

ANNUAL REPORT



2008

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VISION

To be one of the leading Nordic companies within car – leisure – and consumer finance.

VALUES

Leadership

We strive to be leaders in all the markets where we are present, by having the best teams and constantly focusing on our customers and results.

Innovation

An ongoing search for products and services that meet our customers' needs and allow us to out-perform our competitors.

Dynamism

We take the initiative and are always alert, moving in on new business opportunities before our competitors. We also have the flexibility to move with market changes.

Strength

Our solid balance sheet and careful risk management are the best guarantees of our capacity to grow and create long-term value for our shareholders.

Sales focus

The customer is the focal point of our strategy. We strive to improve the way we engage and satisfy our customers continually, as well as earning their loyalty by providing a wide range of products and services, and offering the best quality service.

Professional ethics

Beyond merely complying with legal requirements, Codes of Conduct and internal rules, we expect all Santander employees do their job with the utmost honesty and transparency, always putting the Group's interests before personal considerations.

SANTANDER CONSUMER BANK

BUSINESS AREAS

CAR AND LEISURE – NORWAY

- Financing
 - car
 - caravan
 - mc
 - boat
 - ATV
 - snow scooter
- Cooperation with more than 1000 dealers
- Approximately 130.000 customers

CREDIT CARDS - NORWAY

- Credit cards (gebyrfri.no)
- Approximately 226.000 customers

CONSUMER LOANS - NORWAY

- Consumer loans
- Approximately 7.000 customers

CAR AND LEISURE - SWEDEN

- Financing
 - car
 - caravan
 - mc
 - boat
- Cooperation with more than 600 dealers
- Approximately 58.000 customers

CAR AND LEISURE – FINLAND

- Financing
 - car
 - caravan
 - mc
 - boat
- Cooperation with more than 570 dealers
- Approximately 26.000 customers

CAR AND LEISURE – DENMARK

- Financing
 - car
- Cooperation with approximately 250 dealers
- Approximately 20.000 customers





REPORT OF THE BOARD OF DIRECTORS 2008

2008 has been a very good year for Santander Consumer Bank. Despite adverse financial and economic developments during the year ordinary profit rose 29% to a record of NOK 540 millions for the group. In addition a profit of NOK 42 millions was realized in capital gains. Total assets of the Nordic group amounted to NOK 34.982 millions at the end of the year. Santander Consumer Bank has now a strong market position in all the Nordic countries.

Company situation

Santander Consumer Bank (SCB) is a wholly-owned subsidiary of Santander Consumer Finance S.A. which is part of Banco Santander, one of the world's leading banking groups. At the end of 2008, Santander Consumer Bank had branches in Sweden and Denmark, as well as a wholly-owned subsidiary in Finland. Santander Consumer Bank's Nordic head office is at Lysaker, Norway.

Business

Santander Consumer Finance S.A. is one of the leading companies in Europe within motor and consumer finance. The goal of Santander Consumer Bank is to realise the group's visions in the Nordic market. This means that the business will be gradually expanded with new products. The company's main products will be motor and leisure finance, as well as credit cards and consumer loans.

The international financial turmoil and the following worsening in the economic climate has had a strong impact on the company, in particular the level of new business and increased write down for credit losses. For all the Nordic countries new car registrations have fallen sharply, on average 15-20%, and the downturn has been increasing over the last 6 months. The credit card business however, has maintained its momentum and experienced a growth over the year.

Norway

The increasing downturn in new car registrations has hit the business volume with a reduction in new business, however the second hand car market has maintained well resulting in a total reduction in new business volumes of 5% only. The banks market share in car finance is 27%, thereby being the market leader.

The credit Card business expanded during the year and has been less hit by the economic crisis, a total volume growth of 14% has been recorded. The market share of 5% has been stable over the year.

Consumer loans, started in 2006, has had a solid growth but is facing a lowering in the quality of applicants and consequently a low write rate.

Sweden

The business unit, which is concentrating on car finance only, has had a good year with a growth in new business of almost 20% despite the general downturn in the car market. The market share is 8% which rank the unit as one of the larger operators in the market.

