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

Public Section

December 16, 2015

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Table of Contents: Public Section

Public Section

Definition of Terms

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

Term	Definition
"Santander Group"	Includes all Santander operations globally.
"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; it is the "Covered Company" responsible for submitting the Resolution Plan.
"Santander U.S."	Santander Group's U.S. Operations; includes all Santander operations in the U.S.
"SHUSA"	Santander Holdings USA, Inc. - a bank holding company subsidiary of Santander; it is the parent company of SBNA and has a majority ownership interest in SCUSA.
"SBNA"	Santander Bank, N.A. - the U.S.-based IDI that is a subsidiary of SHUSA.
"SCUSA"	Santander Consumer USA Holdings Inc., together with Santander Consumer USA Inc. and its subsidiaries. SCUSA is publicly traded and 60.5% owned by SHUSA.
"Factories"	Santander's wholly-owned global shared service entities.
"Plan"	The U.S. resolution plan required to be submitted by Santander by December 31, 2015.

Executive Summary

U.S. Resolution Plan

Banco Santander, S.A. (“Santander”) has developed this resolution plan (the “Plan” or "Resolution Plan") for the U.S. operations of Santander 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 liquidate 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 a detailed road map for the orderly resolution of the U.S. operations of Santander under a hypothetical stress scenario and the failure of its Material Entities ("MEs").

Santander, 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's U.S. operations, which are conducted primarily through the MEs set forth and described in Section 1.1 below, and the Core Business Lines ("CBLs") described in Section 1.2 below.

In addition to the MEs, Santander owns, directly or indirectly, the following subsidiaries or branches: Santander’s New York Branch (“Santander NYB”), with $11.4bn in assets regulated by the New York State Department of Financial Services and the FRB; Abbey National Treasury Services plc’s Connecticut branch, with $12.9bn in assets regulated by the Connecticut Department of Banks and the FRB; Santander Investment Securities Inc., a New York broker-dealer with assets of $1.5bn 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"); Banco Santander International, an Edge corporation based in Miami, Florida, with $6.8bn in assets subject to supervision by the FRB; and Totta & Acores, Inc. based in Newark, New Jersey, with branches in Massachusetts and Connecticut and assets of $0.6bn subject to supervision by the FRB and the banking departments of New Jersey, Massachusetts, and Connecticut as a money transmitter.

Other U.S. subsidiaries include Santander BanCorp, a bank holding company in Puerto Rico that is regulated and supervised by the FRB and its main subsidiary, Banco Santander Puerto Rico, a commercial bank with $6.6bn 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, a broker-dealer subject to SEC and FINRA supervision and a member of the SIPC. Santander also owns, directly or indirectly, the following subsidiaries in Puerto Rico: Santander Overseas Bank, Inc. (an international banking entity); BST International Bank, Inc. (an international banking entity); Santander Financial Services, Inc. (a consumer finance company); Santander Asset Management USA LLC (an inactive firm awaiting approval from the FRB as of December 31, 2014); and Santander Asset Management, LLC (manages mutual funds and invests in public equity and fixed income markets of Puerto Rico for investment companies, high net worth individuals, banking or thrift organizations, pension and profit sharing plans, charitable organizations, corporations, state or municipal government entities, and private organizations created by law).

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, 2014, unless otherwise indicated.

Santander Group

The Santander Group (the "Group") is structured as a coordinated whole of differentiated parts. This is the result of a series of organizational and management practices rooted in the Group, such as:

- From a business point of view, 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, even though in some of the most relevant financial markets (e.g., New York and London) local branches of business units from other geographic areas 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 must obtain its own liquidity resources and maintain capital commensurate with its activities.

- 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 core IT, software programming, data control payroll, and employee benefit services.

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 addition, the existence of local units established as legal entities with their own corporate governance facilitates the work of local authorities because they can identify the entities and responsible parties that are subject to supervision. This enables more local control over supervision than would be possible with branches. This structure also allows local regulators to better understand and supervise the relationships between each unit and others of the Group. Further, the autonomy of the Group's subsidiaries would limit, in times of crisis, contagion among its various units. This reduces the potential for systemic risk and would facilitate the management and resolution of crises while enabling the Group to provide incentives for good local management.

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 1,023bn in managed funds, 117mm customers, 12,951 branches, and 185,405 employees as of December 2014.

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, as well as the unit of runoff real estate in Spain.

    - U.S.: This includes the businesses of SBNA, SCUSA, 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). Hedging positions in each country are conducted through assets and liability committees.

    - 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 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"), which is currently comprised of the Bank of Spain (home resolution authority), the Bank of England, and the Bank of Brazil.

