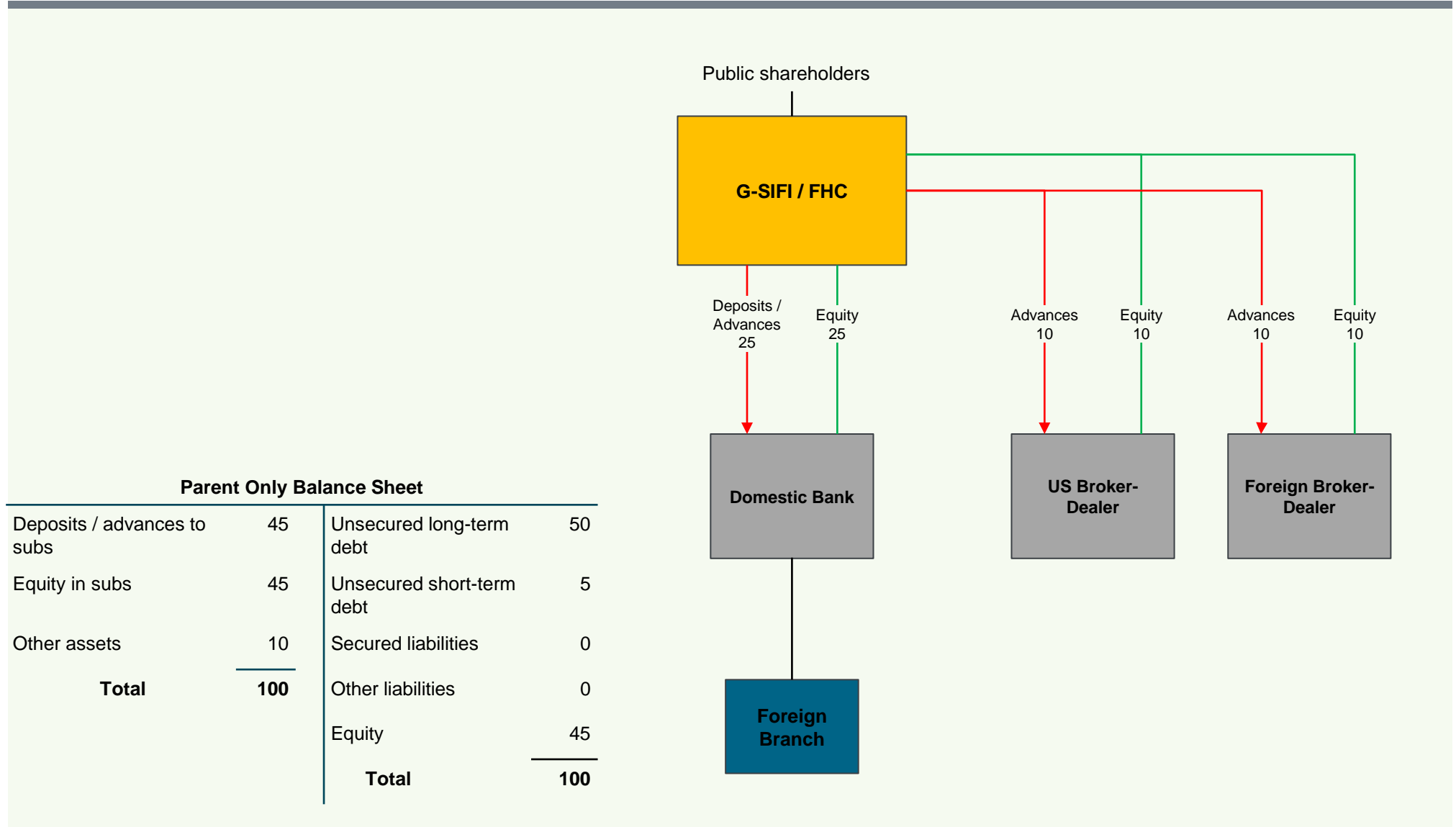


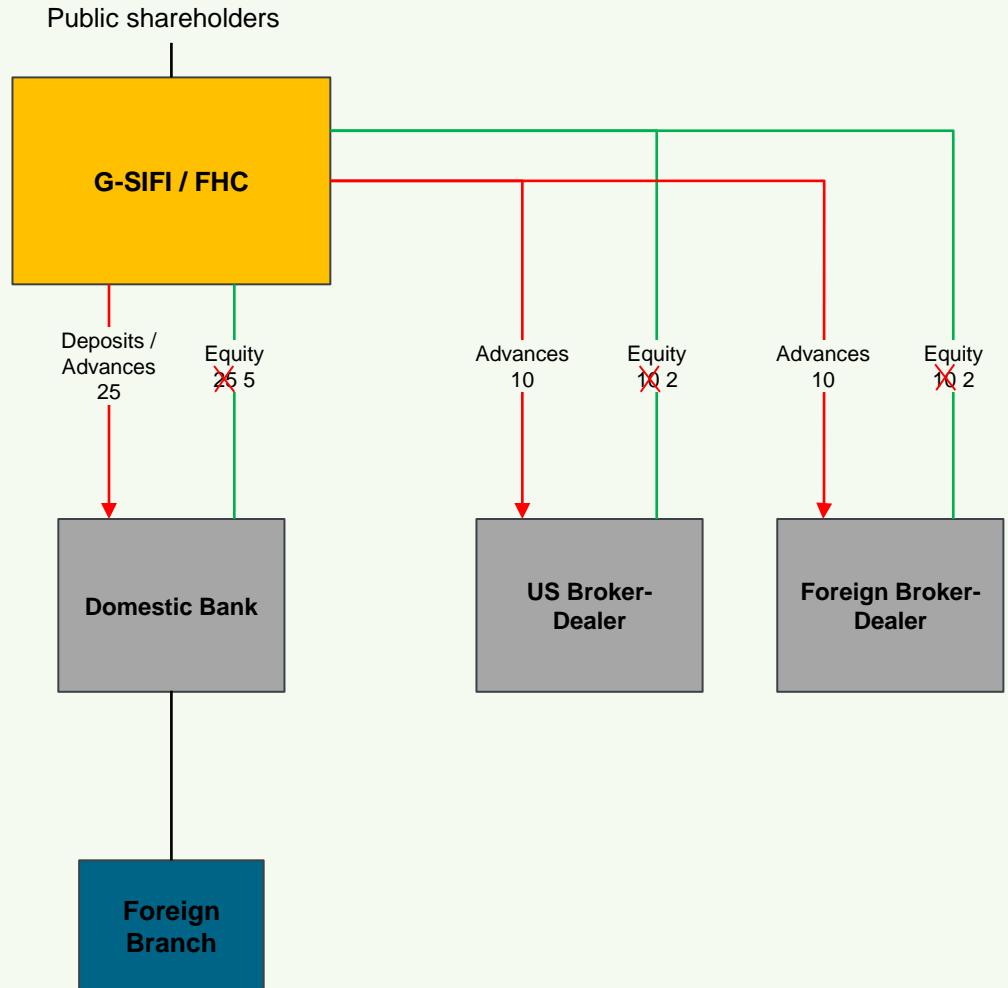
SPOE Recap Method

GROUP STRUCTURE BEFORE RECAPITALIZATION