Denmark

The business unit started up late 2007 and acquired the car loans portfolio of Skandiabanken Bilfinans the same year. The business has expanded strongly in 2008 and has built a solid platform for further growth. The market share is 10-12%.

Finland

The company started up early 2007 as a "green field" operations and has, during the last year built up a remarkably strong market position. At the end of the year the market share was 15% ranking the company as one of the two biggest operators.

In January 2009 SCB acquired GE Car and Consumer Loans business (GE Money OY). This will significantly add to the company's market position.

Market conditions

2008 started well but changed rapidly over the year with dramatic negative development during the last quarter. The economic environment gave rise to a fall in consumer confidence and a much reduced demand for consumer goods. New car registration during the last quarter, on a month-to-month basis, is the lowest for more than a decade. Unemployment is sharply increasing and the level of bankruptcies is strongly rising.

To counterbalance the negative economic developments central banks have opted for large interest rate cuts in order to sustain consumer spending. Interest rates are consequently at its lowest level for years and further reductions are expected.

The credit crunch and the resulting liquidity crisis in the banking sector has brought increased funding costs.

The market shares for the respective areas are (as at the third quarter of 2008)

Car finance Norway	27.0%
Car finance Sweden	8.7%
Car finance Denmark	12.0%
Car finance Finland	14.6%
Credit card, Norway	4.6%

The figures are based on statistics from the respective trade associations, as well as company data.

Funding

The company is predominantly financed through loans and drawing rights from the parent company and companies within the Grupo Santander. These loans are priced at market prices and the turmoil in the international financial sector since 2007 has adversely influenced the prices for the funding the company receives. Increased risk spreads in financial markets has to some extent offset the observed decrease in interbank rates. The cost increases have to a large extent been forwarded to our loan customers. The impact on the banks margin has been only marginally negative. The access to liquidity has not been hindered by the turmoil, but liquidity risk has received increased attention.

The board of Directors considers the liquidity and funding need to have been adequately met throughout the year.

Annual accounts

In the opinion of the Board, the annual accounts provide a true and fair view of the company's result for 2008 and its financial position as at 31.12.08. The profit before tax for Santander Consumer Bank AS in 2008 was NOK 594 million, and the group profit before tax was NOK 582 million.

Under § 8-1 of the Companies Act, as of December 31. 2008 the company has distributable equity of NOK 414 million for 2008. It is proposed to transfer the profit for the year to other equity.

Total assets at the year end amounted to NOK 30.9 billion for Santander Consumer Bank AS, and the corresponding figure for the Nordic group was NOK 35.0 billion.

In 2008 net cash flow from operations amounted to NOK 798 million in Santander Consumer Bank AS and 873 million in the Nordic group.

In accordance with § 3-3a of the Accounting Act, we confirm that the accounts have been prepared under the going concern assumption and that this also corresponds with the Boards opinion.

Risk management

Santander Consumer Bank uses a credit score system as the basis for its credit decisions where credit models are adapted to the different products and continuously monitored.

In 2008 credit losses in the Nordic group totalled NOK 145 million and in Santander Consumer Bank AS NOK 126 million. On group level this corresponds to 0.42% of average gross loans, compared to 0.29% in 2007.

In spite of a downturn in the global economy, losses remain lower than what could be expected on a segment by segment basis over time. For the auto finance portfolio, net credit losses were 0.31%, which is in the low end of what could be expected over time, estimated at 0.30–0.40%. The risk profile for motor finance is low since vehicles and, in part, prepaid rentals are used as security. Reported losses for unsecured portfolio (credit card and consumer loan) amounted to 2.13%, with an expected normal level of 2.50–2.75%. Since unsecured lending does not involve any collateral, the risk profile will be higher than for auto finance; this is reflected in the pricing of the product.

Net non-performing loans (NPL) and other loans subject to loss (after deducting loan write-downs) amounted to NOK 318.5 million. Gross non-performing loans amounted to 1.7% of gross loans. NPL increases gained momentum during third and fourth quarter as a result of higher rolls into delinquent risk buckets.

Repossessed assets as a result of defaulted leasing contracts totalled NOK 26.2 million at the year end.