Santander's planning for resolution is subject to the overarching framework of Spain's Law 11/2015 (June 18, 2015) on the recovery and resolution of credit institutions and investment firms ("Ley 11/2015, de recuperación y resolución de entidades crédito y empresas de servicios de inversión" - hereinafter "the

Spanish Law"), which transposed to domestic law the European Union 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").

The 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 (described under article 58). 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, discussed above, 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.

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 the parent company of SBNA and owns a 60.5% interest in SCUSA as of December 31, 2014. With the conversion of SBNA to a national association on January 26, 2012, SHUSA became a bank holding company and, for purposes of resolution planning, presently owns or has an interest in all of Santander's CBLs operating in the United States.

SHUSA's principal executive offices are located at 75 State Street, Boston, Massachusetts. SHUSA is a wholly-owned subsidiary of Santander.

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

SBNA is a national banking association having over 700 retail branches, approximately 2,100 ATMs, and approximately 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.

Santander Consumer USA Inc. ("SCUSA")

SCUSA 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. On January 23, 2014, SCUSA's parent, Santander Consumer USA Holdings Inc., executed its initial public offering. SHUSA maintains a 60.5% ownership in SCUSA.

The Factories

The following four entities, the Factories, are affiliates of Santander, 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 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 Santander entities use in their daily activity. Produban hosts all of the equipment in appropriate data centers and provides IT systems connectivity. Produban also installs and updates software required and contracts for third parties' maintenance of hardware, software, and telecommunication lines. Produban is responsible for building the infrastructure part of technological projects; purchasing, installing, and configuring IT systems; and analyzing possibilities to make IT infrastructure more efficient.

Santander Global Facilities, SL ("SGF")

SGF is a Spanish limited liability company subsidiary of Santander based in Madrid, Spain, that provides services to Santander and its affiliates including integrated management of real estate, general services, physical security, and employee payroll and benefits.

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.

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.: SBNA Retail Banking and Customer Experience (also referred to as "Retail Banking"), SBNA Commercial Banking, SBNA Auto Finance, SBNA Global Banking and Markets ("GBM"), and SCUSA Vehicle Finance.

SBNA Retail Banking and Customer Experience

The Retail Banking and Customer Experience business is organized into six geographic markets that comprise over 700 branch locations and approximately 2,100 ATMs to serve approximately 1.7mm customers. SBNA's branches offer a wide range of products and services. These include a variety of deposit instruments and certain consumer loans, such as home equity loans and other consumer loan products. SBNA's branches also provide small business loans.

SBNA's product groups reach customers through two major distribution units:

- The "Network," consisting of SBNA's retail branches and district and regional banking offices; and
- Alternative Channels, consisting of ATMs, the Customer Call Center, outbound telemarketing, the public website, online banking, and mobile banking.

The Retail Banking and Customer Experience segment includes product units: Consumer, Mortgage, Cards, and Small Business Banking.

- Consumer: The Consumer unit (also referred to as Core Consumer) provides consumer deposit accounts and transactional services, home equity lines of credit, direct auto loans, and unsecured personal loans. This unit focuses on serving customers in SBNA's primary service area through the Network and Alternative Channels. The Consumer unit also coordinates Retail Banking and Customer Experience's overall marketing strategy and analysis efforts.
- Mortgage: The Mortgage unit (also referred to as Mortgage Banking) originates and services mortgages secured by 1- to 4-unit residential properties. The vast majority of its business involves agency-conforming, 30-year mortgages for customers in SBNA's primary service area. Mortgage also offers government-insured loans (typically sold "servicing released" to correspondent banks), as well as "jumbo" mortgages that exceed agency-conforming loan limits. Mortgage originates loans through approximately 224 Mortgage Development Officers ("MDOs") and 326 independent mortgage brokers located in SBNA's primary service area. Most MDOs do not work from branch locations but are affiliated with individual SBNA branches. SBNA currently sells approximately sixty percent of its conforming mortgage production and holds the rest on-balance sheet in the form of whole loans or agency MBS.
- Cards: The Cards unit issues credit cards as well as network-branded debit cards to consumer and business checking customers. The unit also provides merchant processing services through a partnership with First Data Corp. The Cards unit focuses on customers in SBNA's primary service area. It also serves a small number of out-of-footprint merchant processing customers referred by First Data Corp.
- Small Business Banking: Small Business Deposit products include business checking accounts that are both interest- and non-interest bearing. Within the interest-bearing checking portfolio, some balances are held in automated investment sweep accounts, primarily repurchase

agreements. These deposits are managed by the Director of Small Business Products, as part of the Retail Banking and Customer Experience area managed by the Managing Director of Retail Banking. Within the business line, deposits are managed by a product-focused team and supported by a product analyst.

