



**Resolution Plan for  
Santander Bank, N.A.**

**Public Section**

**July 1, 2018**

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## Public Section

### Definition of Terms

The following are definitions for common terms used throughout the document:

Term	Definition
"Santander"	Banco Santander, S.A. - a Madrid-based Spanish Bank; it is the parent company to SHUSA and the Factories, as well as other U.S. legal entities.
"SHUSA"	Santander Holdings USA, Inc. - a bank holding company subsidiary of Santander; it is the parent company of SBNA.
"SBNA"	Santander Bank, N.A. - the U.S.-based Covered Insured Depository Institution ("CIDI") that is a subsidiary of SHUSA.
"Factories"	Santander's wholly-owned global shared service entities.
"Plan"	The U.S. IDI Resolution Plan required to be submitted by SBNA by July 1, 2018.

## Executive Summary

### CIDI Resolution Plan

Santander Bank, N.A. ("SBNA" or the "Bank") has developed this resolution plan (the "Plan") as required by the Federal Deposit Insurance Corporation ("FDIC") for Covered Insured Depository Institutions ("CIDI") pursuant to 12 C.F.R. Section 360.10 (the "IDI Rule").

The IDI Rule mandates that a bank with assets of \$50bn or more develop a plan for its resolution in a manner that ensures that depositors receive rapid access to their insured deposits, maximizes the net present value ("NPV") return from the sale or disposition of its assets, and minimizes the amount of any loss realized by the creditors in the resolution. The purpose of this requirement is to ensure that the FDIC has access to all of the material information it needs to efficiently resolve a CIDI in the event of its failure and to mitigate systemic risk to the broader economy. This Plan provides information supporting the orderly resolution of SBNA's operations in the unlikely event of its failure.

SBNA converted from a federally-chartered savings bank to a national banking association on January 26, 2012. In connection with its charter conversion, the Bank changed its name from Sovereign Bank to Sovereign Bank, National Association. On October 17, 2013, the Bank changed its name to Santander Bank, National Association. The Bank has its home banking office in Wilmington, Delaware, and its headquarters in Boston, Massachusetts. SBNA's principal presence is in Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, and Rhode Island.

SBNA is wholly owned by Banco Santander, S.A. ("Santander") through its U.S. Intermediate Holding Company, Santander Holdings USA, Inc. ("SHUSA"). The Santander Group is a global banking organization headquartered in Madrid, Spain, with major operations in Spain, the United Kingdom (the "U.K."), continental Europe, Latin America, and the United States (the "U.S."). Santander is a Bank Holding Company ("BHC") under the Bank Holding Company Act, as amended ("BHC Act") and has elected to be treated as a financial holding company, regulated by the Federal Reserve Board ("FRB").

The Santander Group business model features a global network of independent banking subsidiaries that are autonomous in terms of capital and liquidity and supported by a shared group of scalable core service providers - the Factories - that are also operated independently. This business model provides necessary financial and legal segregation of assets and services, encourages disciplined management responsive to local regulation and customer expectations, promotes financial flexibility for the Group through globally diversified income streams, and limits the possibility of contagion among Santander's subsidiaries. Given this model, SBNA is required to measure, control, and manage its own capital and liquidity needs without reliance on other Santander Group affiliates or Santander.

Consistent with the IDI Rule, this Plan addresses the resolution of the Bank as an insured depository institution. For purposes of the Plan, SBNA has identified five affiliates of the Bank that are material entities ("MEs") described in [Section 1.1 Material Entities](#) below and four core business lines ("CBLs") described in [Section 1.2 Core Business Lines](#) below. Information in this Plan is as of December 31, 2017, unless otherwise indicated.

## 1.1 Material Entities

A Material Entity is a company that is "significant to the activities of a critical service or core business line." For resolution planning purposes, SBNA has identified the following Material Entities under the IDI Rule.

### **Santander Bank, N.A.**

SBNA is the entity that houses all of the Bank's CBLs. SBNA is a national banking association having over 700 retail branches, approximately 2,100 ATMs, and over 9,000 team members, with principal markets in the northeastern and mid-Atlantic United States. The Bank's primary business consists of attracting deposits from its network of retail branches and originating small business loans, middle market, large and global commercial loans, large multi-family loans, residential mortgage loans, home equity loans and lines of credit, and auto and other consumer loans in the communities served by those offices.

