Banco Santander, S.A.
Resolution Plan for U.S. Operations

Public Section

December 31, 2018

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Definition of Entities

The following entities are referred to throughout the document.

Acronym	Definition
"Santander" or "Santander Group" or "Group"	Includes all Santander operations globally.
"BSSA" or "Parent"	Banco Santander, S.A.
"Santander US"	Santander Group's U.S. Operations; includes all Santander operations in the U.S.
"SHUSA IHC" or "U.S. IHC"	Santander Holdings USA, Inc. consolidated with all of its subsidiaries.
"SHUSA"	Santander Holdings USA, Inc.
"SBNA" or the "Bank"	Santander Bank, N.A.
"SC HoldCo."	Santander Consumer USA Holdings Inc.
"SC"	Santander Consumer USA.
"SBC"	Santander BanCorp.
"BSPR"	Banco Santander Puerto Rico.
"SIA"	Santander Insurance Agency, Inc.
"BSI"	Banco Santander International.
"Santander NYB"	Banco Santander, S.A. New York Branch.
"SIS NY"	Santander Investment Securities, Inc.
"SSLLC"	Santander Securities LLC.
"SPD"	Services and Promotions Delaware Corp.
"SPM LLC"	Services and Promotions Miami LLC.
"STUSA"	Santander Technology USA, LLC.
"Factories"	BSSA's wholly-owned global shared service entities.
"Isban"	Ingenieria de Software Bancario, S.L.
"Produban"	Produban, Servicios Informaticos Generales, S.L.
"Geoban"	Geoban, S.A.
"Aquanima Group"	Iberica de Compras Coporativas, S.L. and its subsidiaries.
"Aquanima"	U.S. Subsidiary of the Aquanima Group is NW Services, Co. referred to as "Aquanima" throughout this Plan.
"Subsidiaries"	Santander Holdings USA, Inc. consolidated subsidiaries and branches.
"ANTS"	Abbey National Treasury Services plc's Connecticut branch.
"ANTS plc"	Holding Company of ANTS based in UK and is a direct subsidiary of Santander UK plc.

Executive Summary

U.S. Resolution Plan

Banco Santander, S.A. ("BSSA") has developed this resolution plan (the "Plan" or "Resolution Plan") for its U.S. operations as required under Title I, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the regulations jointly promulgated by the Board of Governors of the Federal Reserve System (the "FRB") at 12 C.F.R. Part 243 and the Federal Deposit Insurance Corporation (the "FDIC") at 12 C.F.R. Part 381 (the "SIFI Rule").

The Dodd-Frank Act mandates that a bank holding company, or a foreign bank regulated as a bank holding company under Section 8(a) of the International Banking Act of 1978 with assets of $50bn or more, develop a plan for its rapid and orderly resolution in the event of material financial distress or failure. The purpose of this provision is to provide regulators with plans that would enable them to resolve failing financial companies that pose a significant risk to the financial stability of the United States in a manner that mitigates such risk. This Plan provides detail supporting the orderly resolution of the U.S. operations of Santander under a hypothetical stress scenario and the failure of its Material Entities ("MEs").

BSSA, a global banking organization headquartered in Madrid, Spain, is a bank holding company under the Bank Holding Company Act of 1956 and has elected to be treated as a financial holding company pursuant to the Gramm-Leach-Bliley Act of 1999. Santander is the "Covered Company" for the purposes of this Plan. The legal entity structure of Santander in the United States is a reflection of its business model based on independent subsidiaries, as explained later in this Plan.

Consistent with the SIFI Rule, this Plan addresses Santander Group's U.S. operations ("Santander US"), which are conducted primarily through the MEs set forth and described in Section 1.1, and the Core Business Lines ("CBLs") described in Section 1.2.

This Resolution Plan identifies and evaluates the CBLs and MEs of Santander's U.S. operations and presents strategies for their rapid and orderly resolution. None of Santander's U.S. business activities meets the standard of a "Critical Operation" ("CO") as defined in the SIFI Rule, nor do any of these business activities dominate their respective markets; an interruption or termination of these activities would not materially disrupt these markets. Therefore, a resolution of Santander US's operations would not pose any systemic risk to the U.S. financial system or economy.

In addition to the MEs identified in Section 1.1, Santander owns, directly or indirectly, the following subsidiaries or branches: Santander's New York Branch ("Santander NYB"), with $9.7bn in assets regulated by the New York State Department of Financial Services and the FRB; Abbey National Treasury Services plc's Connecticut branch ("ANTS"), with $15.7bn in assets regulated by the Connecticut Department of Banks and the FRB; Santander Investment Securities Inc. ("SIS NY"), a New York broker-dealer with assets of $1.4bn regulated by the Securities and Exchange Commission (the "SEC") and the Financial Industry Regulatory Authority ("FINRA") that is subject to resolution as a member of the Securities Investor Protection Corporation ("SIPC"); and Banco Santander International ("BSI"), an Edge corporation based in Miami, Florida, with $6.0bn in assets subject to supervision by the FRB.

Other U.S. subsidiaries include Santander BanCorp ("SBC"), a bank holding company in Puerto Rico that is regulated and supervised by the FRB and its main subsidiary, Banco Santander Puerto Rico ("BSPR"), a commercial bank with $5.2bn in assets, that is regulated and supervised by the Office of the Commissioner of Financial Institutions of Puerto Rico ("OCIF") and the FDIC, and Santander Securities, LLC (SSLLC"), a broker-dealer subject to SEC and FINRA supervision and a member of the SIPC.

In accordance with the SIFI Rule, this Plan does not address resolution strategies for entities not identified as MEs or subject to U.S. resolution regimes. Information in this Plan is as of December 31, 2017, unless otherwise indicated.

Santander Group

The structure of the Santander Group in the United States is a reflection of its business model of autonomous and globally-diversified subsidiaries.

