,029 in July 2014. It rose from 8,689 points at the start of October 2013 to 10,029 at the start of July 2014. It then fell briefly to 9,009, before rising steadily again to 9,799 in mid-September. Towards the end of the year under review it fell slightly again to 9,423. Overall, the DAX grew by around 8.4 percent between the start and end of the reporting period.

The Dow Jones Industrial Average rose steadily from 13,515 points at the start of the reporting period to 15,129 at the end of September 2014. The EuroStoxx50 index also grew during the year under review. It rose by just under 10 percent and hence performed slightly better than the DAX. As was the case in the previous reporting year, the peripheral EU countries once again had no negative impact on the growth of the EuroStoxx50. With growth of around 12 percent, the Nikkei 225 rose by slightly more than the EuroStoxx50.

The US dollar fluctuated relatively widely, with the exchange rate during the reporting period ranging from 1.2631 US dollars per euro to 1.3934 US dollars per euro. Overall the value of the US dollar increased by around 6.6 percent, from 1.3526 US dollars per euro to 1.2631 US dollars per euro at the end of September 2014. The sharp rise in the US dollar, which was especially pronounced from May 2014 onwards, was primarily due to the European Central Bank's expansionary monetary policy and to strong economic data coming from the USA.

The Canadian dollar began the year at 1.3963 to the euro as at 1 October 2013, falling by approximately 11.5 percent to a low of 1.5546 Canadian dollars per euro in March 2014. The value of the Canadian dollar subsequently rose considerably, closing the fiscal year at 1.4144 to the euro as at September 30, 2014.

Maple Bank Performance

Maple Bank GmbH is a financial institution situated in Frankfurt am Main with a business focus on proprietary trading, structured trading and structured products, lending operations, credit and treasury (deposits and institutional agency sales). The Toronto branch specializes in lending businesses, in particular the acquisition of mortgage loans for securitization, and deposit taking.

Given that market conditions remained difficult, we are satisfied with the results from normal operations of EUR 19.9 million. This means that we achieved a return before tax of 7.4 percent during the fiscal year, which is within the lower end of the range of between 7.0 percent and 10.0 percent that was forecast in the previous year. Given the large number of new regulations and the constant changes in the regulatory environment, as well as the difficult market conditions and extremely low interest rates, this is a very satisfactory result.

The individual business areas performed as follows:

Proprietary Trading

Trading in equities and derivatives concentrated on existing trading strategies during the year and reported improved results, thanks to higher trading volumes.

We were again pleased to note that our branch in Toronto reported a profit from its fixed-income securities trading activities. Proprietary trading made a positive contribution to overall results due primarily to earnings from fixed-income trading and modest income from equity and derivatives transactions.

Structured Trading / Structured Products

The structured trading and structured products segment focused on acquiring new hedging and financing instruments for institutional customers.

Our state-of-the-art trading system and extensive experience give us the edge in structured trading. The utmost discretion, rapid decision-making processes, and quick response times mean that we are always able to satisfy our customers' requirements in this area. During the reporting period this segment also suffered from a surplus of liquidity and very low interest rates. Nonetheless, we were able to win new customers in spite of the difficult environment, and reported a small increase in our result.

Securities Finance

We successfully expanded our securities lending activities and repo trading business for equities and bonds again during the fiscal year, thanks to an ongoing process of tighter integration across all the Group's sites. We worked again with a larger number of counterparties both within Germany and abroad. Although margins continued to fall as a result of the prevailing low interest rates, overall revenue from this business segment rose compared to the previous year. We expect this business segment to report a similar result next year too, due to our strong market position and as a result of the launch of off-balance-sheet agency lending business and the regulatory changes that have led to rising demand for highly liquid fixed-income securities as a substitute for liquidity. This will be largely unaffected by changes in interest rates on the capital markets.

Over the course of the last fiscal year, Maple Bank has received an increasing number of enquiries for collateralized financing with a term of up to three years. Such enquiries are examined on a case-by-case basis, taking into account the proposed structure and collateral.

Lending Operations

Customer demand for specialized financing transactions at our Frankfurt head office remained low during the fiscal year, although we were able to conclude some specific new contracts.

During the reporting period, we continued to expand our secondary market acquisitions and securitizations of mortgage receivables at our Toronto branch. Irrevocable credit commitments totaling CAD 125 million are in place in relation to the acquisition of these mortgage receivables as pre-financing for the originators. As at September 30, 2014, CAD 60 million of these credit commitments had been drawn. The mortgage receivables portfolio stood at CAD 237 million as of the balance sheet date, CAD 148 million of which was already securitized. All receivables relate to mortgages that are backed by government guarantees. Securitized receivables with a nominal value of CAD 1,247 million (prior year: CAD 1,014 million) were sold in true sale transactions during the reporting period. Income from securitization business grew significantly during the reporting period.

We are still in the process of winding up our commercial finance portfolio. Scheduled repayments and the liquidation of collateral serve to reduce the risk arising from this segment.

Treasury

Our deposit business remained stable throughout the year, with volumes comparable to the previous year in spite of prevailing low interest rates. We were also able to generate new term deposit business due to a special scheme marking the 20th anniversary of Maple Bank GmbH. In spite of a fall in our deposit protection ceiling as a result of regulatory changes, we remain certain that, by adapting our products, we will be able to report a similarly high volume of deposit levels next year. We would like to thank our long-standing customers for their business over many years and for the loyalty they have shown.

Institutional agency sales business, although slightly below the previous year's level, continued to perform well in spite of difficult market conditions and made a positive contribution to the Bank's result. In future we will increasingly focus our resources on offering our growing number of long-standing customers a broader range of products, particularly in institutional agency sales, so that we can place our revenues on a broader footing and grow them sustainably. We would like to take this opportunity to thank these customers for the productive and positive business we have done together.

4.1.2 RESULTS

As in previous years, the main contributions to net investment income came from the segments equity and bond trading, equity and interest rate derivatives trading, securities and repo transactions, customer deposits, and institutional agency sales. Net investment income is made up of net interest and commission income plus net income from the trading portfolio, and is used internally as a tool for managing and monitoring results.

Net investment income increased from EUR 38.4 million in the previous year to EUR 51.9 million this fiscal year. EUR 36.6 million of this amount (previous year: EUR 24.6 million) was generated at the Frankfurt head office, and EUR 15.3 million (previous year: EUR 13.8 million) at the branch in Toronto. The rise in revenue at the Frankfurt head office arises largely from the securities lending and repo trading business segment, while the increased income at the Toronto branch is due to growth in securitization business.

The other operating result fell from EUR 14.0 million to EUR 12.5 million, mainly as a result of a loss on economic hedges for foreign currency risks arising from investments in affiliated companies. As in the previous year, interest income from tax receivables contributed the largest amount to the other operating result.

Administrative expenses increased as a result of a rise in performance-based remuneration from EUR 35.0 million in the previous year to EUR 42.9 million. Thanks to the increased revenues, the cost-income-ratio improved from 69.3 percent to 65.3 percent. Having transferred EUR 2.6 million in the previous year to the fund for general banking risks, pursuant to section 340e, paragraph 4 of the German Commercial Code (Handelsgesetzbuch – HGB), a further EUR 3.7 million was transferred during the fiscal year, as a consequence of the higher trading result.

The Bank's risk provision result for the reporting period was EUR 3.4 million (previous year: EUR 0.2 million). The result from normal operations improved to EUR 19.9 million, compared to EUR 13.6 million in the prior year.

Effective October 1, 2008, the Bank concluded a profit-and-loss transfer agreement with Maple Financial Europe SE, Frankurt am Main under which the Bank transfers all of its profits and the parent company covers any losses. As of that date, Maple Bank GmbH and Maple Financial Europe SE constitute a consolidated tax group for the purposes of German corporate income tax and German trade tax. An expense of EUR 17.0 million was therefore recognized as at September 30, 2014, for the transfer of profit to Maple Financial Europe SE, with the Toronto branch posting a surplus of EUR 5.4 million.

Profit transfers are shown in chart 1 (in millions of euros).

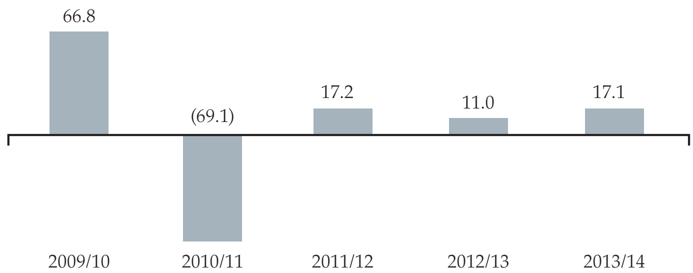

Chart 1: Profit transfers in million of euros

4.1.3 BALANCE SHEET

The Bank's total balance sheet assets fell slightly during the fiscal year, from EUR 4.0 billion to EUR 3.7 billion. Business volume, including contingent liabilities and other obligations, was EUR 3.9 billion. The largest fall was in trading assets, which decreased by EUR 498 million, while trading liabilities fell by EUR 235 million and liabilities to customers fell by EUR 97 million. At the same time, other assets increased by EUR 144 million, other liabilities by EUR 30 million and receivables from financial institutions by EUR 28 million.

At the balance sheet date, the trading portfolio accounted for EUR 2.427 million of assets and EUR 1.334 of liabilities. As well as bonds and debt securities, a large portion of this item was made up of receivables and liabilities from repo transactions, as well as cash collateral in connection with securities lending transactions. In addition, trading liabilities include liabilities amounting to EUR 275 million, arising from open market operations.

Chart 2 shows total assets (in billions of euros).

