

**MEMORANDUM OF UNDERSTANDING CONCERNING THE
RESOLUTION OF INSURED DEPOSITORY INSTITUTIONS AND CERTAIN OTHER
FINANCIAL COMPANIES WITH CROSS-BORDER
OPERATIONS IN THE UNITED STATES AND CANADA**

In view of the growing globalization of the world's financial markets and the increase in cross-border operations and activities of financial service firms, including large complex insured depository institutions, the Federal Deposit Insurance Corporation ("FDIC") of the United States and the Canada Deposit Insurance Corporation ("CDIC") have reached this Memorandum of Understanding ("MOU") on the exchange of information and cooperation in connection with the monitoring of Firms for resolution purposes, crisis management, recovery and resolution planning and the implementation of such planning with respect to Firms with cross-border operations, as and to the extent within the purview of the parties. The FDIC and CDIC express, through this MOU, their willingness to cooperate with each other in the interest of fulfilling their respective statutory objectives; enhancing communication and cooperation; assisting each other in the planning and the conduct of an orderly resolution of a Firm; and maintaining confidence and financial stability in the United States and Canada.

ARTICLE ONE: DEFINITIONS

1. The following terms used in this MOU will have the following meaning:
 - A. "Authority" means the FDIC or the CDIC;
 - (i) "Requested Authority" means the Authority to whom a request is made under this MOU; and
 - (ii) "Requesting Authority" means the Authority making a request under this MOU.
 - B. "Authorities" means the FDIC and the CDIC.
 - C. "Emergency Situation" means any circumstances as agreed by the Authorities in which the financial or operational condition of a Firm has been materially impaired, or can reasonably be expected to be materially impaired, in a manner likely to affect the cross-border operations of the Firm and requiring consultation or coordination by the Authorities.
 - D. "Firm" means:
 - (i) (a) a Person designated as a globally systemically important financial institution by the Financial Stability Board, (b) a Person subject to the jurisdiction of an Authority as an authorized credit institution that is a depository institution, or (c) a Member Institution, together with any affiliates thereof, which, in any case, is engaged in financial services activities in the United States and/or Canada; and

- (ii) a Person that is owned or controlled by any Person identified in subparagraph (i) above.
- E. “Member Institution” under the Canada Deposit Insurance Corporation Act (“CDIC Act”) means a corporation that has deposit insurance under the CDIC Act.
- F. “National Governmental Entity” means any one of:
 - (i) the FDIC, the U.S. Treasury Department, the Board of Governors of the Federal Reserve System and individual Federal Reserve Banks, the Office of the Comptroller of the Currency, or the Securities and Exchange Commission; or
 - (ii) the CDIC, the Bank of Canada, the Office of the Superintendent of Financial Institutions (“OSFI”), the Department of Finance Canada, or the Financial Consumer Agency of Canada.
- G. “Person” means a natural person, unincorporated association, partnership, trust, investment company, or corporation.
- H. “Resolution” means actions taken by an Authority to address an Emergency Situation involving a troubled Firm, consonant with its statutory mandate, being:
 - i) in respect of the FDIC, through supervisory or regulatory action, applications for judicial action, administration, conservatorship, receivership, liquidation, establishment of a bridge bank or bridge financial company, approval or arrangement of the sale or merger of a troubled Firm, or the transfer of part or all of the Firm’s property to a private sector purchaser, or any other action permitted under relevant statutes and laws; and
 - ii) in respect of the CDIC, the implementation of resolution strategies for Member Institutions, including use of bridge institutions for Member Institution failures, financial assistance in respect of the sale or merger of a troubled Member Institution, the transfer of part or all of a Member Institution’s property to a private sector purchaser, a payment of deposit insurance, or any other actions permitted under the CDIC Act.

ARTICLE TWO: GENERAL PROVISIONS

2. This MOU is a statement of intent to consult, cooperate, and exchange information in connection with crisis management, contingency planning for and the implementation of the recovery and/or Resolution of Firms in the United States and Canada in a

manner consistent with and permitted by the laws and requirements that govern the Authorities and establish their respective mandates. The Authorities will take steps to continue and enhance ongoing cooperation and communication through periodic and ad hoc consultations between them, both during normal business-as-usual circumstances and during periods of financial stress. As the condition of a Firm deteriorates, it is anticipated that cooperation between the Authorities will intensify as well. Additional communications may take place under the terms of this MOU or as otherwise agreed by the Authorities.