SBNA converted from a federally-chartered savings bank to a national banking association on January 26, 2012. In connection with its charter conversion, the Bank changed its name to Sovereign Bank, National Association and, on October 17, 2013, to Santander Bank, N.A. The Bank has its home banking office in Wilmington, Delaware, and its headquarters in Boston, Massachusetts.

### **SHUSA**

SHSUA is Santander's U.S. Intermediate Holding Company ("IHC") and parent of SBNA. SHUSA provides oversight and certain critical services to SBNA.

### **The Factories**

The following four affiliated MEs, also known as "Factories," are subsidiaries of Santander and are legally independent of any bank within the Santander Group. Each Factory has its own capital, is self-financed through income directly received from customers, and provides services under detailed, arm's-length contracts for each service provided. The resolution strategies consider as a key element the continuity of the services provided by the Factories.

#### **Ingenieria de Software Bancario, S.L. ("Isban")**

Isban is a Spanish limited liability company subsidiary of Santander based in Madrid, Spain, that develops software and provides systems integration and maintenance services.

#### **Produban Servicios Informaticos Generales, S.L. ("Produban")**

Produban is a Spanish limited liability company subsidiary of Santander based in Madrid, Spain, that is a global provider of IT production services for the Santander Group. It provides and maintains servers, applications, and telecommunications lines and components that various global Santander entities use in their daily activity. Produban hosts all of the equipment in data centers and provides IT systems connectivity. Produban also installs and updates required software and contracts for third parties' maintenance of hardware, software, and telecommunication lines.

#### **Geoban, S.A. ("Geoban")**

Geoban is a Spanish limited liability company subsidiary of Santander based in Madrid, Spain, that is a global service provider responsible for carrying out certain operations and back-office functions for the subsidiaries of Santander.

#### **NW Services Co. (referred to as "Aquanima" in this Plan)**

NW Services Co. is the US subsidiary of Santander's Madrid-based Aquanima Group. Aquanima is a global service provider of contract management, vendor onboarding and tactical procurement support services.

## 1.2 Core Business Lines

The IDI Rule defines CBLs as those business lines of the CIDI, including associated operations, services, functions, and support that, in the view of the CIDI, upon failure would result in a material loss of revenue, profit, or franchise value.

Based on these criteria, SBNA identified four CBLs for its 2018 Plan: Consumer and Business Banking, Corporate and Commercial Banking, Commercial Real Estate ("CRE"), and Global Corporate Banking ("GCB").

### Consumer and Business Banking

Consumer and Business Banking is primarily comprised of SBNA's branch locations and the residential mortgage business. The branch locations offer a wide range of products and services to customers, and attract deposits by offering a variety of deposit instruments, including demand and interest-bearing demand deposit accounts, money market and savings accounts, CDs and retirement savings products. The branch locations also offer consumer loans such as credit cards, HELOCs/HELOANs, as well as business banking and small business loans to individuals. Consumer and Business Banking also includes investment services and provides annuities, mutual funds, managed monies, and insurance products, and acts as an investment brokerage agent to customers.

### Corporate and Commercial Banking

Corporate and Commercial Banking offers commercial loans and related commercial deposits. Its business lines include:

- **Middle Market:** Focuses on serving businesses with annual revenues of \$50mm to \$2bn in SBNA's primary service area. Middle Market offers customers secured and unsecured commercial financing, commercial equipment leasing, and specialized products. It also originates and manages syndicated loans and participates in or co-manages loan syndications arranged by other institutions.
- **Asset Based Finance Group:** Provides business customers with revolving, formula-based lines of credit secured by accounts receivable and inventory, term loans secured by fixed assets, and real estate loans secured by owner-occupied real estate. It also provides financing to exploration, production, and other companies across the energy finance industry.
- **Equipment and Auto Finance Group:** Includes Equipment Finance and Leasing ("EFL"), commercial vehicle finance, and Commercial Dealer Services.
- **Government Banking:** Provides customized treasury management solutions for the public sector. Specific treasury solutions include deposits, payables, receivables, information reporting and merchant and payroll taxes.
- **Products and International Business Group:** Provides transactional banking and trade finance services to Corporate and Commercial Banking customers.