SBNA Commercial Banking

The Commercial Banking segment provides the majority of SBNA's real estate ("RE") platforms, such as commercial real estate loans, multi-family loans, commercial and industrial loans, and SBNA's related commercial deposits, as well as specialty and government banking.

- Commercial Real Estate ("CRE"): 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.

- Multifamily: The Multifamily business (also known as "SREC Multifamily") specializes in long-term permanent financing of stabilized market-rate and affordable multifamily buildings with a concentration in Metro New York.

- Middle Market: The Middle Market unit focuses on serving businesses with annual revenues of $20mm to $500mm in SBNA's primary service area. Middle Market offers customers secured and unsecured commercial financing, commercial equipment leasing, and specialized products provided by other Corporate Banking units, GBM, and Retail Banking and Customer Experience. It also originates and manages syndicated loans and participates in or co-manages loan syndications arranged by other institutions.

- Business Banking: The Business Banking unit focuses on serving businesses with annual revenues of $5mm to $20mm in SBNA's primary service area. Business Banking offers customers secured and unsecured commercial financing, commercial equipment leasing, and specialized products provided by other Corporate Banking units, GBM, and Retail Banking and Customer Experience.

- Asset-Based Lending: The Asset-Based Lending group provides business customers with revolving, formula-based lines of credit secured by accounts receivable and inventory, term loans secured by fixed assets, and RE loans secured by owner-occupied real estate. It also originates and manages syndicated asset-based loans and participates in, or co-manages asset-based loan syndications arranged by other institutions.

- Specialty Businesses: Specialty Businesses includes the Mortgage Warehouse, Oil and Gas (Energy), and Government Banking businesses.

    - Mortgage Warehouse: The Mortgage Warehouse group provides revolving lines of credit to mortgage bankers secured by residential mortgages pending sale to secondary market investors.

    - Energy Finance: The Energy Finance group provides financing mainly to exploration and production companies through reserve-based lending and to midstream operators in the oil and gas industry.

    - Government Banking: The Government Banking group 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: The Products and International Business Group is made up of the following sub-groups:
  - Transaction Banking Group: The Transaction Banking group provides cash management and transactional services to GBM, Commercial and Government Banking and Small Business banking.
  - Trade Finance Group: The Trade Finance group covers the sale of trade services and international solutions to all Commercial and Retail Banking and Customer Experience clients of the Bank.
  - International Desk: The International Desk services customers in the U.S. referred by other members of the Santander Group abroad and supports U.S. clients when they need to establish a local presence in another market by providing market advice and full access to local products and relationship managers ("RMs"). Business segments supported are Commercial Banking and Retail Banking and Customer Experience.
  - International Financial Institutions Group: The International Financial Institutions Group provides relationship coverage for domestic and foreign financial institutions and facilitates trade, transactional services, and treasury business for other units of the Bank.
  - Equipment Finance and Leasing Group: The Equipment Finance and Leasing group services GBM and Commercial Banking clients of the Bank with equipment finance facilities.

SBNA Auto Finance

SBNA Auto Finance is comprised of three distinct business lines: Consumer Leasing, Commercial Equipment Vehicle Finance Group ("CEVFG"), and Dealer Lending.

Consumer Leasing

Consumer Leasing provides Prime and Super-Prime consumer automobile leases, ranging on average from two to four years, for the Chrysler, Jeep, Dodge, Ram, and Fiat brands nationwide.

SBNA contracted with its affiliate SCUSA to originate and service the consumer leasing portfolio under the “Chrysler Capital” brand on SBNA’s behalf. This contract began on January 17, 2014. SBNA chose to let this contract expire on May 9, 2015, and the business line is not currently originating any new applications. At the time of operation, an automated origination process was conducted through franchised Chrysler dealers nationwide and was originated on the dealer platforms. Deals conforming to SBNA’s credit policy were funded directly by SBNA.

In addition to originations, SCUSA has also been engaged to manage servicing related to SBNA's leasing business. The servicing contract with SCUSA will remain in place until the portfolio matures. During this time, all operational compliance is executed by SCUSA in accordance with SBNA policies. SBNA monitors compliance through site visits, monitoring of reports and KPIs and through select transactional testing. The servicing contract includes maintaining systems, billing, customer services and end-of-term functions.

Commercial Equipment Vehicle Finance Group ("CEVFG")

CEVFG is a national finance business located in Melville, New York, comprised of three main businesses:

- Commercial Vehicle Finance Group, providing term loan financing for commercial vehicles, with a concentration in the towing sector. Santander has affiliations with AAA and Miller Industries that act as sources of new loan applicants.