3. The CDIC is a federal Crown corporation and the deposit insurance authority that insures eligible deposits at Member Institutions in Canada. The CDIC is also the Resolution Authority for Member Institutions. In case of the failure of a Member Institution, the CDIC has the power to resolve the institution by, among other things, arranging for insured deposit transfers, initiating or assisting purchase and assumption transactions, and/or creating a bridge institution. CDIC is not the prudential regulator of Member Institutions in Canada and, as such, is not responsible for recovery planning and supervisory oversight of their business operations. The remaining provisions of this MOU shall be interpreted having regard to the role of the CDIC as described in this paragraph.
4. The FDIC is an independent U.S. federal supervisory authority, and is the Resolution Authority for insured depository institutions and covered financial companies (as defined in Section 201(8) of the Dodd-Frank Act). Its role, so far as is relevant to this MOU, is limited to the planning and implementation of Resolutions (which may include monitoring of Firms, crisis management activities and review of recovery plans). As conservator or receiver of failed Firms, it is responsible for resolving all insured depository institutions and covered financial companies. The remaining provisions of this MOU shall be interpreted having regard to the role of the FDIC as described in this paragraph.
5. This MOU expresses the Authorities' intent to enhance and strengthen their consultation and cooperation in understanding the complexities inherent in the cross-border operations of Firms, in conducting cooperative analyses of the challenges in the Resolution of such Firms, and in contingency planning for such challenges and Resolutions.
6. This MOU does not create any legally binding obligations, confer any rights, supersede any domestic laws or restrict the Authorities in the exercise of their statutory powers and functions. This MOU does not confer any rights upon any Person, including any right or ability directly or indirectly to obtain, suppress, or exclude any information or to challenge the execution of a request for assistance under this MOU.
7. This MOU does not limit an Authority to taking solely those measures described herein in fulfillment of its Resolution or other functions. In particular, this MOU does not affect any right of an Authority to communicate with, conduct an on-site visitation of, or obtain information or documents from, any Person subject to its jurisdiction that is located in the territory of the other Authority.

8. The Authorities intend that the cooperation and information sharing arrangements under this MOU should be implemented in a manner that is compatible with the obligations, commitments and arrangements that an Authority may have to an asset management, banking or other regulatory authority or agency pursuant to memoranda of understanding or other agreements. For example, the CDIC receives from OSFI a considerable amount of Member Institution information, the disclosure of which by the CDIC is subject to an established process, which involves the prior consent of OSFI and the CDIC board of directors.
9. The Authorities intend periodically to review the functioning and effectiveness of cooperation arrangements between them with a view, inter alia, to expanding or altering the scope or operation of this MOU should that be judged necessary. Such periodic review will seek to ensure that this MOU accommodates and responds to changing circumstances and benefits from lessons learned. It will also be updated if there are material developments – for example, changes to either of the Authorities’ responsibilities – that are likely to impact the way the FDIC and the CDIC work together.

ARTICLE THREE: COMMON PRINCIPLES REGARDING RESOLUTIONS OF FIRMS WITH CROSS-BORDER OPERATIONS

10. Managing a crisis involving the cross-border activities of a Firm is a matter of common interest for the United States and Canada. The successful management and resolution of a crisis involving a Firm with significant cross-border activities in the United States and Canada requires careful ex ante preparation to establish optimal processes and steps to ensure effective coordination and implementation of possible monitoring of Firms for Resolution purposes, crisis management, recovery and Resolution strategies.
11. Arrangements and tools for cross-border crisis management should be flexible and designed to allow for adaptation to the specific features of a crisis and the individual institutions involved. Cross-border arrangements will build on effective national arrangements and cooperation between the Authorities and they should undertake steps to improve their ability promptly to assess the broader effects of any financial crisis and its cross-border implications based on common terminology and analyses.
12. Arrangements for crisis management and crisis resolution should be consistent with arrangements for supervision and crisis prevention. In particular, arrangements for crisis management or crisis resolution should reflect the division of responsibilities between the Authorities and other responsible regulators and supervisors, and the coordinating role of home country regulators and supervisors. Where possible and feasible, the Authorities should implement resolution options that are aimed at pursuing financial stability, duly considering the potential impact of their resolution actions on the financial stability of the United States and Canada.
13. The Authorities recognize the importance of the cross-border crisis management groups (“CMGs”) as developed by the Financial Stability Board (“FSB”) under the