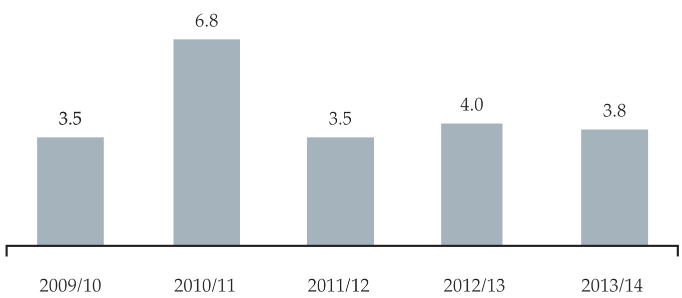

Chart 2: Total assets (in billions of euros)

The Bank secures financing primarily through short, medium, and long-term deposits from institutional customers and through our domestic and international securities lending and repo market activities. We are also active in the inter-bank money market. Liabilities to customers include EUR 1,984 million of customer deposits. In the 2013/2014 fiscal year, the volume of outstanding customer deposits with a residual term of more than one year declined from EUR 286 million to EUR 257 million. The subordinated loans balance increased by EUR 5 million to EUR 45 million, as a result of a new contract.

Throughout the whole year, the Bank maintained a high level of assets eligible as collateral for borrowing from the Deutsche Bundesbank to ensure liquidity. As at September 30, 2014 securities with a loan value of EUR 614 million were deposited at the Deutsche Bundesbank for this purpose. Of this amount, EUR 275 million was utilized for open market loans, with EUR 339 million available as a credit line.

Based on the Asset Liability Management Report, expected liquidity inflows and outflows for individual maturity ranges of up to one year, taking into account the securities available at the balance sheet date, were as follows:

	AMOUNTS IN EUR MIO					
TERM UP TO ...	1 DAY	1 WEEK	1 MONTH	3 MONTH	6 MONTH	1 YEAR
Expected liquidity inflows	1,248	452	347	587	170	701
Expected liquidity outflows	455	358	371	1,150	467	415
Difference between inflows and outflows	792	94	(24)	(563)	(297)	286
Comulative difference	792	886	862	299	2	288

Changes to core equity during the reporting period are shown below:

	AMOUNTS IN EUR MIO			
	EQUITY SHARE CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	NET PROFIT/ LOSS
Opening balance as at October 1, 2013	97.6	8.7	163.1	0.0
Annual result before profit transfer				17.1
Profit transfer for 2013/14				(17.1)
Closing balance as at September 30, 2014	97.6	8.7	163.1	0.0

4.1.4 RISK MANAGEMENT

A risk management system must capture all business activities through a constant process that identifies, analyzes, evaluates, manages, documents, and provides sufficient information about associated risks. The risk management system builds on the Bank's risk strategy, which is established in conformity with its business strategy.

Principles of the Group's Risk Policy

Maple Group's risk management system is designed to manage the risks we choose to accept in order to create value, while at the same time maintaining such risks within stipulated limits. Assessing opportunities and risks plays an essential role in determining how the Group positions and diversifies its activities.

Overall responsibility for the risk management system lies with the Bank's management. The risk management system is defined in various policy documents, including risk-bearing capacity, the risk manual, the liquidity policy, the credit policy, the long-term repo policy, and approved limits. These documents and policies are reviewed regularly. In addition, the risk management system is subject to internal audits on a regular basis. Limit systems are used to monitor and limit various risk factors.

The risk management system itself is constantly reviewed and refined. We take a proactive approach to changes in general economic conditions and business processes. Because of the Bank's position within the Group, risks are controlled and monitored locally by the independent risk control department using measurement methods that are uniform throughout the Group. This department reports on all Bank and Group risks to the Bank's management and to the Group's executive committee.

The risk-bearing capacity framework is based on the risk inventory as set out in the risk manual and involves measuring and limiting risks specific to the Group and Bank. The framework takes into account the various requirements of the Bank's management, the Group's management, the shareholders, and regulatory authorities.

The Bank's management and the Group's executive committee receive detailed daily reports on risk-bearing capacity, as well as trading and credit risks.

Management is directly responsible for asset and liability management, as well as for managing market and operational risks. The credit committee manages default risk.

Group's management directs all business activities by maintaining close links with the individual locations through regular conference calls and through organizational involvement in the executive bodies of the individual companies.

Risk-bearing Capacity and Capital Management

The Bank's risk-bearing capacity framework forms the basis for the internal management of economic capital. The aim is to ensure that the Bank has sufficient capital available to cover losses both under normal conditions and under various stress scenarios. The extent to which risk-bearing capacity is utilized is calculated, monitored, and reported for the Bank and the Group on a daily basis.

In the risk-bearing capacity framework, the standard scenario is based on a going-concern approach and assumes that the Bank continues to operate under current market conditions. The Bank is also required to comply at all times with the minimum solvency coefficient as defined in the regulation (EU) Nr. 575/2013 of the European Parliament and the Council as of June 26, 2013 ("CRR"). Risk capital consists of expected profit for the next 12 months plus modified liable capital, less statutory solvency capital. The standard scenario is calculated and monitored on a daily basis with a confidence level of 95 percent.

In the risk-bearing capacity framework, the stress scenario is based on a net-asset-value approach, which looks at what would happen under various stress scenarios if the Bank were to liquidate its holdings over a period of 12 to 18 months. Risk capital corresponds to the theoretical value of the Bank in the event of liquidation under a stress scenario. Individual limits are set based on the Bank's business strategy, allowing for risks and opportunities. The stress scenario is calculated and monitored on a daily basis with a confidence level of 99 percent.

As of September 30, 2014, the allocation and utilization of limited risk capital under the standard scenario, broken down by risk factor, was as follows (in millions of euros):

	BANK		CONSOLIDATED	
RISK FACTORS	RISK CAPITAL	UTILIZATION	RISK CAPITAL	UTILIZATION
Market risk	25.0	7.2	45.0	16.0
Currency risk	1.0	0.1	2.0	0.5
Counterparty default risk	50.0	5.0	10.0	4.0
Operational & other risk	15.9	15.9	20.3	20.3
Liquidity risk	2.0	0.1	2.0	1.1
Earnings risk	9.6	9.6	15.0	15.0
Allocated risk capital	103.5	37.9	94.3	56.9
Unallocated risk capital	144.4		154.4	
Risk capital	247.9		248.7	

We use the same mathematical processes to calculate the utilization of individual limits as we do for ongoing risk monitoring. Market and default risk is calculated using value-at-risk (VaR) methods. A fixed amount of risk capital is allocated for operational and other risks based on estimates by experts. Liquidity risks are derived directly from the daily reports on asset and liability management and calculated based on a pre-determined minimum level of liquidity. Earnings risk is reported as a proportion of projected earnings.

Under the stress scenario, the breakdown as at September 30, 2014, was as follows (in millions of euros):

	BANK		CONSOLIDATED	
RISK FACTORS	RISK CAPITAL	UTILIZATION	RISK CAPITAL	UTILIZATION
Market risk	75.0	32.6	145.0	83.1
Currency risk	1.5	0.6	3.0	1.8
Counterparty default risk	125.0	47.8	75.0	35.2
Operational & other risk	29.6	29.6	47.0	47.0
Liquidity risk	4.5	0.5	8.0	5.8
Allocated risk capital	235.6	111.1	278.0	172.9
Unallocated risk capital	23.6		46.8	
Risk capital	259.2		324.8	

Capital management activities within the Bank and the Group are based primarily on the requirements of the German Solvency Regulation (Solvabilitätsverordnung – SolvV) and the CRR. They are carried out in a manner consistent with maintaining risk-bearing capacity.

The table below gives an overview of the equity capital ratios pursuant to the German Solvency Regulation (SolvV ratios), based on quarterly figures:

	SEP 13	DEC 13	MAR 14	JUN 14	SEP 14
Maple Bank GmbH	38.8	30.1	32.6	31.8	35.7
Maple Financial Europe SE (subgroup)	23.9	18.0	24.8	23.1	24.3
Maple Financial Group (consolidated)	23.4	17.7	24.3	21.9	24.2

SolvV ratios are calculated for Maple Group in addition to the statutory ratios for the Bank and the subgroup. The ratios are reported to the German Bundesbank and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) at the end of each quarter.

The chart below shows utilization by risk category within the subgroup as at September 30, 2014, in accordance with the German Solvency Regulation. As of September 30, 2014, a total of EUR 107.4 million was utilized (prior year: EUR 116.7 million), with liable capital amounting to EUR 326.0 million (prior year: EUR 347.4 million).

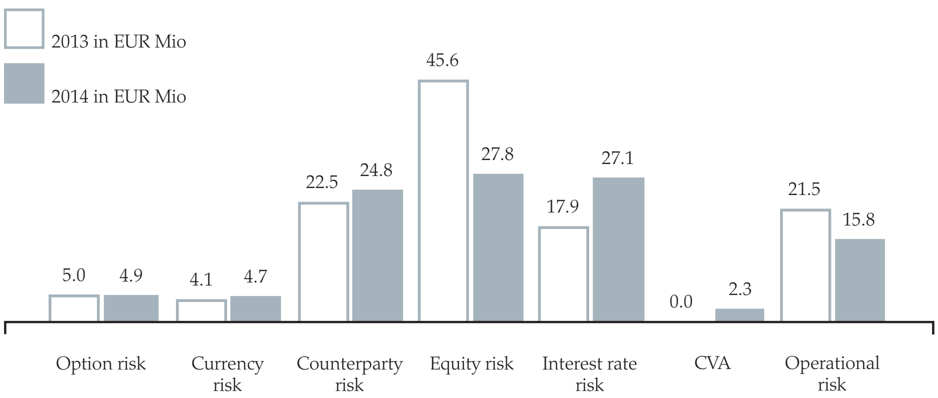

Chart 3: SolvV utilization by risk category within the subgroup as at September 30, 2014 (in million of euros)

Operational risks in the Bank and the subgroup are measured using the basic indicator approach, which is calculated as 15 percent of the three-year average for positive gross income.

