



November 21, 2024

**Conditional Approval #1331  
December 2024**

*Sent by email to [david.hermer@santander.us](mailto:david.hermer@santander.us)*

David Hermer  
General Manager  
Banco Santander, S.A., New York Branch  
437 Madison Avenue  
New York, New York 10022

Re: Application by Banco Santander, S.A, Boadilla Del Monte Madrid, Spain (BSSA or Applicant), to convert its state-licensed branch to a federal branch

OCC Control Number: 2024-FBAConversionStateToFed-337826

Dear General Manager Hermer:

The Office of the Comptroller of the Currency (OCC) grants conditional approval to convert Banco Santander, S.A, New York Branch (NY Branch) located at 437 Madison Avenue, New York, New York to a federal branch with the name “Banco Santander, S.A., New York Branch” (BSNY).

This approval is granted after a thorough review of all information available as well as reliance on commitments and representations made in the application and by the Applicant’s representatives during the application process. BSNY’s capital equivalency deposit shall be maintained at an unaffiliated U.S. member bank, consistent with section 4 of the International Banking Act of 1978 (IBA), 12 USC 3102(g) and 12 CFR 28.15, and pursuant to an agreement in such form and containing such limitations and conditions as prescribed by 12 CFR 28.15.

### **I. Background and Transaction**

BSSA is headquartered in Boadilla Del Monte Madrid, Kingdom of Spain, is incorporated as a Sociedad Anónima, and is registered with the Bank of Spain under number 0049. BSSA reported total assets of nearly €1.797 trillion (\$1.987 trillion U.S.) as of December 31, 2023,<sup>1</sup> and operates globally under the commercial name Santander. BSSA is subject to the laws and regulations applicable to Spanish banks. BSSA is registered with the Companies Registry of Cantabria.

---

<sup>1</sup> See Santander.com, “2023 Annual report: Consolidated annual financial report,” available online at <https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information/annual-report> (Feb. 19, 2024, last accessed on Sept. 3, 2024).

BSSA is subject to regulatory oversight in its home jurisdiction by the Bank of Spain and by the European Central Bank on a consolidated basis.

BSSA is one of the 25 largest banks in the world and is a global systemically important bank (G-SIB).<sup>2</sup> As a financial services company, BSSA offers a range of financial products and services to its local and global customers and clients. BSSA is publicly held, and its stock is listed on the New York Stock Exchange. BSSA's primary segments in 2023 consisted of four operating areas (Europe, North America, South America, and Digital Consumer Bank) and the Corporate Centre; BSSA's secondary segments in 2023 consisted of Retail Banking, Santander Corporate & Investment Banking (SCIB), Wealth Management & Insurance (WM&I), and PagoNxt (digital payment solutions).<sup>3</sup>

BSSA conducts financial activities in the U.S. under its SCIB segment through its NY Branch, a New York state-licensed branch, Santander Bank, National Association (SBNA), and a broker dealer, Santander U.S. Capital Markets, LLC. SBNA is a direct subsidiary of Santander Holdings USA, Inc. (SHUSA).<sup>4</sup> The OCC is the primary regulator of SBNA.

NY Branch reported total assets of approximately \$67.05 billion as of June 30, 2024. NY Branch is jointly supervised by the Federal Reserve System and the New York State Department of Financial Services. NY Branch conducts typical activities of a foreign branch supporting corporate clients.

On August 5, 2024, BSSA applied to the OCC for approval to convert NY Branch to a federal branch pursuant to section 4(f) of the IBA, 12 USC 3102(f), and 12 CFR 28.12. NY Branch is not insured by the Federal Deposit Insurance Corporation. BSSA has not applied for fiduciary powers. BSSA notes that the proposed conversion will not alter the types of business conducted by NY Branch.

## **II. Legal Authority**

Conversions of state-licensed branches or agencies of foreign banks to federal branches or agencies are authorized under section 4(f) of the IBA.

Any branch or agency operated by a foreign bank in a State pursuant to State law and any commercial lending company controlled by a foreign bank may be converted into a federal branch or agency with the approval of the Comptroller. In the event of any conversion pursuant to this subsection, all of the liabilities of such foreign bank previously payable at the State branch or agency, or all of the

---

<sup>2</sup> See Financial Stability Board (FSB), "2023 List of Global Systemically Important Banks (G-SIBs)," online at <https://www.fsb.org/2023/11/2023-list-of-global-systemically-important-banks-g-sibs/> (Nov. 27, 2023, last accessed on Sept. 3, 2024).