- Municipal Lease Financing, providing funding for municipalities to acquire essential use equipment such as transportation vehicles, police vehicles, fire trucks, and emergency communication equipment.

- Vehicle Funding, providing the funding of lessors to purchase and lease vehicles.

CEVFG performs the servicing of the accounts including underwriting, funding, billing, and collections for the majority of the loans/leases.

Dealer Lending

Dealer Lending provides commercial credit to franchised automobile dealers in the U.S. It is delivered under two brands: within SBNA's footprint under the Santander Bank brand (all manufacturers) and nationally to Chrysler or related dealers under the Chrysler Capital brand. The flagship product is a specialized commercial revolving line of credit called a "floorplan" line which is used to provide vehicle inventory financing. In addition to floorplan lines, dealerships occasionally require other traditional commercial credit offerings, such as commercial real estate construction loans and mortgages for their dealership properties, term loans, and lines of credit, as well as deposit products and cash management services.

SBNA Global Banking and Markets

GBM covers clients that, due to their size, complexity, or sophistication, require a tailored service of high value-added wholesale products. SBNA's GBM unit is part of a global business, which leverages global capabilities and networks to cover client needs.

SBNA's GBM unit in the U.S. operates out of Boston and New York, and maintains a staff of approximately 143 individuals. SBNA's GBM unit provides services in the U.S. to global clients and books the revenue from these services locally. GBM has a client coverage group that currently covers two different types of clients:

- MRG (Global Relationship Model - from Spanish Modelo de Relacion Global): U.S. clients with sales of over $2bn, presence in two or more of Banco Santander, S.A.'s core markets, and potential customers of at least three products. In addition, the needs of the U.S. subsidiaries of non-U.S. MRG clients are covered directly by the GBM U.S. team.

- Large Corporates: U.S.-based companies with sales between $500mm and $2bn and usually operating within SBNA's core U.S. industry segments.

GBM has three product teams which assist clients in obtaining access to certain product categories. These product teams are Global Transactional Banking ("GTB"), Financial Services and Advisory ("FSA"), and Rates.

SCUSA Vehicle Finance

The SCUSA Vehicle Finance CBL is an originator and servicer of auto loans, historically focused in the subprime credit sector, but increasingly diversifying auto financing activities across a variety of credits and products. The CBL primarily engages in the purchase, securitization, and servicing of retail installment contracts in auto finance, recreational vehicles, and other similar segments. SCUSA Vehicle Finance acquires retail installment contracts principally from manufacturer franchised dealers in conjunction with their sale of used and new automobiles and light duty trucks to retail consumers.

1.3 Summary Financial Information

For the purposes of resolution planning, Santander, as a foreign-based Covered Company, is presenting consolidated financial information for its U.S. operations, notwithstanding that the entities within the U.S. operations, other than SBNA and SCUSA, are not legally, or for regulatory purposes, consolidated into SHUSA. Accordingly, certain financial information may not wholly correspond with SHUSA's public financial reporting since it includes financial information of entities that are not subsidiaries of SHUSA under U.S. securities laws. In addition, the description of Santander's organizational structure contained in this Plan may not wholly correspond to the reports filed by SHUSA with the FRB because certain Santander subsidiaries that are engaged in activities in the United States are exempt from such filings.

A consolidated balance sheet for the U.S. operations of the Covered Company is included in the exhibit below.

Exhibit 1.3 - 1: Santander U.S. Consolidated Balance Sheet as of December 31, 2014

Balance Sheet	($mm)
Assets	
Cash and Due from Banks	21,158
Investment Securities	23,798
Loans	85,082
Allowance for Loan Losses	(2,229)
Goodwill and Intangibles	8,943
Fixed Assets	891
Other Assets	17,192
Total Assets	**154,828**
Liabilities	
Deposits	76,437
Debt Obligations	45,230
Other Liabilities	6,951
Total Liabilities	**128,618**
Shareholders' Equity	**26,211**
Total Liabilities and Equity	**154,828**

Production of financial statement information is driven by the consolidation of the respective entities within the U.S. operations of Santander. Consolidation activities are based upon the aggregation of asset and liability values in addition to the removal of related intercompany transactions. To arrive at values for the U.S. operations of Santander, consolidation activities occur across all the entities that operate within the U.S. The financial information for these individual entities, representing the consolidating schedule for purposes of this Plan, has been included in the exhibit below.