Market Risk

Market risk is the risk of fluctuations in the fair value of financial instruments or their future cash flows that are triggered by changes in market variables, such as interest rates, exchange rates, and the prices for bonds, equities, and commodities. The Bank and the Group monitor and report on market risk daily. The VaR approach covers positions in both the trading book and the banking book, and it can be used to perform analyses of individual positions as well as a full analysis of overall market risk by employing various aggregation processes.

Stress tests and sensitivity analyses show how changes in risk factors would affect the positions of the Bank or the Group. Positions in the trading book and banking book are reviewed jointly and analyzed weekly. Management uses the results of simulations to assess positions.

Trading volumes for individual securities are used to assess the liquidity of trading positions and collateral granted in connection with securities lending and repo transactions, which also includes bid-offer spreads for the fixed-income port- folio. Management receives a weekly report on market risk.

All transactions must be assigned to an authorized and tested strategy when they are entered in the trade processing systems. New products or strategies are subject to an authorization process before they are implemented, including a period of testing. Authorized strategies normally include hedging transactions in the form of index futures, options, or swaps, and are subject to limits on trading, volume, position, loss, sensitivity, and VaR, depending on the type of risk. The risk control department is responsible for the day-to-day monitoring of compliance with all limits and management reporting.

Equity Price Risk

Equity price risk results from changes in equity prices or index components that may also affect the value of financial instruments. In the Group, equity price risk is measured and monitored using a VaR model based on a historical simulation with a confidence level of 99 percent and a one-day holding period. The Bank uses a "clean backtesting" methodology which did not produce any unusual results during the reporting period. No limits were exceeded during the reporting period.

The VaR for the Bank's equity price risk was EUR 0.2 million as at year-end (prior year: EUR 0.1 million), fluctuating during the reporting period between EUR 0.1 million and EUR 0.3 million (prior year: EUR 0.1 million and EUR 0.2 million).

Stress tests are performed on holdings of equities and equity derivatives in all of the Bank's trading portfolios. There are no equity or equity derivative holdings in the banking book. The stress test shifts the confidence level for the VaR model, extends the holding period, and makes changes to other risk factors, such as equity prices and volatility, and then runs a VaR simulation using prices from a particularly volatile historical period. For equity risk, the maximum utilization under these stress tests was EUR 0.7 million at the end of the reporting period (prior year: EUR 0.2 million). Over the course of the year, this figure fluctuated between EUR 0.2 million and EUR 1.2 million (prior year: EUR 0.2 million and EUR 2.4 million).

Interest Rate Risk

Interest rate risk results from changes in interest rates that may also affect the value of financial instruments. The Bank is exposed to interest rate risks on cash balances, securities held for trading, cash paid or received as collateral for securities lending transactions, secured lending, short, medium and long-term customer deposits, and subordinated loans. We manage interest rate risk by constantly monitoring interest rate sensitivities and monitoring and reporting compliance with the approved risk limits on a daily basis. The Bank uses derivative-based hedging strategies to manage interest rate risk. All interest rate risks are also included in the daily calculation of VaR for the Bank as a whole.

Stress tests for interest rate risk simulate changes in yield curves. The simulations consider a parallel shift of up to 200 basis points and turnarounds at key points on the yield curve in order to calculate sensitivities for each maturity range. Stress tests are performed for each currency at the portfolio level and for the Bank as a whole. The maximum result triggered by a shift of 100 basis points in the yield curve amounted to EUR 6.6 million as at the end of the reporting period (prior year: EUR 3.8 million). Over the course of the year, this figure fluctuated between EUR 2.3 million and EUR 9.4 million (prior year: EUR 1.9 million and EUR 8.8 million). The present value loss on positions in the banking book for an interest rate shock of 200 basis points, determined in accordance with the BaFin's Circular of November 2011, was 0.8% of regulatory capital as of September 30, 2014. Since this ratio is low, there are no additional regulatory requirements to be met.

In addition, a daily VaR figure is calculated for equity, option, spread, and interest rate risk using historical simulation data. As of September 30, 2014, the one-day VaR with a confidence level of 99 percent was EUR 0.7 million (prior year: EUR 1.2 million). Over the course of the year, this figure fluctuated between EUR 0.5 million and EUR 2.0 million (prior year: EUR 0.4 million and EUR 1.3 million).

In relation to mortgage loans purchased by our Toronto branch, there is a risk that borrowers' unscheduled repayments may be higher than the amounts expected when the purchase price was determined. This risk is limited by the application of surcharges that eliminate the majority of any loss that might otherwise result. The risk associated with higher levels of unscheduled repayments is limited to the level of future earnings.

Currency Risk

Currency risk results from changes in exchange rates that may also affect the value of financial instruments. Currency risk is not considered material within the Maple Group because we do not actively trade foreign exchange and hedge currency exposures directly.

The risk control department monitors currency exposure and produces a report each day, comparing it against the authorized limit. It also determines a VaR figure for the overall portfolio.

Default Risk and Credit Risk

Default risk encompasses credit risk from lending operations, counterparty risk, issuer risk, country risk, and investment risk.

Credit risk describes the risk that one or more contractual partners may default on their obligations. Contractual partners may be unable to meet their payment obligations due to bankruptcy, lack of liquidity, processing issues, or other reasons.

Exchange-traded products and transactions that involve a central counterparty (CCP) involve limited credit risk exposure as these transactions are based on standard contracts, are executed on established exchanges, and are subject to daily settlement requirements. Credit risk is also limited when writing covered calls, since the counterparty has already met its obligations under the contract by paying the premium.

The Bank and the Group limit credit risk by dealing exclusively with customers who have been deemed creditworthy in a standardized evaluation process. The evaluation includes an assessment of the quality of any collateral granted. Netting agreements are used wherever possible, allowing the Bank to offset positive and negative contracts with the same customer. A credit committee sets limits for individual customers and so-called "borrower units" (Kreditnehmereinheiten) based on a detailed credit analysis. The limits are managed globally but can be allocated to individual Group companies if necessary. We monitor default risks for individual customers and customer groups on a daily basis. All default risks in the trading and banking books are reported by product class, based on net exposure, and are adjusted using safety margins to allow for changes in individual risk factors. Each customer's creditworthiness is reviewed at least once a year. The Bank carries out ad-hoc analyses during the year to monitor customer creditworthiness, allowing it to take remedial measures at short notice if required.

In addition to daily reports, management receives a monthly report on all outstanding credit risks. This report includes credit risk figures generated using the Gordy method, which is also used to calculate risk-bearing capacity. The standard scenario employs a confidence level of 95 percent and is based on the historical one-year probability of default. The stress scenario is based on eight different simulations involving rating downgrades, lower recovery rates, and increased exposure, as well as combinations thereof. The confidence level is increased to 99 percent for all stress scenarios. The report also covers credit-risk concentration measures and other indicators.

As of September 30, 2014, the quality of the Bank's credit exposures, broken down by credit rating and expressed as a percentage of lending volume after specific loss provisions and netting of collateral as mandated by the supervisory authorities, were as follows:

CREDIT RATING	PERCENTAGE OF LENDING VOLUME	
	2014	2013
AAA to AA-	26 %	39 %
A+ to BBB-	55 %	34 %
BB+ and lower	19 %	27 %
Total	**100 %**	**100 %**

After specific loss provisions and mandated netting of collateral, total lending volume in 2014 has reduced by 20 percent to EUR 1.5 billion (prior year: EUR 1.86 billion). The ratings shown above are determined by an internal rating system using calculation methods developed by the Standard & Poor's risk solutions service. The table refers to borrower credit ratings. The banking book also contains a specific transaction rating that takes into account the collateral granted.

Default Risk in the Lending Business

Both the Frankfurt office and the Toronto branch offer customized structured financing solutions, whereby collateral requirements are tailored to customers' needs.

Purchases of discounted lottery winnings from selected U.S. lottery companies (which are guaranteed by state governments) have been discontinued. All repayments are on schedule.

The Toronto branch sold mortgage receivables as part of securitization transactions directly to investors or to Canada Housing Trust, Toronto, a special purpose vehicle established by the government-owned Canada Mortgage and Housing Corporation (CMHC) to purchase loan portfolios from various Canadian mortgage banks. The mortgage portfolios are financed by issuing Canada Mortgage Bonds (CMBs), which are guaranteed by the CMHC. The Toronto branch continues to purchase receivables with a maturity of up to five years that are guaranteed by Canadian provinces.

Specific loss provisions are made against all commitments that meet certain criteria, after adjusting for available collateral.

Default Risk arising from Customer and Issuer Risks

Credit risk exposure from trading activities is calculated for each borrower and each borrower unit at the end of the day. The calculation takes into account collateral at market value and any premiums for potential changes in market value (VaR, add-ons). Proprietary systems automatically monitor limits. Credit risks are classified and monitored by transaction type and product class. Additional stress tests and liquidity analyses are carried out by the securities finance segment for collateral held.

The Bank sends an automated report on all credit risks to the Group-wide credit monitoring system. At the Group level, monitoring is carried out by the credit departments in Frankfurt and Toronto.