### Commercial Real Estate

CRE primarily offers commercial real estate loans and multifamily loans. CRE originates commercial mortgages secured by stabilized income-producing properties in SBNA's primary service area, as well as loans to finance construction and repositioning of such properties. CRE is organized into two product groups as follows:

- **CRE:** Originates commercial mortgages secured by stabilized income-producing properties in SBNA's primary service area as well as loans to finance construction and repositioning of such

properties. CRE is primarily focused on construction lending and lending for non-owner occupied real estate properties.

- Multifamily: Specializes in long-term permanent financing of stabilized and affordable multifamily buildings with a concentration in Metro New York.

### **Global Corporate Banking**

GCB covers clients that, due to their size, complexity, or sophistication, require a tailored service of high value-added wholesale products. GCB serves the needs of global commercial and institutional customers by leveraging the international footprint of Santander to provide financing and banking services to corporations with over \$500 million in annual revenues. GCB's offerings and strategy are based on Santander's local and global capabilities in wholesale banking.

GCB has three product teams which specialize in certain products. These product teams are:

- Global Transactional Banking ("GTB"): Consists of teams structured around transactional products to provide financing and credit facilities as well as execution and management of payments and collections for the clients.
- Global Debt Financing ("GDF"): Structured around loan markets, asset and capital structuring and project finance.
- Corporate Sales FI/FX: Sales of derivatives instruments to hedge different kinds of risks (primarily interest rate and exchange rate risk).



## 1.3 Summary of Financial Information

The following is SBNA's balance sheet as of December 31, 2017.

**Exhibit 1.3 - 1: Santander Bank, N.A. Balance Sheet as of December 31, 2017**

Balance Sheet	(\$mm)
<b>Assets</b>	
Non-Interest Bearing Balances and Currency and Coin	744
Interest Bearing Balances	1,775
HTM Securities	1,800
AFS Securities	13,844
Gross Loans	48,136
Allowance for Loan & Lease Losses	(546)
Trading Assets	207
Premises and Equipment, Net	394
Investment in Unconsolidated Subsidiaries	155
Goodwill	3,403
Other Intangible Assets	346
OREO	24
Other Assets	4,168
<b>Total Assets</b>	<b>74,450</b>
<b>Liabilities and Equity</b>	
Non-Interest Bearing Deposits	12,723
Interest Bearing Deposits	44,164
Securities Sold Under Agreements to Repo	423
Trading Liabilities	137
Other Borrowed Money	2,094
Subordinated Notes	332
Other Liabilities	1,055
<b>Total Liabilities</b>	<b>60,928</b>
Preferred Stock	—
Common Stock	—
Surplus	13,233
AOCI (Accumulated Other Comprehensive Income)	(227)
Retained Earnings (Deficit)	516
<b>Total Equity</b>	<b>13,522</b>
<b>Total Liabilities and Equity</b>	<b>74,450</b>

SBNA's regulatory capital and capital ratios as of December 31, 2017, are as follows.

**Exhibit 1.3 - 2: SBNA Regulatory Capital and Capital Ratios as of December 31, 2017**

Santander Bank, N.A.	(\$bn)
Common Equity Tier 1 Capital	10.0
Tier 1 Capital	10.0
Tier 2 Capital	0.7
Total Risk Based Capital	10.7
Total Risk Weighted Assets	55.1
<b>Ratios</b>	
Common Equity Tier 1 Ratio (CET1)	18.17%
Tier 1 Capital Ratio (T1C)	18.17%
Total Capital Ratio (TC)	19.36%
Tier 1 Leverage Ratio (T1L)	13.86%

SBNA is “well-capitalized” under regulatory requirements.

SBNA's borrowing profile is summarized below. All wholesale borrowing is transacted through SBNA. However, SHUSA also serves as a source of strength for SBNA. Although SBNA primarily funds itself through its deposits and other borrowings, SHUSA supports SBNA's ability to fund its activities through contributions to capital from time to time.