- The Group's activities are divided first by geographic areas, in such a way that each major local market comprises a business unit (e.g., the U.S., Brazil, the U.K., Portugal, or Poland).
- Legally, the geographic business units are arranged within separate sub-groups of subsidiaries. In some of the most relevant financial markets (e.g., New York and London), local branches of business units from other geographic areas may also exist.
- This structure of subsidiaries that are legally independent is essential to fully identify and appropriately separate the different relationships, with respect to, for example, capital, financing, lending, servicing, and custody within the Group.
- Financially, each local sub-group is required to measure, control, and manage its capital and liquidity needs commensurate with its activities and local regulatory expectations and without regular reliance on other Santander affiliates or Santander.
- From a technological and operational view, each local sub-group uses its own resources, contracts with third parties, and/or obtains these services from the Group's "Factories." Factories are affiliates that provide certain core services such as software programming and network infrastructure.

This business model provides necessary financial and legal segregation of assets and services, encourages disciplined management responsive to local regulation and customer expectations and promotes financial flexibility for the Group through globally diversified income streams. This model also acts as a firewall in preventing the spread of financial issues in one jurisdiction to the other jurisdictions within the Group.

Accordingly, the Group's organizational structure permits clear and precise distinction between the main business units. It also makes it possible to separate particular units from the rest of the Group if the intention were to dispose of any particular unit or should it be necessary to isolate any unit in the case of a resolution scenario. In this sense, the structure of the Group is one that mitigates the potential for financial contagion among the Group's globally-dispersed banking units. This reduces the potential for systemic risk and facilitates the management and resolution of crises.

This structure, in the context of the "Key Attributes of Effective Resolution Regimes for Financial Institutions" set out by the Financial Stability Board ("FSB") in October 2011 and October 2014 (together, "Key Attributes"), makes the "multiple points of entry" the most appropriate resolution strategy for the Santander Group. Under this approach, separate resolution actions may be taken at Santander's operating subsidiaries that would be coordinated by the Crisis Management Group ("CMG") as described in the Key Attributes. This CMG would include the appropriate supervisors, central banks, resolution authorities, finance ministries, and public authorities in jurisdictions that are home or host to entities that are material to Santander Group's resolution. This would allow for the orderly resolution of each of the subsidiaries under applicable national laws and regulations with cross-border cooperation but would limit the risk of jurisdictional conflict.

Santander Group Business Model

The Santander Group is primarily a retail and commercial banking group based in Spain, with a presence in ten core markets: Spain, the U.K., Germany, Poland, Portugal, the U.S., Brazil, Mexico, Argentina, and Chile. Santander had EUR 1,444bn in assets, 133mm customers, 13,697 branches, and 202,251 employees as of December 2017.

The operating business units of the Santander Group are structured in two levels:

- Principal (or geographic) level: Geographic areas segment the activity of the Group's operating units. This coincides with the Group's first level of management and reflects the Santander Group's positioning in three of the world's main currency areas (euro, sterling, and dollar). These segments are:
    - Continental Europe: This includes all retail banking business, wholesale banking, and asset management and insurance conducted in this region.
    - U.S.: This includes the businesses of SBNA, SC and all other businesses in the U.S.
    - U.K.: This includes retail and wholesale banking as well as asset management and insurance conducted by the various units and branches of the Group in the U.K.
    - Latin America: This includes all of the Group's financial activities conducted through several banks and other subsidiaries in the region.
- Secondary (or business) level: This categorizes the activity of the operating units by type of business. The segments are retail banking, wholesale banking, and asset management and insurance.
    - Retail Banking: This includes all consumer banking businesses, including private banking (except global corporate banking, which is coordinated through the Santander Group's global customer relationship model).
    - Global Wholesale Banking: This business reflects revenues from global corporate banking, investment banking, and markets worldwide, including all treasuries managed globally (both trading and distribution to customers), as well as the equities business.
    - Asset Management and Insurance: This includes the contribution of the various units to the Group in the design and management of mutual and pension funds and insurance. The Group uses, and remunerates through agreements, the retail networks that place these products.

Corporate-Level Resolution Planning

As a G-SIFI, Santander's resolution planning is guided by the principles and core elements set forth in the "Key Attributes. In accordance with the Key Attributes, Santander's resolution planning process assumes coordination through its Crisis Management Group ("CMG"). Santander's planning for resolution is subject to the overarching framework of the European Union's Bank Recovery and Resolution Directive ("BRRD"), published on May 15, 2014.

The BRRD establishes a European Union-wide crisis management framework for 28 jurisdictions which effectively implements the Key Attributes. The framework provides for preparatory and preventive measures, early intervention procedures, and resolution procedures and tools. In this respect, the BRRD constitutes a key element of the EU resolution architecture, together with Regulation (EU) No 806/2014, which established the Single Resolution Mechanism ("SRM"). The SRM is made up of the Single Resolution Board ("SRB") and the Single Resolution Fund ("SRF").

Spanish Law, in alignment with the BRRD, envisions cooperation with third-country authorities both in the event of cross-border resolution and in prior phases through so-called resolution colleges. In addition, the Spanish Law assigns the roles of national supervisor and national preventive resolution authority (i.e., development of resolution plans) to the Bank of Spain, while the Fund for Orderly Bank Restructuring (“FROB”) assumes the role of national executive resolution authority (i.e., execution of the resolution plan). Both the Bank of Spain and the FROB take part in the SRB to coordinate the resolution procedures with member-state authorities and third-country authorities through resolution colleges.

In addition to general coordination in the event of resolution, the value of Santander and each of its Factories is dependent upon the continuation of services provided by the Factories to SBNA and other banks within the Santander Group. Revenues from SBNA and numerous other businesses in the Group are a material source of revenues and value for the Factories, and the value of Santander’s ownership interest in SBNA is enhanced by the continuation of the services provided by the Factories. Accordingly, it is in the best interests of the FROB as administrator, both in terms of economic benefit to Santander and in the interests of avoiding disruptions and limiting contagion to other financial institutions, to take steps to assure the continuation of those services.