<sup>3</sup> See *supra* n. 1, p. 1.

<sup>4</sup> SHUSA holds Santander U.S. Capital Markets LLC as an indirect subsidiary.

liabilities of the commercial lending company, shall thereafter be payable by such foreign bank at the branch or agency established under this subsection.

12 USC 3102(f).

The OCC's regulations implementing the IBA set out the process for applying to convert a state-licensed branch or agency to a federal branch or agency and the standards for approval. *See* 12 CFR 28.12. The standards of approval in 12 CFR 28.12(b) include factors set out in the IBA with respect to OCC consideration of an application to establish a federal branch or agency, 12 USC 3102(c). For further discussion of OCC policies, procedures, and standards for conversions of state branches or agencies to federal branches or agencies, see the *Comptroller's Licensing Manual*, "Federal Branches and Agencies."

The OCC reviewed the Application, considered the factors in section 28.12(b), and determined they were consistent with approval. The conversion of NY Branch to a federal branch, BSNY, is legally authorized.

### **III. Conditions**

This approval is subject to the following conditions:

1. In addition to compliance with other applicable requirements under United States law, BSSA and BSNY shall make available to the OCC such information on the operations and activities of BSSA, BSNY, and any of BSSA's affiliates (hereinafter Affiliates) that the OCC deems necessary to determine and enforce compliance by the Branch with the IBA and other applicable federal laws. If the disclosure of any required information is prohibited by law or otherwise, BSSA and BSNY shall cooperate with the OCC, including by seeking timely waivers or exemptions from any applicable confidentiality or secrecy restrictions or requirements in order to enable BSSA, BSNY, and Affiliates to make such information available to the OCC.
2. BSSA and BSNY shall consent to the jurisdiction of the federal courts of the United States and of all United States government agencies, departments, and divisions for purposes of any and all claims made by, proceedings initiated by, or obligations to, the United States, the OCC, and any other United States government agency, department or division, in any matter arising under the National Bank Act, the IBA, and other applicable federal laws.
3. BSNY shall: (i) give the OCC's Large Bank Supervisory Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan or operations; and (ii) obtain the OCC's prior written determination of no objection for any such significant deviation or change.

These conditions of approval are conditions “imposed in writing by a Federal banking agency in connection with any action on any application, notice or other request” within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

#### **IV. Conversion Requirements**

Please refer to the “Federal Branches and Agencies” booklet of the *Comptroller’s Licensing Manual* for the steps and requirements to be completed prior to conversion. In addition to other matters addressed in the “Federal Branches and Agencies” booklet, you are reminded that the following items must be satisfactorily addressed on or before the effective date of the conversion.

- BSNY must maintain adequate fidelity bond coverage.
- It is the responsibility of the board of directors, appropriate committee, or senior management to continue, review, and modify as appropriate, those policies, practices, and procedures necessary to ensure the safe and sound operation of BSNY and ensure compliance with them.
- BSNY must maintain its accounts, books, and records as prescribed by 12 CFR 28 and in such a manner as to facilitate the complete and accurate presentation of financial statements and other reports in form and content as required by the OCC.
- BSSA and BSNY must ensure that all other required regulatory approvals have been obtained.

BSNY must notify the OCC upon completion of all steps required for conversion and of the effective date.

- If the conversion is not effected within six months of the decision date, approval will automatically terminate. The OCC is opposed to granting extensions except under the most extenuating circumstances and expects the conversion to occur as soon as possible.

The *Comptroller’s Licensing Manual* is available in electronic form on the OCC’s website at <https://occ.gov>.

#### **V. Conclusion**

This conditional approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Our conditional approval is based on BSSA's and NY Branch's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this approval if a material change in the information upon which the OCC relied occurs prior to the date of the transaction to which this decision pertains.

Please include the OCC control number on correspondence related to this filing. If you have any questions, you may contact Deputy Comptroller for Licensing Stephen Lybarger at (202) 649- 6260 or [stephen.lybarger@occ.treas.gov](mailto:stephen.lybarger@occ.treas.gov); Director for Large Bank Licensing Jason Almonte at (917) 344-3405 or [jason.almonte@occ.treas.gov](mailto:jason.almonte@occ.treas.gov); or Senior Licensing Analyst Crystal Maddox at [crystal.maddox@occ.treas.gov](mailto:crystal.maddox@occ.treas.gov) or (202) 649-6334.

Sincerely,

/s/

Theodore J. Dowd II  
Acting Senior Deputy Comptroller and Chief Counsel