Exhibit 1.3 - 2: Santander U.S. Unconsolidated Balance Sheet as of December 31, 2014

Balance Sheet ($mm)	SAN US	SHUSA	BSPR	BSI	SAN NY[1]	Abbey U.S.	Others
Assets							
Cash and Due From Banks	21,158	2,235	1,311	3,192	6,843	7,005	572
Investment Securities	23,798	17,559	216	—	128	5,896	—
Loans	85,082	76,293	4,576	3,454	4,149	—	(3,390)
Allowance for Loan Losses	(2,229)	(2,109)	(117)	(2)	(1)	—	—
Goodwill and Core Deposit Intangibles	8,943	8,892	11	40	—	—	—
Fixed Assets	891	855	18	7	6	5	—
Other Assets	17,192	14,733	534	129	1,791	3	2
Total Assets	**154,828**	**118,457**	**6,550**	**6,820**	**12,909**	**12,908**	**(2,816)**
Liabilities and Equity							
Deposits	76,437	52,474	4,494	5,837	9,324	4,135	174
Debt Obligations	45,230	39,710	3	48	70	8,789	(3,390)
Other Liabilities	6,951	3,770	160	78	2,927	15	2
Total Liabilities	**128,618**	**95,954**	**4,656**	**5,963**	**12,321**	**12,938**	**(3,214)**
Total S.H. Equity	**26,211**	**22,504**	**1,893**	**857**	**588**	**(30)**	**398**
Total Liabilities & Equity	**154,828**	**118,457**	**6,550**	**6,820**	**12,909**	**12,908**	**(2,816)**

Capital

Capital for Santander U.S.'s operations is primarily held within SHUSA, SBNA, and SCUSA. SHUSA, as a bank holding company under federal regulations, is required to prepare an annual Capital Plan and is required to maintain prescribed regulatory capital ratios in accordance with FRB requirements. Capital for resolution planning purposes is described below.

Exhibit 1.3 - 3: SHUSA Consolidated Capital Ratios as of December 31, 2014

SHUSA (Consolidated)	Detail ($bn)
Common Equity Tier 1 Capital	13.1
Tier 1 Capital	14.3
Tier 2 Capital	2.1
Total Risk Based Capital	16.4
Total Risk Weighted Assets	106.8
Ratios	
Common Equity Tier 1 Ratio (CET1)	12.2%
Tier 1 Capital Ratio (T1C)	13.4%
Total Capital Ratio (TC)	15.4%
Tier 1 Leverage Ratio (T1L)	13.1%

[1] In Exhibit 1.3 - 2, Santander U.S. Unconsolidated Balance Sheet as of December 31, 2014, SAN NY includes Santander New York Branch and Santander Investment Services.

SHUSA maintains “well capitalized” capital ratios under the FRB’s requirements. Its Common Equity Tier 1 ratio is well above the FRB’s minimum for Common Equity Tier 1 ratios.

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 U.S.'s material entities.

SHUSA

SHUSA is primarily funded by debt issuances and capital contributions from Santander and dividends and distributions from SBNA and SCUSA. The following exhibit shows SHUSA's borrowing profile as of December 31, 2014.

Exhibit 1.3 - 4: SHUSA Unconsolidated Borrowings as of December 31, 2014

SHUSA Debt Summary by Type	($mm)
Short-Term	600
Long-Term	974
Total Wholesale Borrowings	**1,574**
Senior	1,574
Subordinated	—
Real Estate Investment Trust (“REIT”) Preferred	—
Total Bank Debt	**1,574**
Secured	—
Unsecured	1,574
Trust Preferred	235
Total SHUSA Debt	**1,809**
Brokered Deposits	—
Non-Brokered Deposits	—
Total Deposits	**—**

SHUSA had no outstanding subordinated debt at December 31, 2014.

The Long-Term Debt Schedule below reflects that the majority of SHUSA’s debt matures in 2015 and beyond. SHUSA's first debt matures in 2015.

Exhibit 1.3 - 5: SHUSA Unconsolidated Debt Schedule as of December 31, 2014

Long-Term Debt Schedule	($mm)
2015	600.0
2016	475.0
2017	—
2018	499.0
2019	—
2020 +	235.0
Total Long-Term Debt	**1,809.0**

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 supports SBNA's ability to fund its activities through contributions to capital from time to time. The following exhibit shows SBNA's borrowings as of December 31, 2014.

SBNA Borrowings as of December 31,2014, are detailed in the exhibit below.