Country Risk

The Group defines direct country risk as the risk arising from holding government bonds and from loans to state and local authorities.

As of the end of the reporting period, the Bank's exposure to direct country risk was limited to Canada (including provinces) at the amount of EUR 228 million (prior year: EUR 249 million). The Bank and the Group have a restrictive lending policy in terms of country risk, which has served us well during the sovereign debt crisis.

The Group does not hold any government bonds from Portugal, Ireland, Greece, or Spain. The Group holds Italian government bonds with a residual term of less than two years and a value of EUR 52 million (prior year: EUR 10 million) including EUR 25 million within three month termination date.

Indirect country risk exists when customers are domiciled outside Germany. This risk category also includes transfer risk. The following chart illustrates the Bank's indirect country risk at the end of the 2013 and 2014 reporting periods. All figures are quoted in millions of euros and refer to the net balance for each counterparty.

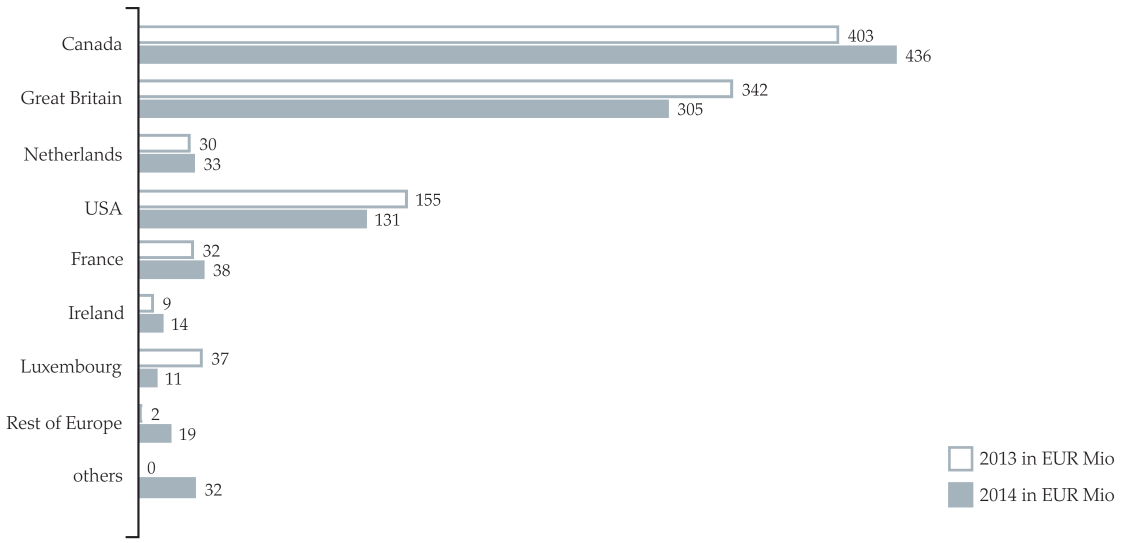

Chart 4: Market value of counterparty default risk by country, excluding Germany (in million of euros)

Provisions for country risk are made based on the respective national economic situation. No provisions were required for increased country risk as of September 30, 2014.

After specific loss provisions and netting of mandated collateral, total lending volume by sector for fiscal year 2013 and 2014 was as follows:

SECTOR	PERCENTAGE	
	2014	2013
Banks	24 %	31 %
Other financial institutions, Holding companies and Funds	49 %	51 %
Public sector including German Central Bank (Deutsche Bundesbank)	20 %	13 %
Other	7 %	5 %
Total	**100 %**	**100 %**

Investment Risk

The bulk of the Bank's exposure to investment risk stems from investments in Group subsidiaries. As is the case with the Bank, the operating subsidiaries' businesses focus mainly on equity and bond trading, equity and interest rate derivatives trading, repo transactions, securities lending, and structured products.

Members of management represent the Bank on the executive bodies of its subsidiaries and the Group. In addition, the Group-wide daily reporting system enables management to identify, measure, and manage business risks in the Bank's subsidiaries.

The operating subsidiaries in the U.K., the U.S., and Canada are supervised by the respective national regulatory authorities. In addition, all subsidiaries are included in the Bank's consolidated group for regulatory reporting purposes and in the monitoring of risk-bearing capacity.

Liquidity Risk

Liquidity risk is the risk of not having sufficient cash balances to meet financial obligations when they become due. The Group's liquidity could be affected by limited access to markets for secured or unsecured financing, difficulties in obtaining financing from subsidiaries, limited ability to sell assets, or unforeseen cash outflows. The Bank's ability to sell assets may also be affected by other market participants seeking to sell similar assets at the same time. The Group seeks to maintain sufficient liquidity not only under normal market conditions but also throughout market cycles and during periods of financial stress. The Group has established processes to manage liquidity and financing with a view to maintaining sufficient liquidity in all regions and at all times. These processes also ensure compliance with regulatory requirements.

The liquidity policy includes daily liquidity limits and monitoring, three stress scenarios, and a contingency plan.

The risk control department produces a daily asset and liability management report, which shows all deterministic cash flows and holdings in marketable securities. The Bank has very few non-deterministic cash flows, and these are reported as overnight positions.

In the asset and liability management report, stress scenarios are modeled daily for the Bank and once a month for the Group. These scenarios simulate unexpected cash outflows and lower mark-to-market values for securities.

The Bank has a broad base of deposits from institutional customers, and this plays a crucial role in maintaining sufficient liquidity for the entire Group. In order to minimize liquidity risk from short-term payment obligations, the Bank holds securities eligible as collateral for borrowing from the German Bundesbank. As of September 30, 2014, the collateral value of these securities was EUR 339 million. The Liquidity policy defines a minimum amount of short term liquidity of EUR 200 million. This limit was maintained continuously during the period under review.

The treasury department is informed of liquidity levels through regular debt maturity reports. Close cooperation between the money market settlements department and the treasury department means that the Bank is able to take immediate action whenever necessary during the course of any given day. The Bank ensures that sufficient credit and trading lines are available by maintaining close contact with customers, commercial and investment banks, and financial service providers.

Market liquidity risk is managed through volume limits for individual securities positions based on actual trading volumes. The weekly liquidity risk report shows the ratio of trading positions to exchange turnover for all equity portfolios. As at September 30, 2014 Maple Bank held two equity positions whose size exceeded the average daily stock-exchange turnover. The market value of these two positions amounted to EUR 3.7 million. There were no noteworthy bond positions.

The liquidity ratio required as defined by the German Liquidity Directive (Liquiditätsverordnung – LiqV) was 1.14 as of September 30, 2014 (prior year: 1.04). Over the course of the year, the ratio fluctuated between 1.02 and 1.14 (prior year: 1.01 and 1.08) and therefore complied with regulatory requirements throughout

The Bank has reported the new Liquidity Coverage Ratio (LCR) on a monthly basis since March 2014. From 1 October 2015 there will be a requirement to meet the LCR target. The ratios reported ranged from 3.1 to 0.6. As at September 30, 2014 the ratio stood at 0.6..

Operational Risk

Operational risk is the risk of loss resulting from the inadequacy or failure of internal processes, employees, or systems or from external events. Examples of operational risk include human error, disruptions to operations or processes, technology risks, and external disasters. Operational risk is present in all activities, including the methods and controls used to manage other risks. A professional operational risk management system reduces errors in the management of other risks, such as credit, market, and regulatory risks. The Bank regularly reviews its processes to ensure that they will be effective in preventing operational failures. The Group records all actual and potential losses arising from operational risk in a database. A report containing analysis of all loss incidents is presented to management each quarter.

Key risk indicators are used to predict potential operational risks. The risk identification system is complemented by periodic self-assessments performed by each of the Bank's departments.

Data processing plays a key role in the performance of the Bank's tasks. For the sake of the Bank's customers and employees, built-in protection prevents abuse of data and IT processes and safeguards their integrity, confidentiality, and accessibility. To this end, the Bank has introduced appropriate security processes and implemented technical measures to safeguard information. These measures are based on the international standards ISO/IEC 27001 and ISO/IEC 27002, and their effectiveness is reviewed regularly.

The Bank's risk management system includes a comprehensive information security policy, which covers such matters as maintenance of business operations (emergency planning) and outsourcing of IT services. Annual performance tests are carried out at the Bank's dedicated backup center. Real-time data mirroring means that the Bank is also able to monitor and manage risk exposure from the backup center.

The Bank's organizational structure is documented and regulated through guidelines, workflow descriptions, job descriptions, and organizational charts. These documents are revised regularly and reviewed at least once a year.

Reverse Stress Tests

Reverse stress testing is carried out every six months. Given the Bank's high degree of integration within the Group, reverse stress testing is reported on a Group-wide basis. There is no separate reporting for the Bank alone.

Reverse stress testing is divided into two parts. Qualitative modeling looks at a range of risk factors under various scenarios. Quantitative modeling recalculates individual risk factors, such as market risk, credit risk, and operational risk, and combines these factors in a correlation scenario.

Legal and Other Risks

The Bank's business activities are exposed to legal risks arising from contractual agreements. Standard master agreements are used whenever possible in order to reduce these risks. The Bank's attorneys are used to document and review non-standard agreements.

The Group is subject to extensive regulation in Canada, the U.S., the U.K., and Germany. Regulators can take administrative or legal action in the event of failure to comply with regulatory requirements, and this may result in a reprimand, a fine, or the suspension or dismissal of managers. As at the reporting date of September 30, 2014 a number of matters remain unclear, due to ongoing discussions surrounding the final form and application of the CRR, CRD IV and technical standards. We expect these matters to become clearer during the fiscal year to come.