Financial Stability Forum (“FSF”) *Principles for Cross-border Cooperation on Crisis Management* (April 2009) and the FSB *Recommendations on Reducing the Moral Hazard posed by Systemically Important Financial Institutions* (2010), and intend to work together, including through the CMGs in which they jointly participate, to effectively strengthen institution-specific cross-border Resolution preparation and arrangements, consistent with the FSF *Principles for Cross-border Cooperation on Crisis Management* (April 2009) and the FSB *Key Attributes of Effective Resolution Regimes for Financial Institutions* as adopted by the G20 at the Cannes Summit in November 2011.

ARTICLE FOUR: MECHANISM AND SCOPE OF RESOLUTION CONSULTATION, COOPERATION, AND EXCHANGE OF INFORMATION

14. The Authorities recognize the importance of close and effective communication concerning the global operations of Firms and intend to consult regularly regarding general resolution developments and issues relevant to the operations, activities, and regulation of such Firms, including the sharing of all relevant information, to the extent permitted by applicable law and not contrary to public policy. Furthermore, the Authorities will seek to enhance cooperation in the analysis of Firms’ resolution issues, planning for potential resolution scenarios, and appropriate simulations, contingency planning or other work designed to improve preparations of the Authorities for managing and resolving crises involving Firms.
15. To the extent possible, in respect of any confidentiality and other restrictions, the Authorities intend to (i) discuss approaches to recovery and resolution planning, (ii) share ideas and strategies and (iii) facilitate mutual understanding of recovery and resolution plan rulemaking, rules, practice and implementation in each other’s jurisdiction. The Authorities also intend to inform one another about the regulatory framework in their respective jurisdictions, including the role of specific regulatory authorities, to assist in identifying other regulatory and resolution authorities which would be relevant to the Resolution of a Firm.
16. To the extent permissible and practicable, and as appropriate in the particular circumstances, including the status of efforts to address any difficulties experienced by a Firm, each Authority will endeavor to inform the other Authority in advance of regulatory changes relating to Resolution regimes and which may have a significant, material impact on the operations or activities of a Firm in the other jurisdiction. This will, however, be without prejudice to any arrangements relating to specific prudential issues.
17. To the extent practicable, each Authority will make available staff as appropriate to give presentations to, and run training sessions for, the other Authority, to share expertise and knowledge. Secondments between the Authorities will also be considered, on a case-by-case basis.
18. Each Authority will designate a contact person or persons of sufficient seniority *ex ante*, to be involved in ongoing Resolution and crisis management of Firms. These contact people will be listed in Appendix A to this MOU. Each Authority will inform

the other Authority of these appointments and any changes thereto. One contact person for the FDIC will be the Director of the Office of Complex Financial Institutions. One contact person for the CDIC will be the Vice-President of the Complex Resolution Division. Senior-level contacts will be supported by regular working-level contact and collaboration, potentially including joint work on issues of common interest.

19. To the extent necessary to supplement periodic consultations, and so far as consistent with any Firm-specific cooperation agreements agreed by both parties through any Firm's Crisis Management Group, and subject to the laws or regulations of the United States or Canada, the Authorities intend to cooperate with each other in assisting with the monitoring of Firms for Resolution purposes, crisis management and recovery and Resolution planning (including implementation of such planning). The assistance covered by this paragraph may include, as appropriate to each Firm, and in accordance with the rights and limitations of each Authority to collect or otherwise obtain and disclose information, providing:

- (i) Information relevant to the financial and operational condition of a Firm, including entities and locations providing important operational capabilities, and identification of materially significant subsidiaries, branches and affiliates, such as entities engaged in capital markets, information technology and data processing services;
- (ii) Assistance in interpreting requested information, if such assistance is needed; and
- (iii) Assistance in obtaining other information located in the Requested Authority's jurisdiction that may be relevant to the Requesting Authority's planning and implementation of Resolutions.