Banco Santander Resolution

Santander Group's model of independent affiliates makes the likelihood of Santander going into resolution remote. Pursuant to the Spanish Law, in the event that early intervention measures prove insufficient to arrest any significant financial distress experienced by the institution and Santander were to enter resolution simultaneously with Santander U.S., the European Central Bank ("ECB") in prior consultation with the Bank of Spain (in its role as preventive resolution authority) would determine whether the conditions for resolution have been met. The results of this assessment would be communicated without delay to the SRB and the FROB. Notwithstanding this procedure, the SRB can also, on its own initiative, require the ECB to issue an assessment within a period of three days after the petition is made.

Once it has been determined that an institution meets the conditions for resolution, the SRB would develop a resolution scheme containing the procedures and resolution tools, including any recourse to the Single Resolution Fund, that would be executed by the FROB. This resolution scheme would be derived from the resolution plan but tailored to the specific circumstances of the institution entering into resolution. In accordance with the Spanish Law, it can be expected that during a resolution action, the Board of Directors or equivalent body of Santander would be replaced and the FROB would be designated as the administrator of the institution. The FROB would, in turn, appoint the individuals who, on its behalf, would exercise the functions and powers necessary for day-to-day operations of the institution, including all of the powers inherent in the Board of Directors and at the shareholders’ meeting.

The SRB's preferred resolution strategy for the Group contemplates multiple points of entry for the resolution of the entire Santander Group. Given the potential adverse effects the liquidation of the Group's European-based banks could have on the real economies in which it operates, a bail-in resolution[1] is expected, thus allowing operating entities to continue business activities. Outside of Europe, the SRB defers identification of an appropriate resolution strategy to each of the relevant

[1] A bail-in strategy contemplates the resolution of only the top-tier bank holding company; the absorption of bank holding company losses by shareholders and unsecured creditors; the capitalization of a newly established bank housing the operating entities of the failed institution; and the continued operation of operating entities through the resolution process.

resolution authorities in their respective jurisdictions. This includes Santander's US operations which would be resolved under U.S Bankruptcy Code (SHUSA and SC) and by the FDIC (SBNA).

1.1 Material Entities

For U.S. resolution planning purposes, Santander has identified the following entities as MEs, which are defined under the SIFI Rule as "a subsidiary or foreign office of the Covered Company that is significant to the activities of a critical operation or core business line." The identified MEs are listed below.

Santander Holdings USA, Inc. ("SHUSA")

SHUSA is a wholly-owned subsidiary of Santander and the U.S. intermediate holding company ("IHC") for Santander's U.S. subsidiary activities. In order to comply with the U.S. Enhanced Prudential Standards ("EPS") for Foreign Banking Organizations ("FBOs"), Santander restructured the ownership of its U.S. domiciled subsidiaries and elected SHUSA to become its U.S. IHC. In conjunction with this conversion, most of Santander's U.S. legal entities were realigned under SHUSA. SHUSA's principal executive offices are located at 75 State Street, Boston, Massachusetts.

Santander Bank, N.A. ("SBNA" or the "Bank")

SBNA is a national banking association with its home office in Wilmington, DE and its headquarters in Boston, MA, with a primary presence in the U.S. Northeast region. SBNA is focused on providing banking products and services to consumers, businesses, large corporations, and institutions.

SBNA's primary business consists of attracting deposits from its network of retail branches and originating small business, middle market, large and global commercial loans, multifamily loans, residential mortgage loans, HELOCs/HELOANs, and auto and other consumer loans in the communities served by those offices. As of December 31, 2017 SBNA had approximately $56bn in deposits and more than $48bn in loans and leases.

Santander Consumer USA Inc. ("SC")

SC is a specialized consumer finance company headquartered in Dallas, Texas, and engages in the purchase, securitization, and servicing of retail installment contracts originated by automobile dealers and direct origination of retail installment contracts over the Internet. SC is a publicly-traded, majority-owned subsidiary of SHUSA, which maintains approximately 68% ownership.

Santander Technology USA, LLC ("STUSA")

During 2017, BSSA implemented a new IT operating model in which it transitioned the responsibility for procuring and providing certain IT services to the various Santander Group entities. In support of this new model, in Q1'18, a new SBNA subsidiary - STUSA - was established to house the local U.S. technology assets, employees, and third-party contracts that were transferred from Isban and Produban. Local assets were classified as those for which there were no identified synergies between two or more banks of Santander Group. In contrast, global assets were identified as those that are strategic for Santander Group or assets for whom synergies between two or more banks of the Group were identified.

The Factories

The following four entities, the "Factories," are affiliates of Santander that provide a core set of services to Santander's global banking subsidiaries. The Factories are legally independent of any bank within the Group, have their own capital, are self-financed through income received primarily from internal bank customers, and provide services under detailed, arm's-length contracts for each service provided. The resolution strategies for SBNA and SHUSA 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 application 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 infrastructure services for the Santander Group. It provides and maintains servers, applications, and telecommunications lines and components that various Santander entities use in their daily activity.

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. ("Aquanima")

Aquanima focuses its business activities on the provision of services as a central buying entity and on the negotiation of service and supply agreements for its customers. Within the U.S., Aquanima provides contract management, vendor onboarding and tactical procurement support.

1.2 Core Business Lines

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

Based on these criteria, Santander identified five CBLs in the U.S.: Consumer and Business Banking, Corporate and Commercial Banking, Commercial Real Estate ("CRE"), Global Corporate Banking ("GCB"), and SC Vehicle Finance.

- 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. This CBL also provides financing and deposits for government entities.

- Commercial Real Estate: CRE primarily offers commercial real estate loans and multifamily loans.

- Global Corporate Banking: 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.