The process for launching new products and strategies includes a review of tax treatment, as well as the other various risk factors. External tax consultants carry out a preliminary review of the Bank's transactions to ensure compliance with applicable tax law, with a positive assessment being required before trading begins. However, the tax authorities may disagree with this evaluation and take a different view of the Bank's tax position, which could result in the overstatement of tax reimbursement claims or the understatement of tax provisions.

Risk Assessment

The Bank believes that the existing monitoring functions are more than sufficient to deal with existing business and future challenges. The changes to the definition of equity under Basel III had only minor consequences for the Bank and the Group. There are no hybrid or other capital instruments outstanding, and subordinated capital is limited to EUR 45 million. This means that the adjustments will have relatively little effect on capital.

4.1.5 EMPLOYEES

We would like to take this opportunity to thank all of our employees.

The Bank's success is dependent on the dedication, enthusiasm, professionalism, and interpersonal skills of our employees, particularly at a time when the banking market is undergoing a transformation.

In return, we offer many benefits in addition to variable performance-based remuneration. Our comprehensive benefits package includes a group accident insurance and various retirement plan options.

By offering flexible working hours, we help our employees achieve a balance between work and private life while also pursuing their chosen career paths. We see our employees' diversity as a strength, both in terms of their dealings with each other and their relationships with customers.

We prepare for current and future challenges by providing personalized support to our employees and offering them regular advanced training opportunities, thus ensuring that the work they perform is of the highest quality whether they are dealing with internal or external customers.

We have created a positive work environment for our employees, including a flat organizational structure, a pleasant working atmosphere, and participation in decision-making processes. High levels of satisfaction and motivation are reflected in staff turnover rates that are well below the banking sector average.

Post-balance Sheet Events

No events have occurred since the end of the reporting period that could have a material impact on the Bank's net assets, financial position, or results.

4.1.6 OUTLOOK

Macroeconomic Situation

The sovereign debt crisis in Europe is not over yet. The European Central Bank is still working hard to find a sustainable solution. Due to the ECB's use of monetary policy measures during the year under review, the options available to it are now more limited. It even introduced a negative interest rate on deposits for the first time during the year under review. Although the situation did improve somewhat when compared with the previous year, there is still a real possibility of an economic downturn as long as growth within the eurozone does not improve. Unemployment is still at a relatively high level. There is now also an additional danger on the horizon, as the German economy – which has been the driving force within the eurozone – is weakening.

Nonetheless, forecasts for growth within the eurozone remain positive for 2015. Growth of 1.4 percent is expected for Germany, while the figure for the eurozone countries as a whole is forecast at 1.2 percent. In particular, higher levels of economic growth are expected for those countries that have been most severely affected by the sovereign debt crisis, with the economy in Italy forecast to grow by 0.5 percent, Spain by 1.8 percent, Portugal by 1.5 percent, and Greece by 1.5 percent.

After substantial economic growth this year, and with its unemployment rate falling to 5.9 percent, the USA's economy is expected to grow by 3.0 percent next year.

At 0.4 percent, inflation in the eurozone is currently very low, and forecasts expect it to remain at a similar level in the next few years. Inflation figures in the USA are expected to remain unchanged, leveling out at around 1.7 percent.

The European Central Bank is not expected to raise interest rates in 2015. Some forecasters even take the view that more monetary policy measures aimed at stimulating the economy can be expected from the European Central Bank. In the USA interest rates are expected to rise in 2015, for the first time in a number of years.

Anticipated Developments at the Bank

We intend to expand our securities and derivatives business for institutional customers over the longer term. We will continue to expand our securities finance business, focusing on medium durations. In this regard we plan to make further investments in infrastructure in order to enable us to act as an agent for our customers in future. In view of the successful global implementation of our agency lending system, we intend to place particular emphasis on increasing the tempo of our brokerage activities in off-balance-sheet securities lending transactions, along with exclusive brokerage of securities lending transactions for our customers.

By linking us with central counterparties (CCPs), the new IT infrastructure means that we can now step up our fixed-income securities financing business. In particular, the need for highly liquid securities that meet the new regulatory requirements (LCR), along with our ever-expanding customer base, will continue to give impetus to business in this segment into the future.

As before, we believe there are opportunities for further growth in institutional agency sales. We believe there are good prospects here for improving earnings at a faster pace as we develop new business relationships and due to improved sales of our expanded range of products across all departments. We have also identified growth opportunities in the structured products segment, where we will concentrate on expanding our customer base.

We expect the overall volume of our mortgage securitization business in the Toronto branch to grow further during the next year, resulting in higher levels of income.

In addition, we have plans to purchase mortgage receivables from Dutch lenders. In order to support this operation, we will be opening a branch in The Hague in the Netherlands.

Overall, we expect net investment income in the next fiscal year to be around the same level as it was in the year under review. Although business volumes are expected to increase, it will not be possible to increase margins because of more onerous regulatory requirements and prevailing low interest rates.

We anticipate that we will be able to maintain a stable financial position and liquidity in the coming year.

In response to increasing regulatory requirements and as part of our plans to establish new business areas, we will continue investing in our IT infrastructure. This will result in higher levels of other administrative expenses and depreciation charges in future years. Given the rise in expenditure, we expect the cost-income-ratio to rise slightly during the next fiscal year, from 65 percent to 68 percent. We do not foresee any appreciable additions to risk provisions in lending business.

As interest rates are set to remain low, which in turn means low margins for most business areas, we expect to achieve a pre-tax return on capital of between 6.0 and 9.0 percent in reporting period 2014/2015. We do not expect there to be a fundamental change in market conditions in the reporting period 2015/2016, and are therefore aiming for a similar pre-tax return.

Further falls in interest rates and a continued expansion of the ECB's proposed short-term purchases of securities could have a long-term negative impact on margins. Continuing negative interest rates on short-term deposits may also lead investors to migrate their short-term liquidity deposits to investments outside of the traditional unsecured deposits. This would mean increased liquidity costs for us and would put further pressure on our margins.

4.2 MAPLE BANK GMBH, FRANKFURT AM MAIN
BALANCE SHEET AS OF SEPTEMBER 30, 2014

ASSETS		EUR	EUR	PRIOR YEAR KEUR
1. LIQUID FUNDS				
a) Cash		13,132.88		13
b) Balances with Central Banks thereof: with Deutschen Bundesbank EUR 33,639,464.51		33,639,464.51	33,652,597.39	22,135
2. RECEIVABLES FROM BANKS				
a) due on demand		21,088,473.80		983
b) other receivables		69,181,301.78	90,269,775.58	60,831
3. RECEIVABLES FROM CUSTOMERS thereof: secured with mortages EUR 63,224,313.39			287,276,487.25	276,289
4. BONDS AND OTHER FIXED-INCOME SECURITIES				
a) Bonds and debt securities				
aa) issued by public sector; thereof: eligible as collateral at the Deutsche Bundesbank EUR 0.00		0.00		3,273
ab) issued by others; thereof: eligible as collateral at the Deutsche Bundesbank EUR 18,723,293.00		129,531,763.25	129,531,763.25	137,449
5. ASSETS HELD FOR TRADING			2,426,779,339.17	2,919,143
6. INVESTMENT HOLDINGS			15,500.00	16
7. INVESTMENTS IN AFFILIATED COMPANIES thereof: in financial services institutions EUR 55,554,934.36			237,803,479.06	226,626
8. INTANGIBLE ASSETS				
a) purchased concessions, property rights and similar rights and assets as well as licences for such rights and assets		1,129,251.90		1,392
b) installments paid		7,095,533.47	8,224,785.37	3,184
9. FIXED ASSETS			1,931,915.79	2,134
10. OTHER ASSETS			496,548,079.41	352,463
11. PREPAID EXPENSES			41,273,758.38	26,899
TOTAL ASSETS			3,753,307,480.65	4,032,830

LIABILITIES	EUR	EUR	EUR	PRIOR YEAR KEUR
1. LIABILITIES TO CUSTOMERS				
other liabilities				
a) payable on demand		148,214,566.95		58,080
b) with an agreed term or notice period		1,836,882,970.97	1,985,097,537.92	2,024,190
2. LIABILITIES HELD FOR TRADING			1,334,073,338.06	1,563,370
3. OTHER LIABILITIES			64,129,205.59	34,550
4. DEFERRED INCOME			2,308,998.99	2,540
5. DEFERRED TAX LIABILITY			4,858,443.59	4,225
6. PROVISIONS				
a) provisions for pensions and similar obligations		13,569,396.86		13,070
b) tax provisions		1,478,256.40		0
c) other provisions		17,188,614.91	32,236,268.17	10,879
7. SUBORDINATED LIABILITIES			46,554,062.89	41,547
8. FUND FOR GENERAL BANKING RISKS thereof: special item according to sec. 340e para. 4 HGB EUR 14,637,255.72 (Prev year: KEUR 10,966)			14,637,255.72	10,966
9. SHAREHOLDERS' EQUITY				
a) Equity share capital		97,617,850.00		97,618
b) Capital reserve		8,691,981.98		8,692
c) Revenue reserve				
ca) other revenue reserves		163,102,537.74		163,103
d) Net income for the year		0.00	269,412,369.72	0
TOTAL LIABILITIES AND CAPITAL			3,753,307,480.65	4,032,830
1. CONTINGENT LIABILITIES				
Liabilities from guarantees			3,642,809.05	3,469
2. OTHER COMMITMENTS				
Irrevocable loan commitments			159,386,982.65	147,184