Total write-downs as of 31.12.08 amounted to NOK 251.5 million. There were particularly large write-downs in auto finance Norwegian portfolio. This was due to higher level of delinquencies on private persons and small & medium-sized enterprises.

The board considers the risk situation and the provisions made to be satisfactory.

Santander Consumer Bank is exposed to foreign exchange risk to a limited extent as the balance sheet is composed to minimise currency risk by ensuring that assets, liabilities and incoming and outgoing cash flows are, to a large extent, denominated in the same currency. The company's liquidity requirements are principally met through drawing facilities with the parent company and the group on market terms. The interest rate risk is covered on an ongoing basis by balancing the interest terms for assets and liabilities.

Internal controls are considered to be satisfactory.

Solvency

At group level, the primary capital amounted to NOK 2.727 million as at 31.12.2008, which gives a capital ratio of 9.61%. Core capital was NOK 2.347 million, which gives a core capital ratio of 8.27%. The primary capital for Santander Consumer Bank AS amounted to NOK 2.416 million, which gives a capital ratio of 9.65%. Core capital amounted to NOK 2.214 million, which gives a core capital ratio of 8.84%.

Organisation and environment

At year end, the company had 386 employees, of whom 65 worked in Sweden, 31 in Denmark and 28 in Finland. In 2008, a total of 3,794 sick leave days were registered, which is equivalent to an absence rate of 4.40%. The Board is not aware of any personal injuries in the workplace in 2008.

The working environment in the company is considered to be good.

The company has a working environment committee and liaison committee. Statutory meetings are held.

Santander Consumer Bank is proactive in ensuring that employees perceive there to be gender equality in the company. Efforts to facilitate this will be continued in 2009. The company has an employment and remuneration policy that does not discriminate between the sexes. At the year end, 55% of employees were women and 45% were men.

2008 has been characterised as a year with a high level of activity in all parts of the business. The Board wishes to thank all employees for a good effort and good result in 2008.

Santander Consumer Bank's business does not directly pollute the external environment, but through financing cars and consumption could be said to do so indirectly.

Outlook

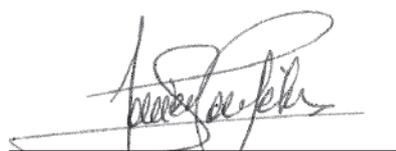
2008 turned out to be a difficult year, in particular the last 4-6 months. At the start of 2009 the world economy is in recession. For the Nordic countries the economic outlook is gloomy with unemployment at an accelerating rate. This will significantly influence the ability of people to honour their loan commitments – consequently the bank expects loan losses to increase markedly in all sectors.

As a result of the downturn in the world economy interest rates have been lowered substantially and further reductions are expected. This will, to some extent, counter balance the negative trends in the market.

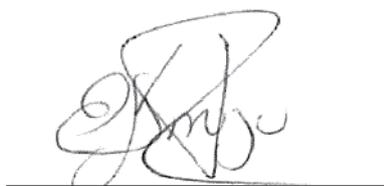
SCB is planning for a difficult year in 2009 with strong focus on risk and collection as well as cost control. A tighter financial market will give opportunities for risk based pricing and a more prudent pricing policy.

The strategy of the bank is to be a leading institution in the Nordic market within Car and Consumer finance. The acquisition of GE Finland will consequently reinforce our market position.

Lysaker, March 24th 2009



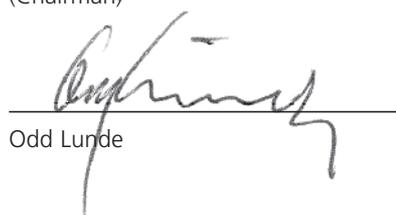
Javier San Felix Garcia
(Chairman)



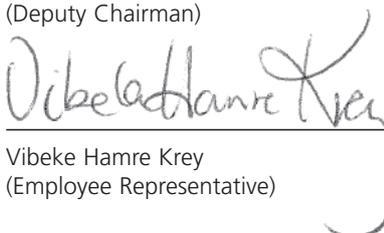
Eduardo Garcia Arroyo
(Deputy Chairman)