- SC Vehicle Finance: SC Vehicle Finance is an originator and servicer of auto loans and leases. SC indirectly originates retail installment contracts (loans), principally through manufacturer-franchised dealerships in connection with the sale of new and used vehicles to retail customers. In addition to the indirect auto loan business, SC provides auto loans directly to consumers through its RoadLoans.com online platform.

1.3 Summary Financial Information

For purposes of resolution planning, Santander has created consolidated financial information for its U.S. operations (Santander US). Accordingly, financial information may not wholly correspond with Santander's public financial reporting because Santander publicly reports information of its legally consolidated entities. In addition, the financial information may not wholly correspond to the reports that Santander has provided to the FRB because certain Santander subsidiaries that are engaged in activities in the U.S. are exempt from such filings.

The financial information representing the consolidated Balance Sheet for Santander US, is included below.

Exhibit 1.1 Santander US Consolidated Balance Sheet as of December 31, 2017

Balance Sheet (Santander US Consolidated)	($mm)
Cash and cash equivalents	18,612.3
Investment securities	25,669.9
Loans held-for-investment	82,983.4
Allowance for loan and lease losses	(3,912.3)
Loans held-for-sale	2,522.5
Premises and equipment, net	849.1
Goodwill	4,444.4
Intangible assets, net	535.8
Other assets	21,190.2
Total Assets	152,895.2
Deposits and other customer accounts	82,948.5
Borrowings and other debt obligations	39,044.0
Other liabilities	7,305.0
Total Liabilities	129,297.5
Total Stockholder's Equity	23,597.7
Total Liabilities & Stockholder's Equity	152,895.2

Production of financial statement information for purposes of resolution planning involves consolidating financial information on entities that are part of Santander US. Consolidation activities are based on the aggregation of asset and liability values in addition to the removal of related intercompany transactions. To arrive at values for Santander US, consolidation activities occur across all of the entities that operate within the U.S.

The financial information representing the consolidating Balance Sheet schedule for Santander US, is included below.

Exhibit 1.2 Santander US Consolidating Balance Sheet Schedule as of December 31, 2017

Balance Sheet	Santander US (Consolidated)	SHUSA (Unconsolidated)	SBNA (Unconsolidated)	SC (Unconsolidated)	Other Entities & Intercompany Consolidations
Cash and cash equivalents	18,612.3	4,369.3	2,519.5	527.8	11,195.7
Investment securities	25,669.9	248.7	15,850.3	—	9,570.9
Loans and Leases, net	81,593.5	3,000.0	47,590.7	24,638.2	6,364.6
Premises and equipment, net	849.1	84.9	393.9	69.6	300.7
Goodwill	4,444.4	—	3,402.6	74.1	967.7
Intangible assets, net	535.8	—	345.8	29.7	160.3
Other assets	21,190.2	21,941.8	4,347.6	14,082.9	(19,182.1)
Total Assets	152,895.2	29,644.7	74,450.4	39,422.3	9,377.8
Deposits and other customer accounts	82,948.5	—	56,887.1	—	26,061.4
Borrowings and other debt obligations	39,044.0	8,149.6	2,426.0	31,160.4	(2,692.0)
Other liabilities	7,305.0	453.6	1,614.9	1,781.4	3,455.1
Total Liabilities	129,297.5	8,603.2	60,928.0	32,941.8	26,824.5
Total Stockholder's Equity	23,597.7	21,041.5	13,522.4	6,480.5	(17,446.7)
Total Liabilities & Stockholder's Equity	152,895.2	29,644.7	74,450.4	39,422.3	9,377.8

Capital

Capital is held within SHUSA, SBNA and SC, the primary legal entities discussed in the Resolution Plan. SHUSA is the intermediate holding company for Santander's U.S. operations (IHC) and, under the FRB regulations, is required to prepare an annual Capital Plan. SHUSA is required to maintain prescribed regulatory capital ratios in accordance with FRB requirements.

SHUSA maintains capital levels to ensure the safety and soundness of the institution, support its business plans, anticipate the impact of adverse economic conditions, and meet current and anticipated regulatory requirements. Capital expectations are set for capital ratios that are based on SHUSA's risk-weighted assets and average assets.

The following exhibit shows SHUSA's consolidated capital ratios as of December 31, 2017.

Exhibit 1.3 SHUSA Consolidated Capital Ratios as of December 31, 2017

Capital Type	($bn)
Common Equity Tier 1 Capital	16.3
Tier 1 Capital	17.8
Tier 2 Capital	1.7
Total Risk Based Capital	19.5
Total Risk Weighted Assets	99.8
Ratios	**(%)**
Common Equity Tier 1 Ratio (CET1)	16.4%
Tier 1 Capital Ratio (T1C)	17.8%
Total Capital Ratio (TC)	19.5%
Tier 1 Leverage Ratio (T1L)	14.2%

SHUSA maintains “well capitalized” capital ratios under the FRB’s requirements. SHUSA’s Tier 1 common ratio is well above the regulatory minimum. SHUSA and its subsidiaries maintain internal capital targets that are well above applicable regulatory minimums.

Sources of Funds

Due to the Santander Group's global business model, businesses are generally self-funded. As a result, funding sources are best understood at the entity level. The following subsections describe the funding sources of Santander US's Material Entities.

SHUSA

SHUSA's primary sources of funding are debt issuances, capital distributions and dividends from SBNA, SC, BSI, and BSPR, respectively, capital contributions from Santander from time to time, and borrowings. Capital distributions and dividends are provided at the discretion of SBNA, SC, BSI, and BSPR, and Santander.

The following exhibit shows SHUSA's consolidated borrowings and debt obligations profile as of December 31, 2017.