It is understood that the requested information is to be relevant to a Firm and the Requesting Authority's ability to carry out specific functions relating to a Firm's resolution. In addition, the Authorities will discuss and agree on the information each should provide to the other for the purpose of planning and implementing Resolutions.

20. The Authorities recognize that communication and coordination can play an important role in promoting efficiency and preserving value in the Resolution of a Firm. The Authorities further acknowledge that their legal duties and objectives will often align with the goals of maximizing recoveries, minimizing losses and minimizing moral hazard. Where this is the case they will endeavor, subject to applicable laws and regulations and any other applicable commitments, to cooperate and coordinate in order to identify and implement Resolution processes and joint communication strategies that meet these goals in both of their respective jurisdictions.

21. The Authorities recognize that there may from time to time be technical, policy or other matters upon which they take a broadly common view or position. Through

regular dialogue the Authorities will seek to identify such matters. To the extent that the respective objectives of the Authorities can be best advanced through a joint articulation of such view or position and/or through joint engagement with third parties, the Authorities will seek to do so.

ARTICLE FIVE: EXECUTION OF REQUESTS FOR ASSISTANCE

22. To the extent possible, a request for information pursuant to Article Four should be made in writing, and addressed to the relevant contact person(s) in Appendix A. A request should generally specify the following:

- (i) The information sought by the Requesting Authority;
- (ii) A general description of the matter which is the subject of the request and the purpose for which the information is sought; and
- (iii) The desired time period for reply and, where appropriate, the urgency thereof.

23. In Emergency Situations, the Authorities will endeavor to notify each other of the Emergency Situation and communicate information to the other as permissible and appropriate in the particular circumstances taking into account all relevant factors, including the status of efforts to address the Emergency Situation. During Emergency Situations, requests for information may be made in any form, including orally, provided such communication is confirmed subsequently in writing. The Authorities will endeavor to provide information as quickly as possible during Emergency Situations.

ARTICLE SIX: PERMISSIBLE USES AND CONFIDENTIALITY OF INFORMATION

24. It is understood that information may be shared pursuant to this MOU to the extent such sharing is reasonable and subject to any relevant statutory and regulatory provisions and other commitments, including those restricting disclosure. In addition, the provision of, or request for, information under this MOU may be denied on grounds of public interest or national security, or when disclosure would interfere with an ongoing investigation.

25. Any confidential information received from a Requested Authority will be used only for the planning and implementation of Resolutions (which may include monitoring of Firms for Resolution purposes, crisis management activities and review of recovery and resolution plans). To the extent permitted by law, a Requesting Authority will hold confidential all information (other than publicly available information) received from a Requested Authority pursuant to this MOU and will not disclose such information other than as necessary to carry out its Firm monitoring for Resolution purposes, crisis management, recovery or Resolution planning or implementation responsibilities and in accordance with paragraphs 26, 27, 28, and 29.

26. Except as provided in paragraphs 27, 28, and 29, before a Requesting Authority discloses any confidential information received from a Requested Authority to a third party, the Requesting Authority will describe the purpose and scope of the disclosure to, and obtain the prior written consent from, the Requested Authority, which will not be unreasonably withheld. The Requesting Authority will ensure that, prior to disclosure of any confidential information, the third party is subject to similar confidentiality provisions as set out in this MOU.
27. In the event that a Requesting Authority is required by statute or legal process to disclose confidential information provided pursuant to this MOU, it will, to the extent permitted by law,¹ inform the Requested Authority about such possible onward sharing. If the Requested Authority does not consent to such disclosure, then, if possible and appropriate, the Requesting Authority will take reasonable steps to resist disclosure, including by employing legal means to challenge the order or by advising the third party requiring such information of the possible negative consequences that such disclosure might have on the future exchange of confidential information between the Authorities.²
28. It is understood that the Authorities will protect any confidential information shared under this MOU with the same degree of care the Authorities use to protect their own confidential information. The dissemination of information concerning a Firm within the Requesting Authority will be restricted to persons on a 'need-to-know' basis. It is further understood that the Authorities will advise each other immediately if there is any breach of confidentiality or breach of any of the terms of this MOU, of which they are aware, as permitted by law.
29. The FDIC is prepared to consent to the CDIC disclosing confidential information provided by the FDIC to any National Governmental Entity in Canada in the furtherance of the Firm monitoring for Resolution purposes, crisis management, recovery and/or Resolution planning and implementation responsibilities of the CDIC. The CDIC will notify the FDIC in any specific case of its intention to transfer the information and will not transfer it without FDIC's prior written consent. Notwithstanding the foregoing, the FDIC acknowledges that the CDIC is required by law to disclose information on matters relating directly to the supervision of financial institutions, bank holding companies or insurance holding companies, to National Governmental Entities in Canada, and the FDIC confirms that its prior consent is not required in these circumstances. The information transfer shall be subject to assurances that the information will not be further disclosed by the receiving party except as authorized by the CDIC after the CDIC obtains the FDIC's written consent in accordance with the terms of this MOU.