Bjørn Elvestad



Odd Lunde



Vibeke Hamre Krey
(Employee Representative)

PROFIT AND LOSS ACCOUNT

Group		Santander Consumer Bank AS			
2008	2007	All amounts in thousands of NOK	Note	2008	2007
		Interest income and similar income			
30 487	24 328	Interest and similar income on loans to and receivables from credit institutions		27 151	23 186
2 858 775	1 975 207	Interest and similar income on loans to and receivables from customers		2 683 584	1 959 343
2 889 261	1 999 535	Total interest income and similar income		2 710 735	1 982 529
		Interest expenses and similar expenses			
1 608 979	956 571	Interest and similar expenses on debt to credit institutions	18	1 491 768	943 736
36 590	28 176	Interest and similar expenses on deposits from and debt to customers	18	36 590	28 176
35 484	21 835	Interest on subordinated loan capital	15	35 484	21 835
29 488	12 027	Other interest expenses and similar expenses		29 479	12 022
1 710 541	1 018 609	Total interest expenses and similar expenses		1 593 321	1 005 769
1 178 720	980 926	Net interest and credit commission income		1 117 414	976 760
		Commission income			
314	158	Guarantee commissions		314	158
89 837	45 500	Other commissions and fees		86 917	44 960
90 151	45 658	Total commission income and income from banking services		87 231	45 118
		Commission expenses			
69 387	58 303	Other fees and commission expenses		68 975	58 282
69 387	58 303	Total commission expenses and expenses from banking services		68 975	58 282
		Net value change and gain/loss on foreign exchange and securities			
45 305	-897	Net value change and gain/loss on foreign exchange and securities		43 450	300
45 305	-897	Total value change and gain/loss on foreign exchange and securities		43 450	300
		Other operating income			
30 599	34 596	Other operating income		30 524	34 596
30 599	34 596	Total other operating income		30 524	34 596
		Salaries and administration expenses			
302 124	264 073	Salaries, fees and other personnel expenses		275 450	248 889
218 784	179 762	Of which: - Salaries	1	198 390	167 318
37 791	30 209	- Pensions	13	33 866	28 483
45 549	54 102	- Social costs		43 194	53 088
163 548	157 806	Administration expenses		151 030	152 856
465 672	421 879	Total salaries and administration expenses		426 479	401 745
		Ordinary depreciation			
23 590	19 449	Ordinary depreciation		22 386	18 839
10 014	201	Ordinary depreciation operational leasing		-	-
33 604	19 649	Sum ordinary depreciation		22 386	18 839
48 656	62 587	Other operating expenses		40 407	60 698
		Losses on loans, guarantees etc			
144 980	80 311	Loan losses	2	126 186	77 892
144 980	80 311	Total losses on loans, guarantees etc		126 186	77 892
582 476	417 554	Operating result		594 187	439 317
167 247	128 784	Taxes charge	6	166 009	129 149
415 228	288 770	Profit after tax		428 177	310 168
		Allocation of profit after tax			
415 228	288 770	Transferred to other earned equity	14	428 177	310 168
415 228	288 770	Total allocations		428 177	310 168