SBNA Borrowings as of December 31, 2017, are detailed in the exhibits below.

**Exhibit 1.3 - 3: SBNA Borrowings and Other Debt Obligations as of December 2017**

Borrowings and Debt Obligations Breakdown	(\$mm)
REIT Preferred	144
Bank Senior Notes	—
Bank Subordinated Notes	192
Term Loan	140
Securities Sold Under Repurchase Agreements	423
Federal Funds Purchased	—
FHLB Advances	1,950
Other	—
<b>SBNA Total Obligations</b>	<b>2,849</b>

As of December 31, 2017 SBNA's secured and unsecured liabilities were as follows:

**Exhibit 1.3 - 4: SBNA Secured and Unsecured Liabilities as of December 2017**

Liabilities (\$mm)	Secured	Unsecured
Customer Deposits	—	54,444
Government/Municipal Deposits	2,443	—
Securities Sold Under Agreements to Repo	423	—
Trading Liabilities	137	—
Other Borrowed Money	2,094	—
Subordinated Notes	—	332
Other Liabilities	—	1,055
Total	5,097	55,831

## 1.4 Derivative and Hedging Activities

SBNA enters into derivative and trading transactions for the following specific purposes:

- To facilitate trades to satisfy customer needs; and
- To execute hedging strategies.

To satisfy customer needs, SBNA offers derivative products to its customers based on each customer's needs. When a customer request for a derivative product is received, SBNA executes the transaction with the customer, if appropriate. In addition, SBNA enters into an offsetting derivative transaction with the market to immediately eliminate the risk of the position on the Bank's balance sheet.

SBNA also uses derivative instruments as part of its overall risk management strategy to hedge against unfavorable movements in interest rates, foreign exchange, and other market-related risks. Consistent with its Risk Management Policy, SBNA does not speculate when mitigating risks. Therefore, mitigation steps are limited to hedging identified exposures and only within the limits of the Bank's Risk Management Policy with counterparties assessed to be financially responsible at the time of the agreement.

## 1.5 Memberships in Material Payment, Clearing, and Settlement Systems

SBNA maintains membership in, or accesses through correspondent relationships, various FMUs to facilitate payment, clearing, and settlement activities. The Federal Reserve's suite of financial services is leveraged for all payment activity, including Fedwire payments, check clearing, and Automated Clearing House ("ACH") network payments. In resolution, it is considered highly unlikely that the Federal Reserve would revoke SBNA's access to its suite of payment solutions, potentially creating disorder and instability in the resolution process.

SBNA maintains a relationship with BoNY Mellon which provides custody and settlement services for SBNA's securities transactions. BoNY Mellon acts as an intermediary between SBNA and FMUs which provide the necessary financial market infrastructure to settle transactions (e.g., NSCC, FICC, and DTC). Hence, BoNY Mellon provides an important intermediary service in a multi-tiered chain that connects SBNA to FMUs themselves. Through BoNY Mellon, SBNA accesses the payment and settlement services provided by FMUs including central counterparties (e.g., NSCC, FICC) and central securities depositories (e.g., DTC).

Thus, as SBNA's custodian, BoNY Mellon primarily provides:

- safekeeping and record-keeping of SBNA's securities and
- transaction processing and settlement.

To facilitate the provision of these services, BoNY Mellon operates securities and cash accounts for SBNA. Securities accounts are used to record and safekeep securities whereas the cash accounts reflect the cash holdings placed on deposit for settlements with the respective counterparties.

SBNA also maintains a relationship with UBS Securities, LLC ("UBS") for the clearance of interest rate derivative transactions. As required by section 723 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, certain classes of interest rate swaps and credit default swaps are required to be cleared by Derivatives Clearing Organizations ("DCOs") registered with the CFTC. Such DCOs include but are not limited to clearing houses such as LCH Ltd., ICE and CME. The clearing houses provide clearing and settlement services for financial and commodities derivatives and securities transactions.