4.3 MAPLE BANK GMBH, FRANKFURT AM MAIN, INCOME STATEMENT FOR THE PERIOD FROM OCTOBER 1, 2013 TO SEPTEMBER 30, 2014

	EUR	EUR	EUR	PRIOR YEAR KEUR
1. INTEREST INCOME FROM				
a) Loans and money market transactions	35,295,201.09			35,097
b) Fixed-income securities and debt securities	898,688.40	36,193,889.49		2,909
2. INTEREST EXPENSE		20,401,505.34	15,792,384.15	26,220
3. INCOME FROM				
Investments in affiliated companies			134.59	0
4. COMMISSION INCOME		2,053,122.29		2,981
5. COMMISSION EXPENSE		2,672,070.71	-618,948.42	1,969
6. NET INCOME (EXPENSE) FROM THE TRADING PORTFOLIO			36,711,482.08	25,604
7. OTHER OPERATING INCOME thereof: result from currency valuation EUR 0,00 (Prev year: 548)			16,358,105.68	14,924
8. GENERAL ADMINISTRATIVE EXPENSES				
a) Personnel expenditure				
aa) wages and salaries	25,483,778.84			19,213
ab) social security contributions, pensions and welfare expenses thereof: for pensions EUR 1,501,196.16 (Prev year: 312)	2,744,942.20	28,228,721.04		1,533
b) other administrative expenses		14,584,865.20	42,813,586.24	14,264
9. AMORTIZATION AND DEPRECIATION OF INTANGIBLE AND TANGIBLE ASSETS			1,467,435.02	1,482
10. OTHER OPERATING EXPENSES thereof: result from currency valuation EUR 2,703,317.72 (Prev year: 0)			3,855,248.66	889
11. REVERSAL OF WRITE-OFFS AND PROVISIONS ON LOANS AND CERTAIN SECURITIES AS WELL AS REVERSAL OF LOAN LOSS PROVISIONS			3,429,253.77	234
12. ADDITIONS TO THE FUND FOR GENERAL BANKING RISKS			3,671,148.21	2,560
13. RESULTS FROM NORMAL OPERATIONS			19,864,993.72	13,619
14. INCOME TAXES thereof: deferred taxes EUR 442,538.13 (Prev year: KEUR 2,280)		2,182,548.08		2,195
15. OTHER TAXES, IF NOT INCLUDED UNDER CAPTION 10		557,890.42	2,740,438.50	416
16. PROFITS TRANSFERRED DUE TO PROFIT POOLING, PROFIT TRANSFER AGREEMENT OR PARTIAL PROFIT TRANSFER AGREEMENT			17,124,555.22	11,008
17. NET INCOME FOR THE YEAR			0.00	0

4.4 NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2014

4.4.1 GENERAL INFORMATION

Maple Bank GmbH, incorporated in Frankfurt am Main, Germany, is listed in the Frankfurt am Main commercial register (Handelsregister) under reference number HRB 26931. The sole shareholder of Maple Bank GmbH, Frankfurt am Main, is Maple Financial Europe SE, Frankfurt am Main. The sole shareholder of Maple Financial Europe SE is Maple Financial Group Inc., Toronto. With effect from October 1, 2008, a profit-and-loss transfer agreement was concluded between Maple Bank GmbH and Maple Financial Europe SE, and a consolidated tax group was formed between Maple Bank GmbH and Maple Financial Europe SE, with the latter as the controlling company.

The financial statements as of September 30, 2014 include the accounts of the head office in Frankfurt am Main and the branch in Toronto. In the reporting period, the Bank conducted business with affiliated companies. All transactions were executed on an arm's-length basis.

The Bank is a member of the Federal Association of German Banks (Bundesverband deutscher Banken e.V.), the Hessian Bankers' Association (Bankenverband Hessen e.V.), the Association of Foreign Banks in Germany (Verband der Auslands- banken in Deutschland e.V.), and the Auditing Association of German Banks (Prüfungsverband deutscher Banken e.V.). In addition, the Bank and its branch participate in the Deposit Protection Fund of the Federal Association of German Banks (Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.). The Bank is also a member of the International Swaps and Derivatives Association Inc. (ISDA) and the International Capital Market Association (ICMA). Maple Bank GmbH and its branch are subject to supervision by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) and ongoing monitoring by the Deutsche Bundesbank. The Toronto branch is subject to supervision by the Office of the Superintendent of Financial Institutions (OSFI).

4.4.2 ACCOUNTING AND VALUATION POLICIES

The financial statements of Maple Bank GmbH have been prepared in accordance with the German Commercial Code (Handelsgesetzbuch – HGB) and take into account the special accounting provisions for financial institutions set out in the German Regulation on the Accounting of Credit Institutions and Financial Services Institutions (Kreditinstituts-Rechnungslegungsverordnung – RechKredV).

Liquid funds, receivables from financial institutions, receivables from customers, and other assets are recognized at their nominal value plus accrued interest. Specific loss provisions are deducted from the relevant balance sheet items. General loss provisions are created for receivables from customers as defined by tax regulations.

Securities held for investment, investment holdings and investments in affiliated companies are recognized at acquisition cost. Since the Bank has entered into specific hedging arrangements using forward exchange contracts, investments in affiliated companies that are denominated in foreign currencies are converted at the spot exchange rate on the balance sheet date. For bonds and debt securities held as investments, the difference between acquisition cost and nominal value is amortized over the residual term of the security. Where a reduction in value is considered to be permanent, balances are written down.

Financial instruments held for trading are measured at fair value less a risk discount and shown as held for trading on both the assets and liability sides of the balance sheet. Where exchange-quoted prices are available, fair value is based on these. Where such prices are not available, fair value is derived from other identifiable prices and market inputs or determined using appropriate valuation models. The value-at-risk discount is based on the Bank's risk management procedures, and is determined in such a way that the maximum loss that can be expected with 99% certainty on the trading position with a holding period of ten days does not exceed the calculated discount. All income and expenses resulting from financial instruments held for trading, including financing expenses allocated for purposes of internal control, are shown as net income from trading activities.

Repo transactions are shown in accordance with section 340b of the German Commercial Code. Receivables from and payables to a central counterparty that have the same maturity are offset. Accounting for securities lending transactions follows the same principles as for repo transactions. Securities lent from the securities portfolio continue to be recognized on the balance sheet. Borrowed securities are not recognized on the balance sheet.

Tangible and intangible fixed assets are stated at acquisition cost less scheduled depreciation.

Temporary differences between the branch's accounting results and tax treatment are recognized as deferred taxes using the tax rates applicable to the branch. Because of the consolidated tax structure, deferred taxes and tax provisions in relation to domestic results are recognized by the controlling company.

Purchased mortgage loan receivables are stated at nominal value. The difference between nominal value and acquisition cost is recognized in prepaid expenses and amortized over time. The nominal value of mortgage receivables sold in "true sale" transactions to an independent special purpose vehicle is derecognized. Deferred components of the sales price are recognized over the term of the transaction. The prepaid expenses recognized on the balance sheet upon purchase are amortized over time. When the Bank sells mortgage loans to special purpose vehicles for securitization purposes, seller swaps are used to hedge the risk to the special purpose vehicle of interest rate changes arising from the securitized mortgage loans. No default risk is transferred to the Bank through the use of seller swaps.

Liabilities to financial institutions, liabilities to customers, and other liabilities are recognized at the amounts due plus accrued interest. Provisions are recognized in the amount required to fulfill the obligation. If the obligation has a remaining term of more than one year, the provisions are discounted. Provisions take into account all identifiable risks and uncertain obligations, as well as potential losses arising from pending transactions. For interest-related transactions in the banking book a valuation according to statement BFA 3 from the German Institute of Public Auditors (Institut der Wirtschaftsprüfer) is done on the basis of present values. No such provisions were required.

The pension provision is determined using actuarial valuations, applying the projected unit credit method using reference tables 2005G. The valuation takes into account expected future increases in income and pensions. The discount rate used is the average market interest rate over the past seven fiscal years, with an assumed remaining maturity of 15 years. Assets contributed to cover pension and early retirement obligations are measured at fair value and offset against the provisions established for this purpose in accordance with section 246, paragraph 2 sentence 2 of the German Commercial Code. Associated income and expenses are treated similarly.

Derivative financial instruments are used both to hedge risks in the banking book and for trading purposes, and they are valued individually on the balance sheet date. In line with section 254 of the German Commercial Code, valuation units are established for all hedge relationships, including derivative hedging transactions. The effective portion of derivative financial instruments that were included in valuation units is not shown on the balance sheet (net hedge presentation method), while the ineffective portion is recognized in other provisions.

Transfers to the fund for general banking risks in line with section 340e, paragraph 4 of the German Commercial Code are shown under transfers to the fund for general banking risks.

4.4.3 FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in a foreign currency that are not classified as held for trading are translated in accordance with the provisions of sections 256a and 340h of the German Commercial Code. In this regard, assets, liabilities, and pending spot transactions denominated in a foreign currency are translated at the spot exchange rate prevailing on the balance sheet date, while forward contracts are translated at the forward rate.

Gains and losses arising from the translation of assets denominated in a foreign currency that have a remaining term of more than one year are recognized in the income statement as they are specifically hedged in the same currency. Results from foreign currency translation are included in other operating income and other operating expenses. To the extent that they can be viewed as interest equivalents, premiums and discounts resulting from forward contracts used to specifically hedge positions in foreign currencies are accrued as interest income or charged as an interest expense. Other forward contracts are valued using the forward rate prevailing on the balance sheet date, in accordance with the imparity principle.

The balance sheet of the Toronto branch is translated from Canadian dollars into the reporting currency at the spot exchange rate prevailing on the balance sheet date. The branch's income statement is translated using the average exchange rate during the reporting period.

