

SANTANDER HOLDINGS USA

SBNA LEVERAGED LENDING REVIEW MEETING

**May 12, 2015
9:00 a.m. - 10:00 a.m.**

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| Participants | Alfonso de Castro |
| | John Hennessy |
| | Carlos Cuervo |
| Presenter | Renata Waggett |
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| Minute Taker | Renata Waggett |

MEETING AGENDA – MAIN TOPICS:

- Review the March 2013 Interagency Leveraged Lending Guidance and the November 2014 FAQ for Implementing the Guidance
- Discuss Santander's Core Policy and Guidelines for Leveraged Financing in light of clarifications made in the FAQ document for Implementing the Interagency Guidance
- Revisit the Bank's HLT limit and analyze limit usage trends and related risks

MEETING RESOLUTIONPLAN – FOLLOW-UP ITEMS:

- Send out written communication to SBNA's Business and Risk Management informing that the internal HLT limit is frozen until SHUSA and SBNA management can jointly determine appropriateness of existing methodology and limit size based on deal pipeline, capital usage and related costs (i.e. insurance cost) – Target Date: By 5/19*
- Perform comparative peer analysis of leveraged lending practices and standards within the banking industry – Target Date: By 6/12
- Re-assess the adequacy of MIS and other key reporting systems with a focus on AQUA vs. Moody's tools to automate the calculation of the HLT-applicable leverage ratios (Senior Debt to EBITDA and Total Debt to EBITDA) – Target Date: By 6/12
- Reach out to Solvency and Model Development/Methodology to initiate discussions about the potential need to specifically capture the Bank's HLT Portfolio risk in to the CCAR Stress Testing and Loss Scenario analysis – Target Date: By 5/15

* Waiting for outcome of 5/18 CRC Meeting re. Policy changes being recommended by SBNA Risk