Those firms that are not direct members of a central clearing house can access the clearing houses through a Clearing Member. SBNA utilizes UBS as its Futures Commission Merchant ("FCM") in order to access the clearing services of the DCOs (e.g., CME, LCH.Clearnet) for clearing its interest rate swaps. UBS in turn is a clearing member on the clearing organizations. In its role as the FCM, UBS acts as an intermediary and accepts orders for futures or options contracts traded on or subject to the rules of an exchange and in connection with this service accepts money and securities to margin, guarantee, or secure any trades or contracts.

## **1.6 Foreign Operations**

### **Cayman Branch**

SBNA has an electronic banking facility, classified as a foreign branch by the Federal Reserve Bank, in the Cayman Islands that provides a vehicle for the Eurodollar sweep account, a standard product offered in the industry, which invests client deposits automatically overnight in Eurodollar accounts to maximize interest earned.

SBNA operates the Cayman Islands facility pursuant to a Class B license from the Cayman Islands government, approved by the U.S. Treasury, which allows SBNA to accept electronic deposits outside the U.S. Under this license class, the deposits are neither considered onshore to the Cayman Islands nor to the U.S.

As of December 31, 2017, SBNA had approximately \$529mm in deposits in foreign offices, located in the Cayman Islands facility, including Edge corporation and agreement corporation affiliates as reported in its Call Report Schedule RC-E.

## **1.7 Material Supervisory Authorities**

As a national bank, SBNA is subject to various laws, regulations, and the supervision of several federal authorities. Its primary federal regulator is the Office of the Comptroller of the Currency (“OCC”), which is the Bank’s prudential regulator and supervisor for safety and soundness. The FDIC insures and regulates SBNA’s deposit-taking activities, and the FRB promulgates rules regulating its reserves and certain other matters. In addition, the Consumer Financial Protection Bureau (“CFPB”) regulates the Bank’s consumer financial products and services.

## 1.8 Principal Officers

The key individuals who comprise SBNA's management and are responsible for its activities and direction as of December 31, 2017, are reflected in the exhibit below.

**Exhibit 1.8 - 1: SBNA Senior Officers as of December 31, 2017**

Name	Title	Legal Entity Employer
Marco Achón	Managing Director of Global Corporate Banking and Senior Executive Vice President	SBNA
Michael Cleary	Head of Consumer & Business Banking and Senior Executive Vice President	SBNA
Madhukar (Duke) Dayal*	President and CEO / Chief Financial Officer	SBNA / SHUSA
Daniel Griffiths*	Chief Technology Officer and Senior Executive Vice President	SHUSA
Brian Gunn*	Chief Risk Officer and Senior Executive Vice President	SHUSA
Michael Lipsitz*	Chief Legal Officer and Senior Executive Vice President	SHUSA
Scott Powell	Senior Executive Vice President	SHUSA
Robert Rubino	Head of Corporate and Commercial Banking and Senior Executive Vice President	SBNA
William Wolf*	Chief Human Resources Officer and Senior Executive Vice President	SHUSA
Stephen Sahibdeen	Chief Audit Executive	SBNA
Michael Lee	Head of Commercial Real Estate Banking	SBNA

\*Dual hatted employees for SHUSA and SBNA



## 1.9 Resolution Planning Corporate Governance

Governance of this Resolution Plan integrates oversight by key stakeholders and senior executives from SBNA's CBLs, shared services, and operations with review and recommendation for approval from certain management and board-level committees before being presented to SBNA's Boards of Directors for final approval.

Responsible for day-to-day project management, the U.S. Recovery & Resolution Planning Team ("USRRP") establishes project plans defining key tasks, milestones, and timelines for the preparation of this Plan in order to coordinate activities of key stakeholders across the MEs, CBLs, and supporting critical services. Additionally, USRRP is responsible for integrating resolution planning within business as usual ("BAU") activities and oversight of resolvability enhancement projects.

USRRP oversees and designs the resolution planning governance process and manages the day-to-day Resolution Plan development and execution. In this role, it performs the following:

- Detailed analysis of rules and guidance;
- Design of resolution planning governance and processes;
- Oversight of day-to-day Plan development, execution, and project management;
- Recommendation of actions and escalation of issues and critical decisions to ALCO;
- Design and implementation of resolution planning policy;
- Oversight and assistance with identification of initiatives designed to enhance resolvability of the organization;
- Definition of terms and maintenance of documentation of analysis and implementation efforts; and
- Production, assembly, and delivery of this Plan and documentation for approvals.