¹ For example, a subpoena or court order requesting information may bar the FDIC from disclosing the existence of such subpoena or order.

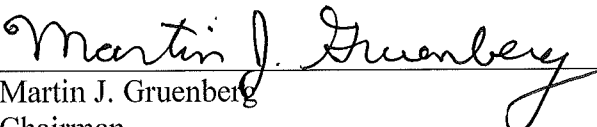
² Such reasonable steps also would be taken as appropriate in the context of the instances referred to in Footnote 1.

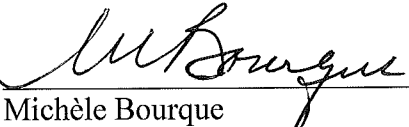
30. The CDIC is prepared to consent to the FDIC disclosing information provided by the CDIC to National Governmental Entities and state financial supervisors and regulators in the United States in furtherance of the FDIC's Firm monitoring for Resolution purposes, crisis management, recovery and/or Resolution planning and implementation responsibilities of the FDIC. The FDIC will notify the CDIC in any specific case of its intention to transfer the information and will not transfer it without the prior written consent of the CDIC. The information transfer shall be subject to assurances that the information will not be further disclosed by the receiving party except as authorized by the FDIC after the FDIC obtains the written consent of the CDIC, in accordance with the terms of this MOU.
31. No privileges or confidentiality associated with information provided by an Authority are intended to be waived as a result of sharing such information pursuant to this MOU.

ARTICLE SEVEN: TERMINATION

32. Cooperation in accordance with this MOU will commence as of the date written below and continue indefinitely subject to modification by the mutual consent of the Authorities or termination by an Authority with 30 days advance written notice to the other Authority. After termination, the confidentiality provisions in Article Six will continue to apply to any information provided under this MOU prior to termination.

Signed at Ottawa, Ontario, this 11th day of June, 2013.


Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corporation
United States of America


Michèle Bourque
President and Chief Executive Officer
Canada Deposit Insurance Corporation
Canada

APPENDIX A

Canada Deposit Insurance Corporation

Thomas J. Vice or Successor
Vice-President, Complex Resolution
Canada Deposit Insurance Corporation
Tel: 613-995-2170

Thomas Sauve or Successor
Managing Director, Complex Resolution
Canada Deposit Insurance Corporation
Tel: 613-995-6548

Michael Mercer or Successor
Director, Complex Resolution
Canada Deposit Insurance Corporation
Tel: 613-995-9465

Federal Deposit Insurance Corporation

James Wigand or Successor
Director, Office of Complex Financial Institutions
Federal Deposit Insurance Corporation
Tel: 202-898-6714

MP Azevedo or Successor
Deputy Director, International Coordination Group,
Federal Deposit Insurance Corporation
Tel: 202-898-6950

John Simonson or Successor
Deputy Director, Systemic Resolution Planning & Implementation Group,
Federal Deposit Insurance Corporation
Tel: 202-898-6681

Robert Burns or Successor
Associate Director, Systemic Financial Companies Branch,
Federal Deposit Insurance Corporation
Tel: 202-898-3905

Please e-mail your request to the Contact Persons listed above at the following e-mail address:
mou_requests@fdic.gov