4.4.4 FORWARD AND DERIVATIVE CONTRACTS

As of the balance sheet date, in addition to transactions included on the balance sheet, the Bank was a party to forward and derivative contracts. These can be classified as follows:

a) Derivative financial instruments held for trading that are recorded at fair value

	NOMINAL VALUE IN EUR MIO				FAIR VALUE IN EUR MIO	
	RESIDUAL MATURITY			TOTAL	POSITIVE	NEGATIVE
	UP TO ONE YEAR	ONE TO FIVE YEARS	MORE THAN FIVE YEARS			
CURRENCY-RELATED TRANSACTIONS						
Foreign exchange transactions	118	–	–	118	0.4	0.8
INTEREST-RELATED TRANSACTIONS						
Interest rate swaps	570	1,083	107	1,760	4.7	10.4
Interest rate	26	1	–	27	–	–
Forward sales of bonds and debentures	373	85	–	458	–	93.2
EQUITY/INDEX-RELATED TRANSACTIONS						
Index futures	1	–	–	1	–	–

b) Derivative financial instruments not recorded at fair value

	NOMINAL VALUE IN EUR MIO				FAIR VALUE IN EUR MIO	
	RESIDUAL MATURITY			TOTAL	POSITIVE	NEGATIVE
	UP TO ONE YEAR	ONE TO FIVE YEARS	MORE THAN FIVE YEARS			
CURRENCY-RELATED TRANSACTIONS						
Foreign exchange transactions	659	–	–	659	0.8	12.1
INTEREST-RELATED TRANSACTIONS						
Interest rate swaps	16	1,884	67	1,967	38.1	10.9
Total return swaps	234	–	–	234	–	–
Seller swaps	–	1,545	43	1,588	13,7	–

The derivative financial instruments not recorded at fair value are transacted within the banking book. The vast majority of these transactions are classified in valuation units as hedging transactions, or are used to specifically hedge positions denominated in foreign currencies. The book values of derivative financial instruments not recorded at fair value are shown in the following items:

	BOOK VALUE IN EUR MIO	
	CURRENCY RELATED TRANSACTIONS	INTEREST-RELATED TRANSACTIONS
Other assets	–	5.1
Other liabilities	9.7	30.6
Other provisions	1.8	0.6

Forward exchange contracts were used primarily to provide short-term hedging for assets and liabilities in the banking book. Interest rate derivatives were concluded in order to hedge short-term, medium-term, and long-term interest positions. As at the balance sheet date the derivatives portfolio included interest rate swaps, interest rate futures, forward sales agreements for bonds and promissory notes, seller swaps, and total return swaps. Interest rate swaps and interest rate futures are used in the trading portfolio to manage interest rate risk in valuation units by matching maturities, and to manage the Bank's overall interest position. The bonds and promissory notes underlying the forward sales agreements are held in the Bank's portfolio. Total return swaps are used to hedge interest rate risks arising from purchased mortgage loans until they are sold. Seller swaps are entered into when the Bank sells the mortgage loans to special purpose vehicles for the purposes of securitization.

Other derivatives held on the reporting date were equity options and securities index futures used to take advantage of price anomalies.

The fair values of derivatives is based on exchange prices where available. The fair values of derivatives that are not exchange-traded are determined using recognized valuation models. These models are based on factors that can be directly observed in the market, extrapolated from market prices for other derivatives, or derived from historical prices. The values of all derivative financial instruments not recorded at fair value is determined using recognized models.

4.4.5 APPLICATION OF HEDGE ACCOUNTING

Interest rate swaps with matching maturities are used to hedge interest rate risks arising from promissory notes, subordinated liabilities and discounted receivables. These swaps aim to offset changes in the value of the underlying transactions caused by changing interest rates over their remaining maturity. In each case, valuation units are established between the individual underlying and hedging transactions.

Total return swaps on bonds are entered into to hedge interest rate risks during the period between the purchase and sale of mortgage loans. These are combined with the underlying transactions to create valuation units. Interest rate risk resulting from seller swaps on securitized mortgage loans are hedged with interest rate swaps which create valuation units along with the underlying transactions.

The effectiveness of the valuation units is determined prospectively on the basis of sensitivity analyses and retrospectively by comparing changes in the fair value of the underlying and the related hedging transactions.

The book value of assets hedged using valuation units totals EUR 337.9 million. The book value of hedged liabilities stands at EUR 284.6 million. Valuation units include interest rate risks arising from seller swaps with a nominal value of EUR 327.5 million.

4.4.6 NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Receivables from financial institutions and customers that are not payable on demand and are not held for trading are categorized in terms of their residual maturity as follows:

	RECEIVABLES IN EUR MIO	
	BANKS	CLIENTS
a) Up to three months	–	3.0
b) Three months to one year	–	66.7
c) One year to five years	68.6	172.3
d) More than five years	0.6	0.1
e) Indefinite term	–	–

Receivables from customers consist in part of receivables of EUR 39.4 million from affiliated companies, including receivables of EUR 33.0 million from the parent company and subordinated debt of EUR 6.4 million.

Securities totaling EUR 129.5 million included in the item bonds and other fixed-income securities are marketable. Of these, securities totaling EUR 18.7 million are listed. Securities with a book value of EUR 15.6 million will mature in reporting period 2014/2015.

Assets held for trading are as follows:

	BOOK VALUE IN EUR MIO
Receivables Thereof: from reverse repo transactions in EUR Mio: 1,200.2 from cash collaterals in EUR Mio: 182.2	1,541.7
Bonds and other fixed income securities	840.9
Equities and other non-fixed income securities	35.7
Other assets	5.3
Derivative financial instruments	5.1
Risk discount	(1.9)
Total	**2,426.8**

Liabilities held for trading are as follows:

	BOOK VALUE IN EUR MIO
Liabilities Thereof: from repo transactions in EUR Mio: 588.5 from open market operations in EUR Mio: 275.0 from cash collateralsin EUR Mio: 190.4	1,229.7
Derivative financial instruments	104.4
Total	**1,334.1**

As of the balance sheet date, the Bank held investments in affiliated companies as follows:

NAME	HOLDING %	CAPITAL MIO	BOOK VALUE EUR MIO	NET INCOME MIO
Maple Partners America Inc., Jersey City, USA	86.9	USD 223.3	102.0	USD (1.8)[1]
Maple Arbitrage Inc., Jersey City, USA	100.0	USD 18.7	14.9	USD 0.0[1]
Maple Securities (UK) Ltd, London, Great Britain	100.0	GBP 41.5	55.6	GBP 3.7[1]
Maple Holdings Canada Limited, Toronto, Canada	100.0	CAD 110.1	65.3	CAD 2.8[1]

[1] *Preliminary results for the period October 1, 2013 to September 30, 2014*

Changes in the book value of investment holdings, investments in affiliated companies, and securities held as investments are as follows:

	SECURITIES HELD AS INVESTMENTS EUR MIO	INVESTMENT HOLDINGS AND INVESTMENTS IN AFFILIATED COMPANIES EUR MIO
Acquisition costs as at October 1, 2013	34.6	307.0
Additions	–	–
Disposals	12.1	0.0
Foreign exchange rate adjustments	–	10.3
Acquisition costs as at September 30, 2014	22.5	317.3
Accumulated write-offs as at October 1, 2013	0.4	80.4
Additions	0.2	–
Disposals	0.3	–
Foreign exchange rate adjustments	–	(0.9)
Accumulated write-offs as at September 30, 2014	0.3	79.5
Book value as at September 30, 2014	22.2	237.8

Book values reflect historical acquisition costs and accumulated write-offs in foreign currencies, translated at the reference rates published by the European Central Bank on the balance sheet date.

Changes to the book value of tangible and intangible fixed assets were as follows:

	INTANGIBLE ASSETS KEUR	OFFICE FURNITURE AND EQUIPMENT KEUR	LEASEHOLD IMPROVEMENTS KEUR	TOTAL KEUR
Acquisition costs as at October 1, 2013	10,717	6,232	1,169	7,401
Additions	4,735	627	0	627
Disposals	375	368	0	368
Acquisition costs as at September 30, 2014	15,077	6,491	1,169	7,660
Accumulated write-offs as at October 1, 2013	6,141	4,215	1,052	5,267
Additions	722	723	22	745
Disposals	11	284	0	284
Accumulated write-offs as at September 30, 2014	6,852	4,654	1,074	5,728
Book value as at September 30, 2014	8,225	1,837	95	1,932

Other assets include receivables of EUR 437.1 million due from the parent company in respect of tax refunds, along with accrued interest of EUR 16.9 million on these refunds. This item also includes EUR 28.5 million in claims for foreign tax refunds and for tax refunds relating to the period before the formation of the consolidated tax group, along with accrued interest on those claims of EUR 6.8 million and EUR 5.2 million of accrued income in respect of interest rate swaps and foreign exchange transactions.

Prepaid expenses include differences between nominal value and acquisition cost in connection with the purchase and securitization of mortgage loans totaling EUR 38.0 million.

The residual maturities of liabilities to financial institutions and other liabilities to customers not payable on demand and not held for trading are as follows:

	LIABILITIES IN EUR MIO	
	BANKS	CUSTOMERS
a) Up to three months	–	972.6
b) Three months to one year	–	602.9
c) One year to five years	–	241.9
d) More than five years	–	19.5

Assets with a book value of EUR 594 million were sold under genuine repurchase agreements. Additionally, collateral with a value of EUR 300 million was transferred to cover liabilities shown within the liabilities held for trading balance, of which EUR 275 million resulted from open market transactions with the European Central Bank.