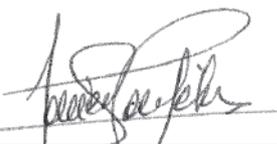
BALANCE SHEET – ASSETS

Group				Santander Consumer Bank AS	
31.12.08	31.12.07	All amounts in thousands of NOK	Note	31.12.08	31.12.07
		Cash and receivables on central banks			
0	0	Cash and receivables on central banks		0	0
0	0	Total cash and receivables on central banks		0	0
		Deposits with and receivables on financial institutions			
184 925	241 224	Deposits with Norwegian financial institutions		41 066	204 725
184 925	241 224	Total deposits with and loans to financial institutions		41 066	204 725
		Loans to customers			
1 328 934	1 167 129	Credit cards		1 328 934	1 167 129
24 868 923	19 550 111	Installment loans		21 236 796	18 754 849
7 936 674	7 335 723	Financial leasing	7	7 720 834	7 199 310
34 134 531	28 052 962	Total loans before individual and group write-downs		30 286 565	27 121 288
27 847	28 055	-Individual write-downs	2,3,5	27 847	28 055
223 627	167 116	-Group write-downs	2,3,5	204 411	164 738
33 883 057	27 857 791	Net loans		30 054 307	26 928 496
26 202	12 025	Repossessed assets	4	20 842	11 994
		Ownership interests in group companies			
0	0	Ownership interest in credit institutions	20	356 329	49 052
0	0	Sum ownership interest in group companies		356 329	49 052
		Intangible assets			
132 978	104 033	Goodwill		132 978	104 033
118 728	69 279	Other intangible assets	7	112 584	64 183
251 705	173 312	Total intangible assets		245 562	168 215
		Fixed assets			
21 643	17 756	Machinery, fittings and vehicles	7	20 885	17 187
87 218	9 163	Operational leasing		0	5 944
108 861	26 920	Total fixed assets		20 885	23 131
332 266	0	Consignment goods		0	0
128 991	70 964	Other assets	21	109 452	81 169
		Prepayments and earned income			
65 816	69 409	Earned income not received and prepaid expenses not incurred		55 543	48 274
65 816	64 409	Total prepayments and earned income		55 543	48 274
34 981 825	28 451 646	Total assets		30 903 986	27 515 057

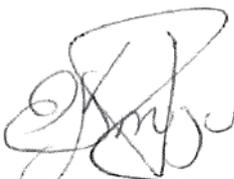
BALANCE SHEET – LIABILITIES AND EQUITY

Group		Santander Consumer Bank AS			
31.12.08	31.12.07	(All amounts in thousands)	Note	31.12.08	31.12.07
Debt to credit institutions					
29 511 232	24 208 228	Loans and deposits from credit institutions with an agreed term	1,18	25 428 397	23 226 848
29 511 232	24 208 228	Total loans and deposits from financial institutions		25 428 397	23 226 848
Deposits from and debt to customers					
513 859	607 527	Deposits from and debt to customers repayable on notice	18	513 859	607 527
513 859	607 527	Total deposits from customers		513 859	607 527
Other debt					
232 826	249 705	Other debt	21	287 654	284 854
232 826	249 705	Total other debt		287 654	284 854
Allocations for expenses incurred and liabilities					
457 797	335 490	Expenses incurred and earned income not received		368 605	322 636
56 370	50 514	Pension liabilities	13	56 370	50 514
287 508	208 356	Deferred tax	6	287 508	208 356
801 676	594 360	Total allocations for liabilities		712 483	581 505
Subordinated loan capital					
540 000	460 000	Other subordinated loan capital	15	540 000	460 000
540 000	460 000	Total subordinated loan capital		540 000	460 000
31 599 592	26 119 819	Total liabilities		27 482 392	25 160 734
Equity					
Paid-in equity					
728 469	584 084	Share capital	16	728 469	584 084
891 314	891 314	Share premium capital		891 314	891 314
784 000	0	Paid in, not registered share capital		784 000	0
2 403 783	1 475 398	Total paid-in equity		2 403 783	1 475 398
Earned equity					
978 450	856 429	Other equity		1 017 811	878 925
978 450	856 429	Total earned equity		1 017 811	878 925
3 382 233	2 331 827	Total equity	14	3 421 594	2 354 323
34 981 825	28 451 646	Total liabilities and equity		30 903 986	27 515 057
Conditional liabilities					
57 747	34 312	Guarantee liabilities	19	57 747	34 312

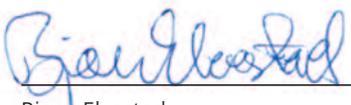
Lysaker, March 24th 2009



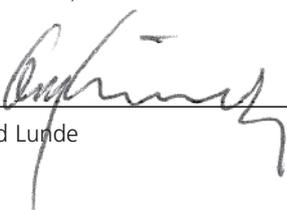
 Javier San Felix Garcia
 (Chairman)