USRRP coordinates and manages a resolution planning working group consisting of SBNA senior management executives, which meets on a regular basis during the Plan production phase to oversee the development of the Plan and to inform, review, and challenge information in this Plan. This working group is led by the Chief, USRRP and is comprised of the following: SBNA Treasurer, Director of Strategy and Capital Planning, Director of Capital Management, Liquidity Risk Manager, Enterprise Risk Management Director, Director of Strategic Balance Sheet Management, and Deputy General Counsel.

The highest U.S. management-level and board-level committees overseeing this Plan are the SBNA Asset Liability Committee ("ALCO") and the SBNA Board Risk Committee, respectively.

SBNA ALCO monitors the development and oversight of the resolution planning process. ALCO members include, among others: SBNA's Chief Financial Officer, Chief Risk Officer, Treasurer, and Chief Market Risk Officer as well as the Heads of each of the CBLs: Consumer and Business Banking, Corporate and Commercial Banking, CRE, and GCB.

SBNA ALCO meets regularly and reviews the progress of this Plan and addresses any issues which may arise during its development and to fulfill the following roles:

- Provide strategic oversight to this Plan's preparation and review process;

- Review, make, and/or approve all key resolution planning strategies and methodologies, including any significant scoping or approach change decisions;
- Communicate progress and/or issues to SBNA Board Risk Committee and Board of Directors as appropriate; and
- Recommend approval of the IDI Resolution Plan.

In addition, the Chief, USRRP, and members of the USRRP Team regularly engage senior executives and other stakeholders, as necessary, to facilitate key decisions with respect to the Resolution Plan and supporting processes.

## **1.10 Material Management Information Systems**

MIS refers broadly to the technology and information utilized by SBNA to make effective decisions in the management of their various businesses and support functions. MIS includes the infrastructure relied upon for the operation of applications and the production of information used to make daily decisions in the management of the businesses. SBNA utilize MIS for risk management, accounting, and financial and regulatory reporting, as well as internal management reporting and analysis. These systems are primarily platform technologies with interface applications used to collect, maintain, and report information to management and externally for regulatory compliance. The MIS are also used by CBLs to perform the functions necessary to run their businesses and operations.

Governance, control, and maintenance of critical applications are the primary components of the MEs' technology processes, which emphasize minimal recovery times in the event of disruption. Although all systems and applications are essential to smooth and effective operations, SBNA classifies as critical all necessary systems used by Consumer and Business Banking, Corporate and Commercial Banking, CRE, and GCB business lines to manage, originate, underwrite, fulfill, report and process related business transactions, and support access to products and accounts by existing and new bank customers.

## 1.11 High-Level Description of Resolution Strategy

For the 2018 IDI plan submission, four different resolution strategies are provided for SBNA: an Immediate Whole Bank Sale, a Delayed Whole Bank Sale, a Multiple Acquirer Strategy ("MAS"), and a Liquidation. In each of these resolution strategies, the OCC would close SBNA and place it into FDIC receivership at the close of business on a Friday afternoon following idiosyncratic events and a runway period ("Runway Period") that occurs over 30 days.

In a resolution scenario, the FDIC may determine that the preferred resolution strategy is the Immediate Whole Bank Sale. This strategy minimizes execution risk for the FDIC by having assets and insured deposits immediately transferred to a qualified financial institution with minimal management by the FDIC. This strategy would also have the quickest final distribution of proceeds to claimants. However, the FDIC is required to resolve the bank in a manner that produces the least cost to the deposit insurance fund ("DIF").

### Immediate Whole Bank Sale

Under an Immediate Whole Bank Sale strategy the FDIC, as receiver, would enter into a whole-bank purchase and assumption transaction ("P&A Transaction") with a qualified financial institution ("Acquiring Institution" or "AI") over the Resolution Weekend. In this strategy, whole bank bid packages would be prepared during the Runway Period requesting bids on all of SBNA's assets on an "as is" discounted basis (i.e., no guarantees). This strategy would benefit the FDIC because the FDIC would have no further financial obligation to the qualified AI, and it would reduce the amount of assets held by the FDIC for liquidation in the receivership.