SPOE Recap Method

HYPOTHETICAL LOSSES

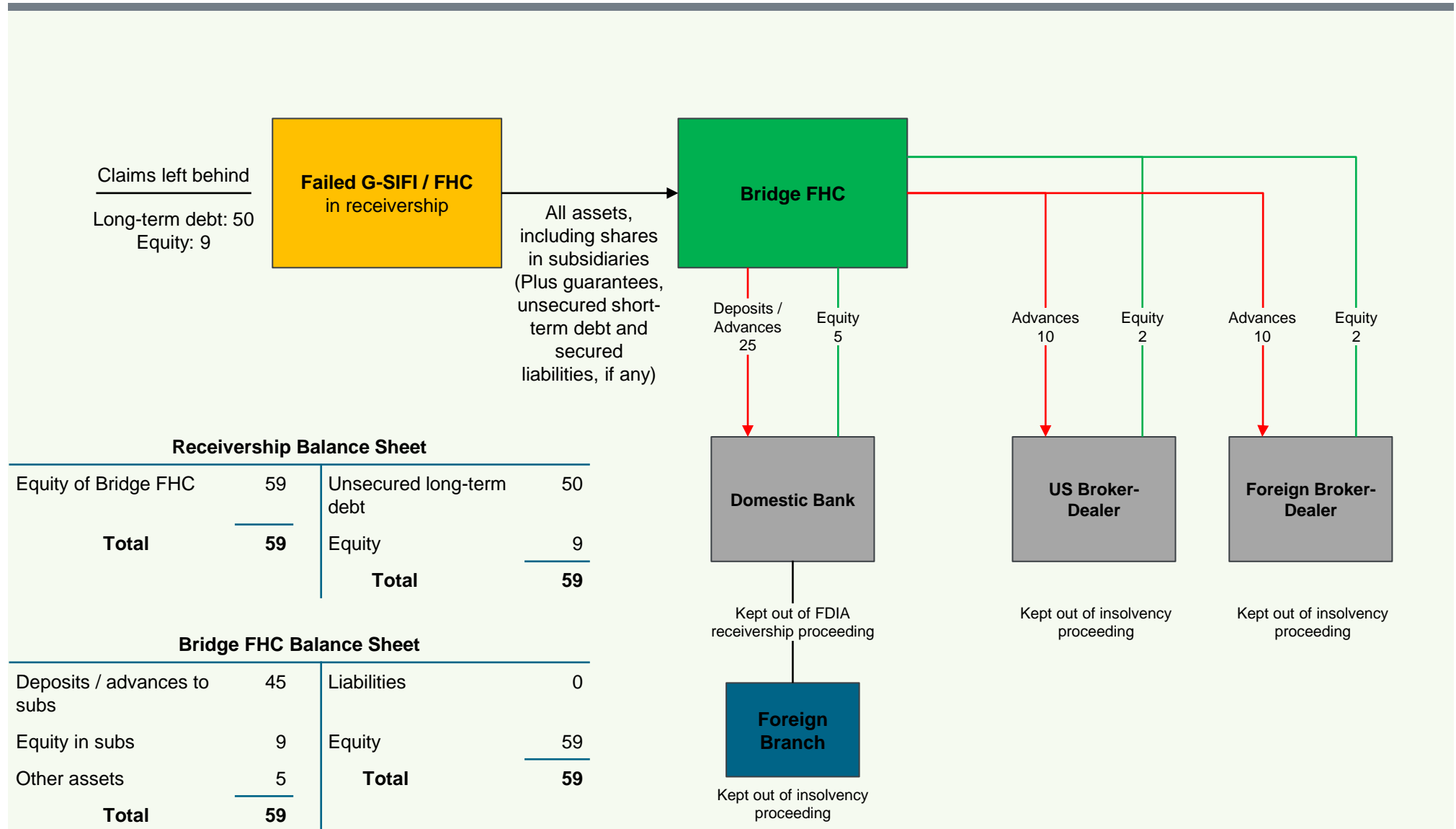


Parent Only Balance Sheet

Deposits / advances to subs	45	Unsecured long-term debt	50
Equity in subs	9	Unsecured short-term debt	0
Other assets	5	Secured liabilities	0
Total	59	Other liabilities	0
		Equity	9
		Total	59