Liabilities to customers include EUR 0.04 million due to the parent company and EUR 0.01 million due to other affiliated companies.

Other liabilities include EUR 17.1 million in profit transfer liabilities to the parent company and EUR 40.3 million in accrued expenses relating to interest rate derivatives.

The deferred tax liabilities item of EUR 4.9 million relates entirely to the Toronto branch. The value was determined by applying an average tax rate of 26.5%. The underlying differences arise from the recognition of securitization transactions, provisions for deferred compensation arrangements, and the risk discount included in the valuation of financial instruments held for trading.

The pension provision was calculated using an interest rate of 4.70%, expected annual salary increases of 2.0%, and pension growth of 1.5%. The provisions did not include any surplus cover. Reinsurance with a fair value of EUR 1.4 million was set off against the pension provision. The fair value is taken to be the asset value as calculated by the insurer in line with German income tax regulations.

Other non-fixed-income securities with acquisition costs of EUR 30.5 million and a fair value of EUR 3.4 million were set off against obligations of EUR 3.5 million due in relation to working time accounts. Income and expenditure totaling EUR 0.2 million were offset. Redemption prices determined by the respective investment funds form the basis for determining fair value.

Subordinated liabilities with a nominal value of EUR 45.0 million meet the requirements for recognition as liable capital, as set out in section 10, paragraph 5a of the German Banking Act (Kreditwesengesetz – KWG). There are no early repayment obligations. The subordinated liabilities mature between 2016 and 2029. Interest totaling EUR 2.4 million was incurred in the reporting period.

Subordinated liabilities that exceed 10% of the total amount of subordinated liabilities are set out in the following table:

AMOUNT AND CURRENCY	INTEREST RATE	MATURITY
EUR 11.0 millions	6.00 %	December 4, 2017
EUR 5.0 millions	5.75 %	October 21, 2020
EUR 5.0 millions	4.00 %	September 19, 2029

Assets denominated in foreign currencies totaled EUR 1,662 million. Liabilities denominated in foreign currencies totaled EUR 650 million.

Income can be broken down by country as follows:

	AMOUNTS IN EUR MIO	
	GERMANY	CANADA
Interest income	13.9	22.3
Commission income	2.1	0.0
Net income from the trading portfolio	35.6	1.1
Other operating income	15.7	0.7

Commission income includes income from brokerage activities amounting to EUR 2.0 million.

Other operating income includes EUR 11.1 million of interest income from tax receivables, of which EUR 9.7 million arises from receivables due from the shareholder in its capacity as the controlling company, EUR 1.6 million of income from the reorganization and valuation of the pension plan, EUR 1.5 million of income from the disposal of intangible assets, EUR 1.1 million from the reversal of provisions, and EUR 0.8 million in fees for services provided to affiliated companies.

Other operating expenses include EUR 2.7 million arising from currency revaluations and interest expenses of EUR 0.8 million in respect of accrued interest on provisions.

4.4.7 OFF-BALANCE-SHEET TRANSACTIONS

Irrevocable loan commitments include a revolving credit facility of EUR 100.0 million for Maple Securities (UK) Ltd, the purpose of which is to demonstrate to the foreign regulators that the subsidiary has access to sufficient liquidity. The item also includes the unutilized portion of warehouse funding facilities of EUR 46.2 million to two foreign customers. Further utilization will likely be made of these facilities. There is a further loan commitment in favor of the shareholder, amounting to EUR 8.9 million. Collateral has been deposited in relation to this commitment. It is likely that this loan commitment will be utilized.

Contingent liabilities of EUR 3.6 million resulted principally from the commercial finance business. It is very unlikely that any claims will be made in respect of these contingent liabilities, as they relate principally to rights of recourse in connection with a transaction that was settled to the complete satisfaction of the parties involved in 2008.

Securities borrowing and lending transactions are used to cover short sales, for financing purposes, and to generate fee income. Counterparty risks associated with such transactions are reduced as far as possible by demanding collateral. As of the balance sheet date, the Bank had borrowed securities with a market value of EUR 593 million and lent securities with a market value of EUR 621 million.

4.4.8 OTHER INFORMATION

The total fee of KEUR 370 charged by the auditors during the reporting period is broken down by services provided, as follows:

	FEE (IN KEUR)
a) annual audit	302
b) other assurance services	42
c) tax advisory services	25
d) other services	1

Long-term payment commitments arising from rental and service contracts totaled EUR 23.7 million. No amounts were barred from distribution.

The following individuals served as managing directors during the reporting period:

Wolfgang Schuck, Chief Executive Officer (until October 31, 2014)
Credit and Lending
Structured Products
Legal
Compliance
Internal Audit

Stefan Bungarten, Deputy Chief Executive Officer
Strategy
New Business Development

Paul Hiob, Managing Director
Securities and Derivatives Trading

Walter Kraushaar, Managing Director
Securities Lending Transactions and Repurchase Agreements
Money Market and Foreign Exchange Trading
Financing and Customer Deposits
Credit and Lending

James Leach, Managing Director
Securities and Derivatives Settlement
Money Market and Foreign Exchange Settlement
IT and Communication Systems

Florian Wirsching, Managing Director
Accounting /Controlling
Risk Controlling
Credit Administration
Personnel Administration

Their remuneration within the meaning of section 285 (9a) of the German Commercial Code amounted to EUR 8.5 million. This amount includes expenses arising from contractual changes in connection with retained elements of remuneration amounting to EUR 1.3 million.

The total remuneration of former members of the Board of Managing Directors amounted to EUR 0.4 million. This amount includes expenses arising from contractual changes in connection with retained elements of remuneration amounting to EUR 0.4 million. The provision for current pensions and vested rights to future pensions for former members of the Board of Managing Directors amounted to EUR 2.1 million as at September 30, 2014.

In the reporting period, the Supervisory Board comprised the following members:

Thomas R. Higgins, Chairman
Chairman of the Supervisory Board of Maple Financial Europe SE, Frankfurt am Main

William K. H. Fung
Chairman of the Board of Directors of Maple Financial Group Inc., Toronto

Members of the Supervisory Board received no remuneration.

As of the balance sheet date, the Bank employed 123 staff, of whom 20 in the Toronto branch. Including part-time workers, the average number of employees during the 2013/14 financial year was 122. This number includes 6 managing directors, 58 authorized officers and 58 other employees.

4.4.9 COMPLIANCE WITH DISCLOSURE OBLIGATIONS

Maple Bank meets the disclosure obligations under Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 by publishing information on the company's website at www.MapleBank.com.

Return on equity pursuant to section 26a, paragraph 1, sentence 4 of the German Banking Act (Kreditwesengesetz – KWG), calculated as the ratio of net profit before profit transfers to total balance sheet assets, was 0.46%.

4.4.10 CONSOLIDATED FINANCIAL STATEMENTS

The Bank is included in the consolidated financial statements of Maple Financial Group Inc., Toronto, as of September 30, 2014. On the basis of the exemption provided by section 292 of the German Commercial Code in conjunction with section 2 of the German Regulation on Exemption from Consolidated Financial Statements (Konzernabschlussbefreiungs-verordnung – KonBefrV), the Bank has chosen not to prepare consolidated sub-group financial statements. The consolidated financial statements that allow this exemption were prepared in accordance with International Financial Reporting Standards (IFRS). They are filed with the German Company Register (Unternehmensregister) and published in German in the electronic Federal Gazette (Bundesanzeiger).

In contrast to German accounting principles, securities transactions are recognized in the consolidated financial statements on a trade date basis. Financial instruments held for trading and all derivatives are measured at fair value, without taking into account any discounts. Gains and losses arising from ineffective valuation units are recognized in the consolidated financial statements.

Mortgage loan receivables sold to a special purpose vehicle continue to be recognized in the consolidated financial statements as the criteria for derecognition set out in IAS 39 are not met. A liability is shown for the sales proceeds received.

Provisions are recognized in the consolidated financial statements only if management believes it is probable that a claim will be made. Uncertain tax positions are recognized based on the most likely result. Long-term provisions are discounted at current interest rates rather than at the average interest rate of previous years. An actuarial gain or loss arising from the revaluation of pension provisions is recognized in other comprehensive income.

In the consolidated financial statements, financing expenses for financial instruments held for trading are not allocated to net income from trading activities.

There is no fundamental difference with respect to consolidation methods.

Frankfurt am Main, 23 February, 2015

Maple Bank GmbH

Stefan Bungarten Paul Hiob

Walter Kraushaar James Leach Florian Wirsching

4.5 REPORT OF THE AUDITORS

We have audited the financial statements – consisting of the balance sheet, the income statement and the notes to the financial statement – together with the bookkeeping system, and the management report of Maple Bank GmbH, Frankfurt am Main, for the reporting period from 1 October 2013 to 30 September 2014.The maintenance of the books and records and the preparation of the financial statements and management report in accordance with German commercial law are the responsibility of the Company's legal representatives. Our responsibility is to express an opinion on the annual financial statements, the bookkeeping system and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW).Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures.The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit.The audit includes assessing the accounting principles used and significant estimates made by the Company's legal representatives, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

According to our appraisal and because of the insights we were able to gain during our audit, the annual financial statements is in accordance with the legal rules and give - in accordance with German principles of proper accounting – a true and fair view of the net assets, financial position and results of operations of the Company.The management report is in line with the annual financial statements and provides on the whole, a suitable understanding of the Company's position and suitably presents the chances and risks of future development.

Eschborn/Frankfurt am Main, 27 February, 2015

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Wirtschaftsprüfungsgesellschaft

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