Exhibit 1.4 SHUSA Consolidated Borrowings and Other Debt Obligations Breakdown as of December 31, 2017

Borrowings and Debt Obligations	($mm)
Senior Notes	7,995.5
Junior subordinated debentures to capital trusts	154.1
Brokered Deposits	—
Non-Brokered Deposits	—
Total SHUSA (IHC Only)	8,149.6
Subordinated Notes	40.8
Short-term borrowings	78.7
Brokered Deposits	—
Non-Brokered Deposits	8,993.3
Total SHUSA (IHC Entities except SBNA and SC)	9,112.8
REIT Preferred	144.2
Bank Senior Notes	—
Bank Subordinated Notes	192.0
Term Loan	139.8
Securities sold under repurchase agreements	150.0
Federal Funds Purchased	—
FHLB Advances	1,950.0
Brokered Deposits	1,127.0
Non-Brokered Deposits	50,710.8
Total SBNA	54,413.8
Revolving credit facilities	5,598.3
Public securitizations	14,995.3
Privately issued amortizing notes	7,564.6
Brokered Deposits	—
Non-Brokered Deposits	—
Total SC	28,158.3
Total SHUSA Borrowings and Debt Obligations	39,003.3
Total SHUSA Deposits	60,831.1
TOTAL SHUSA DEPOSITS, BORROWINGS AND DEBT OBLIGATIONS	99,834.4

The table below reflects SHUSA's debt maturity structure as of December 31, 2017.

Exhibit 1.5 SHUSA Consolidated Debt Schedule as of December 31, 2017

Debt Schedule	($mm)
2018	4,526.5
2019	8,107.0
2020	5,994.2
2021	8,100.4
2022	4,745.6
2023 +	7,529.7
Total Long-Term Debt	39,003.3

The following exhibits show SHUSA's unconsolidated borrowings and debt obligations profile by product and type as of December 31, 2017. SHUSA had no outstanding subordinated debt at December 31, 2017.

Exhibit 1.6 SHUSA Unconsolidated Borrowings and Debt Obligations Profile by Product and Type as of December 31, 2017

SHUSA Debt Summary by Type	($mm)
Short-Term	244.3
Long-Term	7,905.2
Total	8,149.6
Senior	7,995.5
Subordinated	—
Junior subordinated debentures to capital trusts	154.1
Total	8,149.6
Secured	—
Unsecured	7,995.5
Junior subordinated debentures to capital trusts	154.1
Total	8,149.6
Brokered Deposits	—
Non-Brokered Deposits	—
Total	—

Exhibit 1.7 SHUSA Unconsolidated Debt Schedule as of December 31, 2017

Debt Schedule	($mm)
2018	244.3
2019	1,757.7
2020	1,414.5
2021	—
2022	1,440.0
2023 +	3,293.1
Total Long-Term Debt	8,149.6

SBNA

SBNA's borrowing profile is summarized below. All wholesale borrowing is transacted through SBNA. SHUSA also provides a source of strength for SBNA. Although SBNA primarily funds itself through its deposits and other borrowings, SHUSA may support SBNA's ability to fund its activities through contributions to capital. SBNA Borrowings as of December 31,2017, are detailed in the exhibit below.

Exhibit 1.8 SBNA Borrowings as of December 31, 2017

Debt Summary by Type	($mm)
Short-Term	1,400.0
Long-Term	550.0
Total Wholesale Borrowings	1,950.0
Senior	—
Subordinated	331.8
REIT Preferred	144.2
Total Bank Debt	476.0
Brokered Deposits	1,121.3
Non-Brokered Deposits	55,765.8
Total Deposits	56,887.1

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

Exhibit 1.9 SBNA Secured and Unsecured Liabilities as of December 31, 2017

Liabilities ($mm)	Secured	Unsecured
Customer Deposits		54,444.0
Government/Municipal Deposits	2,443.0	
Securities Sold Under Agreements to Repo	423.0	—
Trading Liabilities	137.0	
Other Borrowed Money	2,094.0	
Subordinated Notes		332.0
Other Liabilities		1,055.0
Total	5,097.0	55,831.0

The table below reflects SBNA's debt maturity structure as of December 31, 2017.

Exhibit 1.10 SBNA Debt Schedule as of December 31, 2017

Debt Schedule	($mm)
2018	192.0
2019	111.9
2020	—
2021	—
2022+	172.1
Total Long-Term Debt	476.0

SC

SC's borrowing profile as of December 31, 2017 (summarized below) reflects various lines of credit and securitization funding available to SC.

Exhibit 1.11 SC Facility Summary as of December 31, 2017

Funding Type	Lender	Facility	Facility Total ($mm)	Utilized ($mm)	Remaining Available ($mm)	Maturity
Group Funding	Santander-NY	Line of credit	1,000.0	—	1,000.0	12/31/18
	Santander-NY	Line of credit	750.0	750.0	—	12/31/18
	SHUSA	Promissory Note	300.0	300.0		3/6/19
	SHUSA	Promissory Note	250.0	250.0	—	12/20/21
	SHUSA	Promissory Note	250.0	250.0	—	12/19/22
	SHUSA	Promissory Note	400.0	400.0	—	10/10/20
	SHUSA	Promissory Note	500.0	500.0	—	5/11/20
	SHUSA	Promissory Note	650.0	650.0	—	3/31/22
	SHUSA	Promissory Note	650.0	650.0	—	8/3/21
	SHUSA	Line of credit	3,000.0	—	3,000.0	3/1/19
	Total		7,750.0	3,750.0	4,000.0	
Third Party Funding	JPMorgan	SCR 3 LLC	500.0	336.5	163.5	Various
	Citi	SCR 7 LLC	1,250.0	339.1	910.9	
	DB/Barclays/RBC/SG/BNP	SCR 10 LLC	1,800.0	226.6	1,573.4	
	Wells Fargo	SCR 11 LLC	1,000.0	404.0	596.0	
	Various	CCMARF 2	3,900.0	2,044.8	1,855.2	
	Barclays	CCMARF 3	300.0	—	300.0	
	RBC	SCR 12 LLC	400.0	81.9	318.1	
	Barclays	CCAFII LLC	300.0	235.7	64.3	
	Bank of Tokyo-Mitsubishi	CCAFI LLC	500.0	435.2	64.8	
	Total		9,950.0	4,103.8	5,846.2	
Third-Party Amortizing	Credigy	SCAF 3 LLC	1,205.4	1,205.4	—	6/21/19
	SC Bonds (SCARF)	Various	6,370.0	6,370.0	—	Various
	Total		7,575.4	7,575.4	—	
Securitization Bonds	SC Bonds	Securitized Bonds	15,033.1	16,128.6	(1,095.5)	Various
	Total		15,033.1	16,128.6	(1,095.5)	
Repo	BlackRock	Repo	329.2	329.2	—	N/A
	UBS	Repo	153.7	153.7	—	
	Societe Generale	Repo	68.9	68.9	—	
	HSBC	Repo	203.3	203.3	—	
	Total		755.0	755.0	—	
Total All Facilities			41,063.5	32,312.8	8,750.7	

