

**Meeting Between Staff of the Federal Reserve Board and Banco Santander, S.A.
January 19, 2016**

Participants: Felton Booker, Mark Buresh, Fang Du, Greg Frischmann, Sean Healey, Gary Rubin, Mark Savignac, and Robert Motyka (Federal Reserve Board)

Scott Powell, José García Cantera, Alejandra Kindelán Oteyza, Michael Lipsitz,
Juan Carlos Alvarez de Soto, and Jesse Villareal (Santander)

Summary: Staff of the Federal Reserve Board met with representatives of Santander to discuss the Board's outstanding proposal on long-term debt (LTD) and total loss-absorbing capacity (TLAC) requirements for the U.S. intermediate holding companies (IHCs) of foreign global systemically important banks (G-SIBs). The Santander representatives (i) encouraged the Board to permit IHCs of foreign G-SIBs to meet the LTD/TLAC requirements with external debt issuances, (ii) encouraged the Board to grandfather pre-existing external long-term debt for purposes of the LTD/TLAC requirements applicable to IHCs of foreign G-SIBs, (iii) expressed concerns about the calibration of the LTD/TLAC requirements for IHCs of foreign G-SIBs, (iv) expressed concern with the definitions used in the proposal and encouraged the Board to harmonize the LTD/TLAC requirements and capital requirements, and (v) expressed concern that the LTD requirements applicable to IHCs for foreign G-SIBs would cause LTD instruments issued by such IHCs to be treated as equity rather than debt for tax purposes.