Exhibit 1.3 - 6: Santander Bank, N.A. Borrowings as of December 31, 2014

SBNA Debt Summary by Type	($mm)
Short-Term	6,070
Long-Term	3,385
Total Wholesale Borrowings	**9,455**
Senior	—
Subordinated	674
REIT Preferred	153
Total Bank Debt	**827**
Brokered Deposits	2,350
Non-Brokered Deposits	52,298
Total Deposits	**54,648**

As of December 31, 2014 SBNA's secured and unsecured liabilities were as follows:

Exhibit 1.3 - 7: Santander Bank, N.A. Secured and Unsecured Liabilities as of December 31, 2014

Liabilities ($mm)	Secured	Unsecured
Customer Deposits	—	50,402
Government/Municipal Deposits	4,246	—
Securities Sold Under Agreements to Repo	—	356
Trading Liabilities	247	—
Other Borrowed Money	9,609	—
Subordinated Notes	—	674
Other Liabilities	—	1,747
Total	**14,102**	**53,179**

The Long-Term Debt Schedule below indicates that the majority of SBNA's debt maturities occur in 2015 – 2020.

Exhibit 1.3 - 8: Santander Bank, N.A. Debt Schedule as of December 31, 2014	
Debt Schedule	**($mm)**
2015	6,070
2016	900
2017	1,985
2018	998
2019	142
2020+	188
Total Long-Term Debt	**10,283**

SCUSA

SCUSA's borrowing profile as of December 31, 2014 (summarized below) reflects various lines of credit and securitization funding available to SCUSA.

Exhibit 1.3 - 9: Santander Consumer USA Facility Summary as of December 31, 2014

Funding Type	Lender	Facility	Utilized ($mm)	Total ($mm)	Available ($mm)
Group Funding	Santander NYB	SCF 3 LLC - Secured	473	1,750	—
		SCF 3 LLC - Unsecured	1,277		
	Santander NYB	SCF 5 LLC - Secured	763	1,750	610
		SCF 5 LLC - Unsecured	377		
	Santander NYB	SCCAF LLC - Secured	1	500	—
		SCCAF LLC - Unsecured	499		
	Santander NYB	SCCAF 5 LLC - Secured	—	500	500
		SCCAF 5 LLC - Unsecured	—		
	SHUSA	SCAF2	300	300	—
Third Party Funding	JP Morgan Chase	SCR 3 LLC	244	500	256
	Credit Suisse	SCR 4 LLC	—	500	500
	Citi	SCR 7 LLC	397	1,244	847
	Deutsche Bank /Barclays / Royal Bank of Canada / Bank of America	SCR 10 LLC	1,052	2,500	1,448
	Various	CCMARF LLC - Loan	766	4,300	3,534
		CCMARF LLC - Lease	1,435	1,435	—
	Citi	SCCF 1 LLC	200	200	—
	Morgan Stanley	SCAF 1 LLC	175	175	—
	Wells Fargo	SCR 11 LLC	469	750	281
	Credit Suisse	SCCF 2 LLC	240	250	10
	Bank of America Merrill Lynch	BAML Residual Facility	250	250	—
Third Party Amortizing	Deutsche Bank	SCR 9 LLC	173	173	—
	Citi	FAF LLC	6	6	—
	JP Morgan Chase	SCARF 2011-A	859	859	—
	DB	SCARF 2013-B1	329	329	—
	JP Morgan Chase	SCARF 2013-B2	371	371	—
	JP Morgan Chase	SCARF 2013-B3	375	375	—
	JP Morgan Chase	SCARF 2013-L1	1,554	1,554	—
	Citi	SCUSA 2014-B1	473	473	—
	RBC	SCUSA 2014-L1	405	405	—
	DB	SCUSA 2014-B2	236	236	—
	SocGen	SCUSA 2014-B3	396	396	—
	Citi	SCUSA 2014-B4	452	452	—
	Wells Fargo	SCUSA 2014-B5	652	652	—
Securitization Bonds	SCUSA Bonds	Securitized Bonds	11,437	11,437	—
Other	Santander NY	DRH LP	—	500	500
	BlackRock	Short-term Repo	251	251	—
	UBS	Repo Repurchase	251	251	—

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

Exhibit 1.3 - 10: Santander Consumer USA Debt Schedule as of December 31, 2014	
Long-Term Debt Schedule	**($mm)**
2015	3,157.5
2016	6,512.6
2017	2,019.9
2018	3,430.4
2019 +	12,727.0
Total Long-Term Debt	**27,847.5**
Less: Unamortized Debt Issuance Costs	(36.2)
Net Debt	**27,811.3**

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's U.S. MEs is a market maker in derivative products nor do any Santander U.S. MEs use derivatives for speculative purposes.

As part of their overall risk hedging strategies, the U.S. MEs use derivative contracts as hedges to mitigate exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, and to mitigate exposure to variability in expected future cash flows. The majority of derivative contracts are booked at SBNA. However, SHUSA and SCUSA may book derivative positions from time to time to mitigate their respective interest rate risk.

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 SCUSA 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 leverages its FMU and FI relationships and 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.