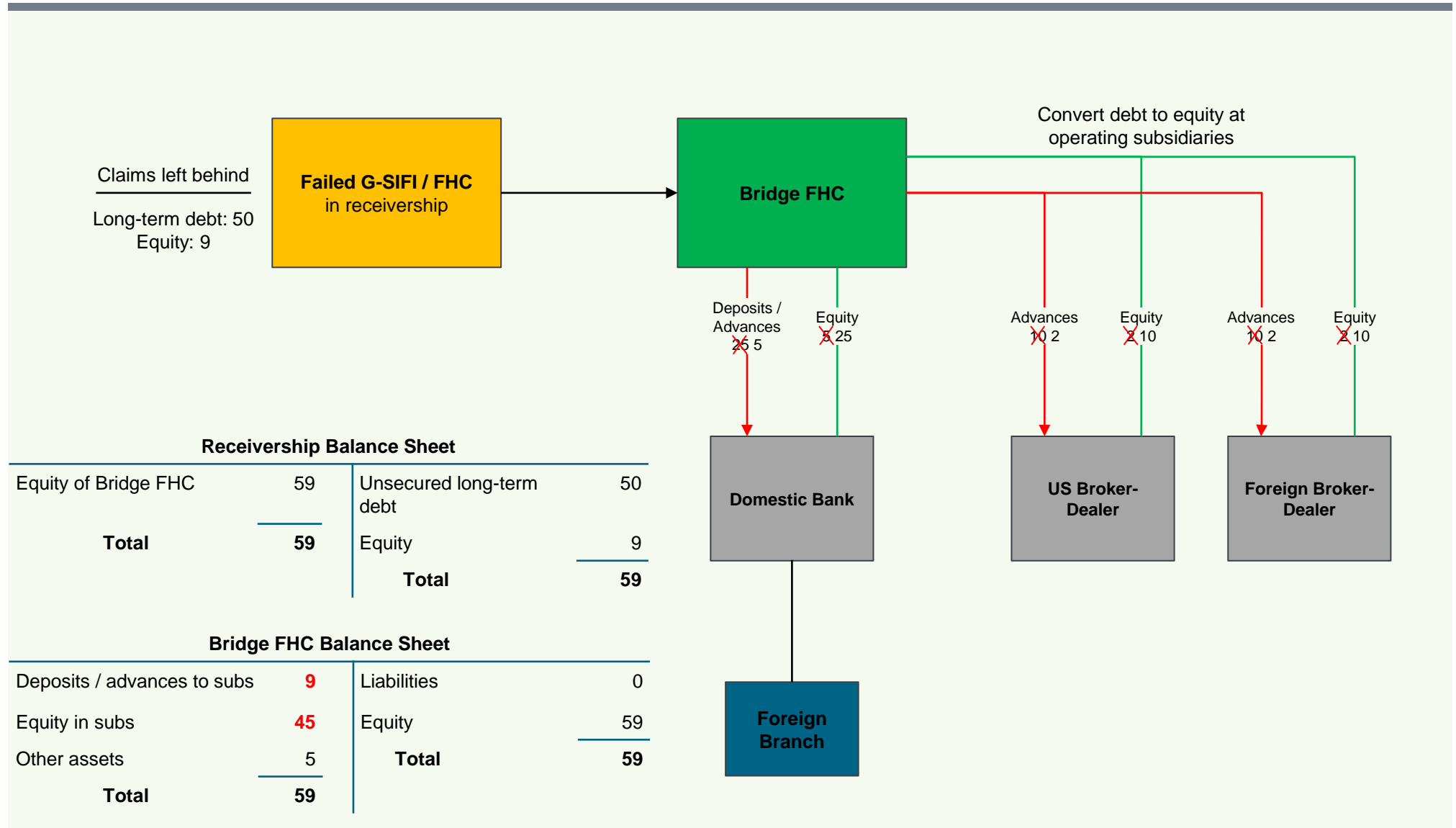
SPOE Recap Method

STEP 1: RECAPITALIZING BUSINESS TRANSFERRED TO BRIDGE HOLDCO



SPOE Recap Method

STEP 2: RECAPITALIZING OPERATING SUBSIDIARIES



SPOE Recap Method

STEP 3: DISTRIBUTION OF EQUITY IN SATISFACTION OF CLAIMS

- Unsecured long-term debt claimants receive Bridge FHC shares worth 50 in satisfaction of their claim for 50
- Equity: 0

Claimants

Failed G-SIFI / FHC in receivership

Shares in Bridge FHC distributed to left-behind claimants in satisfaction of claims in accordance with priority claims

Bridge FHC

Deposits / Advances
~~8~~ 1

Equity
25

Advances
2

Equity
10

Advances
2

Equity
10

Domestic Bank

Kept out of FDIA receivership proceeding

Foreign Branch

Kept out of insolvency proceeding

US Broker-Dealer

Kept out of insolvency proceeding

Foreign Broker-Dealer

Kept out of insolvency proceeding

Receivership Balance Sheet (Revalued)

Equity of Bridge FHC	50	Unsecured long-term debt	50
Total	50	Equity	0
		Total	50

Bridge FHC Balance Sheet (Revalued)

Deposits / advances to subs	5	Liabilities	0
Equity in subs	45	Equity	50
Other assets	0	Total	50
Total	50		

SPOE Recap Method

STEP 4: TERMINATION OF BRIDGE STATUS

Failed G-SIFI / FHC
in receivership

Bridge FHC
converts into
New FHC

New shareholders
(Old debt holders)

New FHC

Deposits /
Advances
1

Equity
25

Advances
2

Equity
10

Advances
2

Equity
10

Domestic Bank

**US Broker-
Dealer**

**Foreign Broker-
Dealer**

**Foreign
Branch**

New FHC Balance Sheet

Deposits / advances to subs	5	Liabilities	0
Equity in subs	45	Equity	50
Other assets	0	Total	50
Total	50		