Renewal dates on SC's funding commitments are diversified by month and lender. The maturity schedule for these commitments is included below.

Exhibit 1.12 SC Debt Maturity as of December 31, 2017

($mm)	Less than 1 Year	1-3 Year	3-5 Year	More than 5 Years	Total
	Short-Term	Long-Term			
Notes payable - revolving facilities	3,428.2	3,370.1	1,800.0	—	8,598.3
Notes payable - secured structured financings	226.0	6,772.5	11,404.7	4,205.4	22,608.5
Total	3,654.3	10,142.5	13,204.7	4,205.4	31,206.9

The majority of SC's liabilities are from debt issued with respect to its securitized retail installment contracts. This is composed of a series of both public and private securitization transactions. All debt is considered senior debt.

1.4 Derivative and Hedging Activities

In the United States, Santander's U.S. MEs engage in derivatives activities for balance sheet-related interest rate risk hedging purposes and to meet customer needs. None of Santander US MEs is a market maker in derivative products nor do any Santander US MEs use derivatives for speculative purposes.

As part of their overall risk hedging strategies, Santander US MEs use derivative contracts as hedges to help manage exposure to interest rate, foreign exchange, equity and credit risk, as well as to reduce the effects that changes in interest rates may have on net income, the fair value of assets and liabilities, and cash flows.

The majority of derivatives that are not designated as accounting hedges under GAAP are customer-related derivatives relating to foreign exchange and lending arrangements, as well as derivatives to hedge interest rate risk on SC's secured structured financings and the borrowings under its revolving credit facilities.

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.

1.5 Memberships in Material Payment, Clearing, and Settlement Systems

Santander's U.S. MEs maintain membership in various Financial Market Utilities ("FMUs"), or access them through Financial Intermediaries ("FIs"), in order to facilitate payment, clearing, and settlement activities. FMUs allow SHUSA, SBNA and SC to conduct financial transactions, provide payment services, and perform derivatives transactions as needed to manage risk, and meet the needs of customers and clients.

SHUSA does not maintain membership in FMUs or directly engage FIs for access to FMUs. Instead, SBNA, through its FMU and FI relationships provides these services to SHUSA when necessary.

SBNA leverages the Federal Reserve's suite of financial services for all payment activity, including Fedwire payments, check clearing, and ACH network payments. SBNA maintains a relationship with Bank of New York Mellon ("BoNY Mellon") which provides settlement and custody services for the Bank's securities transactions as well as a relationship with UBS Securities for the clearance of interest rate derivative transactions.

SC maintains a relationship with UBS Securities as its primary Futures Commission Merchant ("FCM") which executes, clears, and settles interest rate derivatives used as hedging vehicles by SC. JP Morgan Chase serves as SC's primary banking services provider. As banking provider, JP Morgan Chase provides access to Fedwire, ACH, and CHIPS for the wiring of payments related to daily operations and certain loan fundings. Finally, SC has a relationship with BoNY Mellon which provides post-trade clearance and settlement of securities transactions.

1.6 Descriptions of Foreign Operations

No material components of Santander's U.S. operations are based outside the United States. Santander's U.S. operations do not have any foreign subsidiaries or offices. SBNA does have an electronic banking facility in the Cayman Islands that provides a vehicle for its Eurodollar sweep accounts, a standard product offered in the industry, which invests client deposits automatically overnight in Eurodollar accounts to maximize interest earned. As of December 31, 2017, SBNA had approximately $530mm reported on the Call Report, Schedule RC-E, in this electronic banking facility.

SBNA has a Class B license from the Cayman Islands government which allows it to accept electronic deposits outside the U.S. However, under this license class, the deposits are neither considered onshore to the Cayman Islands nor to the U.S.

1.7 Material Supervisory Authorities

As a Spanish financial services company, Santander is subject to prudential supervision by the Bank of Spain. If Santander were to be resolved or taken over in the event of a failure the Bank of Spain, in coordination with the SRB, would designate the FROB as a "special manager" to assume control of Santander and its domestic subsidiaries. Santander's foreign subsidiaries, including those based in the U.S., are also subject to local laws, regulations, and supervision administered by the regulators in those countries. Santander's U.S. operations are subject to the extensive regulatory framework applicable to bank holding companies, banks, and U.S. branches of foreign banks.

Since Santander is a financial holding company with subsidiaries located in the U.S., its U.S. operations are subject to the supervision and regulation of the FRB, as is SHUSA, the intermediate holding company of Santander's U.S. operations. As a Securities and Exchange Commission ("SEC") registrant, SHUSA is also subject to applicable SEC regulations and financial reporting and filing requirements.

As a national bank, SBNA is subject to primary regulation, supervision and examination by the OCC, and to additional banking regulation by the FDIC and the FRB. In addition, the Consumer Financial Protection Bureau (the "CFPB") regulates SBNA's consumer financial products and services.

SC is subject to supervision by the FRB, the CFPB, and the Federal Trade Commission.