SCUSA 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 SCUSA. JP Morgan Chase serves as SCUSA'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, SCUSA 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, 2014, SBNA had approximately $633mm 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 would designate the Fund for the Orderly Restructuring of the Banking Sector (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, a bank holding company. 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.

SCUSA 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. branches are 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 2014 filed with the SEC.

1.8 Principal Officers

The following chart shows SHUSA's principal officers as of June 30, 2015.

Exhibit 1.8 - 1: SHUSA Principal Officers as of June 30, 2015

Name	Title
Scott Powell	President and Chief Executive Officer
Gerald Plush	Chief Financial Officer and Senior Executive Vice President
Brian Gunn	Chief Risk Officer and Senior Executive Vice President
Enrique Larrainzar	SHUSA Chief Internal Auditor and Executive Vice President
Carmen Briongos	SHUSA Managing Director of Human Resources and Organizational Efficiency and Senior Executive Vice President
Julio Somoza	SHUSA Managing Director of Technology and Operations and Senior Executive Vice President
Christopher Pfirrman[2]	General Counsel and Senior Executive Vice President
Peter Grieff	Director of Communications and Corporate Affairs and Senior Vice President

The following chart shows SBNA's principal officers as of June 30, 2015.

Exhibit 1.8 - 2: SBNA Senior Officers as of June 30, 2015[3]

Name	Title
Roman Blanco[4]	President and Chief Executive Officer
Melissa Ballenger	Chief Financial Officer and Executive Vice President
Marcelo Brutti	Chief Risk Officer and Senior Executive Vice President
Lisa VanRoekel	Chief Human Resources Officer and Executive Vice President
Christina Patilis[5]	Chief Internal Auditor
Laura O'Hara	General Counsel and Senior Executive Vice President
David Chaos[6]	Managing Director of Technology and Operations and Senior Executive Vice President
Maria Tedesco	Managing Director of Retail Banking and Senior Executive Vice President
Michael Lee	Managing Director of Commercial Real Estate and Executive Vice President
Cameron Letters	Managing Director of Commercial Banking and Executive Vice President
Federico Papa	Managing Director of Global Banking and Markets and Senior Executive Vice President
Jack Murphy	Managing Director of Auto Finance and Alliances and Executive Vice President
James Kappel	Chief Communications Officer and Senior Vice President

[2] Christopher Pfirrman was replaced by Michael Lipsitz as General Counsel and Senior Executive Vice President in August 2015.

[3] After June 30, 2015, Michael Cleary was appointed to a new position named Head of Consumer Banking and Senior Executive Vice President.

[4] Roman Blanco was replaced by Scott Powell as President and CEO on July 30, 2015.

[5] Christina Patilis left SBNA and was succeeded by Antonio Martinez on July 30, 2015. Antonio Martinez is the interim replacement, and a formal replacement is expected.

[6] David Chaos was replaced by Fernando Diaz as Managing Director of SBNA Technology and Operations after June 30, 2015.

The following chart shows SCUSA's principal officers as of June 30, 2015.

Exhibit 1.8 - 3: SCUSA Senior Officers as of July 2, 2015[7]	
Name	**Title**
Jason Kulas	CEO
Jennifer Popp Davis	(Interim) Chief Financial Officer
Jason Grubb	President and Chief Operating Officer
Brad Martin	Chief Operating Officer
Eldridge Burns[8]	Chief Legal Officer
Michelle Whatley	Chief Human Resources Officer
James Fugitt	Chief Information Officer
Michele Rodgers[9]	Chief Compliance Officer
Peter Moenickheim	Chief Risk Officer

[7] Although other ME organizational structures are described as of June 30, 2015, SCUSA underwent managerial changes on July 2, 2015. This updated management as of July 2, 2015, is reflected.

[8] Eldridge Burns was replaced by Christopher Phirrman as Chief Legal Officer in August 2015.

[9] In October 2015, Michele Rodgers left her role as SCUSA's CCO. SCUSA's compliance program is being overseen by Michael Lipsitz until a new CCO is identified.

1.9 Resolution Planning Corporate Governance

Governance of this Resolution Plan integrates oversight by key stakeholders and senior executives from Santander U.S.'s MEs and CBLs, with review and recommendation for approval from certain management committees and SHUSA's Board of Directors.

Santander has delegated authority for oversight and approval of the plan to Scott Powell, the Santander U.S. Country Head and CEO of SHUSA. In order to obtain approval from the Santander U.S. 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, other supporting governing committees provide oversight to the development and approval of the Plan.

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 ("BRC").