Over the Resolution Weekend, the FDIC would then take the final steps to consummate the P&A Transaction with the successful bidder and work with the AI's management and staff to prepare for a Monday opening so depositors would have access to deposits and a smooth transition would be completed. The AI would open SBNA's former branches for business on the Monday morning following the Resolution Weekend and continue to operate the CBLs.

This strategy is achievable in part because there are several potential purchasers with the ability and strategic rationale to purchase SBNA. The most suitable potential purchasers are banks that have greater than \$80bn in assets, strong capital adequacy, similar business models that would minimize integration costs, and overlapping or adjacent geographic markets. However, the preferred potential purchasers could not be so large that the acquisition of SBNA would cause a violation of deposit caps or any other market concentration limits. As a result, Global Systemically Important Financial Institutions ("G-SIFIs") are not considered.

### Delayed Whole Bank Sale

If SBNA's sale to a single qualified AI could not be completed over the Resolution Weekend, the next strategy the FDIC would likely consider is the Delayed Whole Bank Sale. Under this strategy, the FDIC would establish a bridge depository institution ("Bridge Bank") under Section 11(n) of the FDIA and, as receiver, enter into a P&A transaction with the Bridge Bank over the Resolution Weekend in anticipation of a subsequent whole bank sale to a qualified AI. In this strategy, the FDIC would open the Bridge Bank on the Monday following the Resolution Weekend in order for insured depositors to access their deposits and would operate the Bridge Bank before consummating a sale to a third party within approximately ninety days.

Because of the similarities between an Immediate Whole Bank Sale and a Delayed Whole Bank Sale, the potential purchasers for this strategy would have a profile similar to the purchaser profiles described above.

### **Multiple Acquirer Strategy**

A MAS presents an alternative method of resolving SBNA in resolution. Based on guidance published by the FDIC in December 2014, SBNA analyzed a MAS whereby the Bridge Bank would sell off a sizable portion of its operations and would execute an IPO for the remaining entity. Although net present valuations for this strategy are in the same range as those in the Immediate Whole Bank Sale and Delayed Whole Bank Sale, this strategy would likely be considered the third best strategy due to the time it would take to fully execute.

The MAS contemplated by this Plan would be accomplished through the establishment of a bridge bank that would acquire, in a whole-bank P&A Transaction, all of the assets of SBNA remaining at the end of the Runway Period but only the insured deposits. The size of the Bridge Bank would be reduced through the sale and runoff of certain lines of business. The proceeds from these actions would be distributed to the receivership as long as the Bridge Bank maintained healthy capital and liquidity levels. If a distribution would cause the capital or liquidity to fall below a healthy level, the cash would remain on the Bridge Bank's balance sheet.

After these sales, the Bridge Bank would operate as a retail and commercial bank that would be sufficiently capitalized. This retail and commercial bank would then go through the IPO process. At the culmination of the IPO process, the FDIC would issue ownership interest in the Bridge Bank through a stock sale to the public.

The profile of potential purchasers of assets and businesses from the Bridge Bank prior to the IPO is similar to that for the Whole Bank Sales. However, the list of potential purchasers is larger than that for a Whole Bank Sale because regulatory issues and business model issues are reduced when buying assets and lines of business since there are no deposits being assumed.

### **Liquidation**

If SBNA could not be resolved by the FDIC in an Immediate Whole Bank Sale, Delayed Whole Bank Sale, or through a MAS, the FDIC could close SBNA over Resolution Weekend and pay depositors the amount of their insured deposits immediately following Resolution Weekend. In its receivership capacity, the FDIC could liquidate all of its assets to pay claims against the receivership.

The profile of potential purchasers for SBNA's lines of business or portfolios under the Liquidation strategy is similar to that for the Whole Bank Sales. However, the list of potential purchasers for the Liquidation strategy is larger than for a Whole Bank Sale for the same reasons as are described under the MAS strategy.