Santander NYB is subject to the supervision of the FRB and the New York Department of Financial Services. Abbey National's U.S. branch[2] is subject to the supervision of the FRB and the Connecticut Department of Banking. Santander's other U.S. subsidiaries are also subject to various laws and regulations, as well as supervision and examination by other regulators, all of which directly or indirectly affect its operations and management and its ability to make distributions to stockholders. Its U.S. broker-dealer subsidiaries are subject to regulation and supervision by the SEC and FINRA with respect to their securities activities.

Additional relevant information can be found in SHUSA's Annual Report on Form 10-K for 2017 filed with the SEC.

[2] Abbey National's U.S. branch ceased operations in Q2'18.

1.8 Principal Officers

The key individuals who comprise SHUSA's management and are responsible for its activities and direction as of June 30, 2018, are reflected in the exhibit below:

Exhibit 1.13 SHUSA Principal Officers as of June 30, 2018

Name	Title	Legal Entity Employer
Scott Powell*	Chief Executive Officer ("CEO")	SHUSA
Mahesh Aditya**	Chief Risk Officer ("CRO")	SHUSA
Madhukar (Duke) Dayal**	Chief Financial Officer ("CFO")	SHUSA
Michael Lipsitz**	Chief Legal Officer	SHUSA
William Wolf**	Chief Human Resources Officer	SHUSA
Dan Griffiths**	Chief Technology Officer	SHUSA

*Dual hatted employee with SC

**Dual hatted employee with SBNA

The key individuals who comprise SBNA's management and are responsible for its activities and direction as of June 30, 2018, are reflected in the exhibit below:

Exhibit 1.14 SBNA Principal Officers as of June 30 2018

Name	Title	Legal Entity Employer
Marco Achón	Managing Director of Santander Corporate and Investment 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	SHUSA
Daniel Griffiths*	Chief Technology Officer and Senior Executive Vice President	SHUSA
Mahesh Aditya*	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

*Dual hatted employee with SHUSA

The key individuals who comprise SC's management and are responsible for its activities and direction as of June 30, 2018, are reflected in the exhibit below.

Exhibit 1.15 SC Principal Officers as of June 30, 2018

Name	Title	Legal Entity Employer
Scott Powell*	Chief Executive Officer	SHUSA
Juan Carlos Alvarez	Chief Financial Officer	SC
Sandra Broderick	Executive Vice President, Head of Operations	SC
Lisa VanRoekel	Chief Human Resources Officer	SC
Reza Leaali	Chief Technology Officer	SC
Christopher Pfirrman	Chief Legal Officer	SC
Joshua Baer	Chief Risk Officer	SC
Richard Morrin	President, Chrysler Capital	SC

*Dual hatted employee with SHUSA

1.9 Resolution Planning Corporate Governance

Governance of this Resolution Plan integrates oversight by key stakeholders and senior executives from Santander US's MEs, CBLs and critical services with review and recommendation for approval from management and Board-level committees.

Santander has delegated authority for oversight and approval of the plan to Scott Powell, the Santander US Country Head and CEO of SHUSA. In order to obtain approval from the Santander US Country Head and CEO of SHUSA, SHUSA's Board of Directors reviews and provides recommendation for approval of the Plan. Prior to review by the SHUSA Board of Directors, supporting governing committees provide oversight.

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

SHUSA ALCO is the immediate governing body for this Plan and monitors the development and oversight of the resolution planning process. ALCO members include: SHUSA CFO (Chair), SHUSA CEO, SHUSA CRO, SHUSA Treasurer, SHUSA Head of Market Risk, SC CFO, SBC CFO, BSI CFO, and SIS NY CFO.

ALCO performs the following roles:

- Annual review and recommendation of the Recovery and Resolution Program Policy;
- Receive periodic updates from the Chief, USRRP, on recovery and resolution program status;
- Review and approve annual 165(d) Resolution Plan scope and strategy;
- Review, challenge, and recommend 165(d) Resolution Plan content for each annual filing including key resolution planning strategies and methodologies;
- Escalate 165(d) Resolution planning issues requiring RC consideration, and
- Review and approve resolvability enhancement projects and serve as a point of escalation regarding those projects.

In addition, the Chief, USRRP, and members of the USRRP team regularly engage senior executives, including SHUSA's CEO, CFO, CRO, and General Counsel, as necessary, to facilitate key decisions with respect to the Resolution Plan and supporting processes.

Responsible for day-to-day project management, 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 ownership of the Recovery and Resolution Program Policy, integrating resolution planning within BAU activities, and oversight of resolvability enhancement projects.

The following are responsibilities of the USRRP team for activities related to development of this Plan:

- 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 SHUSA ALCO;

- 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, presentation, and submission of this Plan and documentation for approvals.

1.10 Description of Material Management Information Systems

The MEs in which the CBLs reside, SBNA and SC, utilize management information systems ("MIS") for risk management, accounting, financial, and regulatory reporting, as well as internal management reporting and analysis.

MIS refers broadly to the technology and information utilized to make effective decisions in the management of 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. These systems are primarily platform technologies with interface applications that are used to collect, maintain, and report information to management and externally for regulatory compliance. The MIS are also used by the CBLs to perform the functions necessary to run their businesses and operations. Below is a brief description of MIS as it applies to SHUSA, SBNA and SC.

SHUSA

Only a handful of MIS applications are owned/licensed by SHUSA. SHUSA largely leverages SBNA systems and applications.

SBNA

MIS used by SBNA has been developed internally by Isban and is supplemented with third-party vendor-developed applications. Governance, control, and maintenance of key 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 key all necessary systems used by Consumer and Business Banking, Corporate and Commercial Banking, CRE, and GCB to manage, originate, underwrite, fulfill, report and process related business transactions and to support access to products and accounts by existing and new bank customers.

SC

At SC, MIS is managed by the in-house Information Technology group. While some key systems are developed internally, several systems are obtained through third-party software providers.