SHUSA ALCO monitors the development and oversight of the resolution planning process. ALCO members include, among others: the SHUSA & SBNA Chief Executive Officer; Chief Financial Officers for SHUSA, SBNA and SCUSA; SHUSA's Chief Risk Officer; SHUSA's Chief Market Risk Officer; SHUSA's Treasurer; SHUSA's Comptroller; and SHUSA's Director of Strategic Planning.

ALCO performs the following roles:

- Provide strategic oversight to this Plan’s preparation and review process;
- Approve the U.S. resolution planning project and business-as-usual ("BAU") governance and oversight framework, including any required policies, procedures, and internal controls;
- Approve U.S. resolution planning project and governance charters, project plans, timelines, and milestones;
- Review, make, and/or approve all key resolution planning strategies and methodologies, including any significant scoping or approach change decisions;
- Monitor the resolution planning project status; and
- Communicate progress and/or issues to SHUSA’s Board ALCO and Board of Directors as appropriate.

In addition to participating in ALCO's formal management routines, the Chief, U.S. Recovery and Resolution Planning ("USRRP"), and members of the USRRP team regularly and frequently engage senior executives, including, but not limited to, SHUSA's CEO, CFO, CRO, and General Counsel, as necessary, to facilitate key decisions with respect to the resolution plan and supporting processes.

The USRRP team serves the functions of the Local Living Wills Office ("LLWO”) as set by Santander Group as a management office to oversee and design the resolution planning governance process and manage the day-to-day resolution plan development and execution. The LLWO fills the following roles:

- Perform detailed analysis of rules and guidance;
- Design resolution planning governance and processes;
- Oversee day-to-day plan development, execution, and project management;

- Recommend actions and escalate issues and critical decisions to ALCO;
- Design and implement a resolution planning policy;
- Provide oversight and assist with identification of initiatives designed to enhance resolvability of the organization;
- Define terms and maintain documentation of analysis and implementation efforts;
- Produce, assemble, and deliver this Plan and documentation for approvals; and
- Coordinate with the Santander Corporate Office of Living Wills ("COLW").

1.10 Description of Material Management Information Systems

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

SBNA

The majority of the MIS software used by SBNA has been developed internally by Isban and is supplemented with third-party vendor-developed applications. Governance, control, and maintenance of critical applications are the primary components of the MEs' technology process, which emphasizes minimal recovery times in the event of disruption. Although all systems and applications are essential to smooth and effective operations, SBNA classifies "key" systems to be all systems necessary to originate, underwrite, service, transact, manage, and report to regulators for products and accounts associated with its four CBLs: SBNA Retail Banking and Customer Experience, SBNA Commercial Banking, SBNA Auto Finance, and SBNA Global Banking and Markets.

At SBNA, MIS falls under the Technology and Operations group's responsibility. MEs that are involved with MIS activities are:

- Isban: Responsible for application development and support of in-house applications. "Partenon," also known as the "Santander IT Core," is a product of Isban and serves as SBNA's core IT platform.

- Produban: Responsible for infrastructure management and operations of in-house applications and certain key third-party systems.

The Chief Information Officer ("CIO") is responsible for providing technology solutions in accordance with corporate policies and for the oversight of services provided by Isban and Produban. On an annual basis, the CIO develops a technology plan in accordance with the business' needs. This plan is then translated into specific projects, each with a set of technology requirements that are provided to the Factories to be executed.

SCUSA

At SCUSA, MIS is managed by the in-house information technology group. While some of SCUSA's key systems are developed internally, several systems are obtained through third-party software providers. SCUSA classifies all systems with a recovery time of 24 hours or less as "key" and vital to its business and operations.

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 2015 Supervisory Scenarios for Annual Stress Tests required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule published on October 23, 2014. 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 U.S. 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 would be placed into FDIC receivership and SHUSA and SCUSA would be placed into bankruptcy under Chapter 7 and Chapter 11 of the U.S. Bankruptcy Code, respectively.

Resolution of SHUSA

In a scenario where SBNA and SCUSA 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 SCUSA 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

For the 2015 Resolution 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 produces proceeds with a similar Net Present Value ("NPV") to both the Delayed Bank Sale and the MAS. However, 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

The preferred strategy for SBNA would be for the FDIC, as receiver, to 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 large enough 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. This strategy is forecasted to be the least costly strategy in terms of the absolute impact to the DIF but 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 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 SCUSA

The preferred resolution for SCUSA 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 SCUSA’s assets as a going concern could not be consummated, SCUSA 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, SCUSA would transition its servicing business to new servicers in cooperation with its servicing contract counterparties. Thereafter, SCUSA 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, SCUSA 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 SCUSA. Certain private equity firms could each purchase SCUSA 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 SCUSA. Chrysler was also identified as an industry participant that would have an incentive and the ability to purchase a portion of SCUSA.