1.11 High-Level Description of Resolution Strategy

As required by the SIFI Rule, this Plan assumes that a series of idiosyncratic events causes the failure of the Covered Company and its U.S. MEs. These events are examined under the Severely Adverse macroeconomic conditions as provided by the FRB in its 2018 Supervisory Scenarios for Annual Stress Tests required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule. The Plan discusses the failure of the Covered Company in Baseline and Adverse conditions by comparing them to Severely Adverse conditions.

This Plan describes a strategy for resolving Santander's US operations, including its U.S. MEs and the five CBLs that operate within those MEs, in a manner that would substantially mitigate the risk that the resolutions would have serious adverse effects on U.S. or global financial stability.

This Plan includes strategies designed to ensure continuity of the CBLs during the hypothetical resolution of the MEs. The strategies incorporate the importance of continued access to critical services including, but not limited to, technology, employees, facilities, and supplier relationships.

Under the Plan's hypothetical resolutions of MEs, SBNA and STUSA would be placed into FDIC receivership, SHUSA and Aquanima would be placed into bankruptcy under Chapter 7 of the U.S. Bankruptcy Code, and SC would be placed into bankruptcy under Chapter 11 of the U.S. Bankruptcy Code.

Resolution of SHUSA

In a scenario where SBNA and SC were in resolution, SHUSA would file a voluntary petition under Chapter 7 of the Bankruptcy Code due to the *de minimis* value of SHUSA following the appointment of the FDIC as receiver of SBNA and the filing by SC of a voluntary petition under Chapter 11 of the Bankruptcy Code. This would result in the appointment of a trustee, who would sell SHUSA's assets, pursue any avoidance actions permitted under the Bankruptcy Code, and distribute the proceeds derived from the liquidation to the holders of claims and interests in the priority specified in the Bankruptcy Code.

Resolution of SBNA

SBNA offers a plain-vanilla suite of banking products generally also offered by its competitors within the footprint it serves as well as by most other regional and national banks. Its primary business consists of attracting deposits from its network of retail branches and originating residential mortgage loans, home equity loans and lines of credit, small business and middle market loans, large and global commercial loans, among other credit offerings, within its footprint. None of SBNA's product offerings or services dominate the footprint in which SBNA operates. An interruption or termination of the provision of its products or services would not materially disrupt those markets.

For this Plan, Santander analyzed four resolution strategies 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 Friday afternoon at the end of idiosyncratic events and a runway period ("Runway Period") that occurs over 30 days.

In a resolution scenario, the FDIC would likely determine that the preferred resolution strategy is the Immediate Whole Bank Sale. The Immediate Whole Bank Sale minimizes execution risk by having assets and insured deposits immediately transfer to a qualified financial institution with minimal management by the FDIC. This strategy would also have the quickest final distribution of proceeds to claimants. For a description of the different resolution strategies, see below.

Immediate Whole Bank Sale

Under the Immediate Whole Bank Sale, 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") were not considered.

Delayed Whole Bank Sale

If SBNA’s sale to a single qualified AI could not be completed over the Resolution Weekend, the strategy the FDIC would likely determine to be the second preferred strategy 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 to operate the Bridge Bank before consummating a sale to a third party in 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

An 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 divest or unwind a sizable portion of its operations and would execute an IPO for the remaining entity.

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 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 in the MAS.

Resolution of SC

The preferred resolution for SC and its CBL would be a sale of all of its assets as a going concern to a single buyer. Chapter 11 of the Bankruptcy Code would be used as a vehicle to facilitate the sale because of the ability of a debtor under Chapter 11 to sell its assets free and clear of all other interests, and because a competitive sales process, using a “stalking horse” buyer (the first prospective buyer to enter into a binding agreement to purchase the material assets of a company through the bankruptcy process) identified prior to filing the Chapter 11 petition would be the most likely way of generating the highest sales price for the business.

If a sale of SC's assets as a going concern could not be consummated, SC would engage in an orderly wind down of its business. First, using the power to reject executory contracts granted under Section 365 of the Bankruptcy Code, SC would transition its servicing business to new servicers in cooperation with its servicing contract counterparties. Thereafter, SC would file a liquidating plan and a disclosure statement with the bankruptcy court, solicit acceptances and rejections of the plan, seek confirmation of the plan, and, if an order of confirmation were entered, consummate the plan by transferring its remaining assets and its Avoidance Actions to a liquidating trustee to complete the asset liquidation and to distribute the proceeds of the liquidation to creditors in the order of priority specified in the Bankruptcy Code.

As an ongoing entity, SC could receive interest from bank holding companies or other large financial services firms like insurers and large alternative asset managers. Banks that would be potential purchasers would include those with a significant auto business that would allow them to achieve economies of scale. These banks would also have to have the capacity to purchase SC. Certain private equity firms could each purchase SC independently or as part of a coalition with other PE firms. There are several private equity firms that have historically shown a strong interest in the returns and margins of auto lending that have the capacity to invest in SC. Chrysler was also identified as an industry participant that would have an incentive and the ability to purchase a portion of SC.

Resolution of STUSA

Being a wholly-owned subsidiary of SBNA, upon appointment of FDIC as the receiver for SBNA, STUSA will also be under FDIC receivership. Hence, during resolution, actions at STUSA will follow those taken at SBNA.

Resolution of Aquanima

The preferred resolution for Aquanima would be to file a voluntary petition under Chapter 7 of the U.S. Bankruptcy Code seeking the appointment of a trustee, the liquidation of its assets, and the distribution of the proceeds to creditors under the applicable provisions of the U.S. Bankruptcy Code.

Following the filing of the Chapter 7 petition, an independent trustee would be appointed to carry out all other responsibilities associated with the marshaling and liquidation of assets and the distribution of the proceeds to creditors and, potentially, other stakeholders. Although Aquanima provides services in terms of management of contract metadata, the contractual agreements themselves are stored in a shared drive that SBNA employees have access to. Hence, because of Aquanima's limited business operations that impact SBNA, no steps would be taken to maintain its operations or funding.