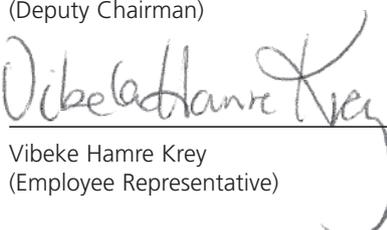
 Eduardo Garcia Arroyo
 (Deputy Chairman)



 Bjørn Elvestad



 Odd Lunde



 Vibeke Hamre Krey
 (Employee Representative)



NOTES SANTANDER CONSUMER BANK GROUP

Note 1 – Information on connected parties

Salaries and fees to officers and Chief Executive Officer

The company is 100% owned by Santander Consumer Finance S.A. The chairman and the deputy chairman of the board have central positions in Madrid and are, together with the Chief Executive Officer, considered to be central management in the company. The management team has been evaluated towards the Norwegian accounting act § 7-31b and is not considered to be central management according to this paragraph.

All amounts in thousands of NOK	Salary	Bonus	* Pension	** Other remuneration	Total 2008	Total 2007
Chief Executive Officer	1 690	772	685	1 596	4 058	2 726

* Included in 2008 pension figures is NOK 170' which relates to 2007.

** NOK 1.387' relates to realization of stock options.

Board of directors

		Fees 2008	Fees 2007
Javier San Felix Garcia	Chairman	-	-
Eduardo Garcia Arroyo	Deputy chairman	-	-
Ernesto Zulueta	Member	-	-
Bjørn Elvestad	Member	125 000	125 000
Odd Lunde	Member	125 000	125 000
Vibeke Hamre Krey	Employee representative	125 000	-
Nina Lind	Deputy employee representative	62 500	-

The board of directors will present a statement regarding salary and other remuneration for central officers, cf. The Public Limited Liability Companies Act (Allmennaksjeloven) § 6-1 in the annual shareholders meeting.

Supervisory Board

	Fees 2008	Fees 2007
Total	65 000	60 000

Torkel Ernø, the chairman of the supervisory board, has received 25 000 both in 2007 and 2008. Other representatives has received 2 500 each per meeting.

Control committee

		Fees 2008	Fees 2007
Finn Myhre	Chairman	65 000	65 000
Egil Dalviken	Deputy chairman	15 000	25 000
Steinar Ouren	Member	15 000	25 000
Terje Sommer	Deputy member	-	-

Audit fees and advisory services without VAT

All amounts in thousands of NOK	2008	2007
Audit services	1 330	1 064
Other certification services	-	-
Tax advice	42	14
Other non-audit services	13	34

Staff

	2008		2007	
	Norway	Abroad	Norway	Abroad
Number of employees' as of 31.12.	262	124	244	116
Man-labour year as of 31.12.	252	114	259	116

NOTES SANTANDER CONSUMER BANK GROUP

Note 2 – Losses and write-downs

Loan losses expenses

All amounts in thousands of NOK	2008	2007
Write-downs 31.12.	251 474	195 171
+/- Rate adjustment opening balance	-5 607	1 106
Adjustment purchase of portfolio	-	-1 130
- Write-downs 01.01.	195 171	162 571
+ Total recognised losses	137 968	87 508
- Recoveries on recognised losses	43 683	39 773
= Loan losses	144 980	80 311

Individual- and by group write-downs

All amounts in thousands of NOK	31.12.08	31.12.07
Individual write-downs 01.01.	28 055	33 245
+/- Rate adjustment opening balance	777	-873
- Recognised losses covered by earlier write-downs	-	7 183
- Reversal of earlier individual write-downs	4 176	4 208
+ Individual write-downs for the period	3 192	7 074
= Individual write-downs 31.12.	27 847	28 055
	2008	2007
Group write-downs 01.01.	167 116	129 326
+/- Rate adjustment opening balance	4 831	-232
Adjustment in purchase of portfolio	-	1 130
+/- Write-downs for the year	51 680	36 892
= Group write-downs 31.12.	223 627	167 116

Note 3 – Non-performing- and loss exposed loans

All amounts in thousands of NOK	31.12.08	31.12.07
Gross non-performing- and other loss exposed loans	533 955	324 677
Individual write-downs	27 847	28 055
Group write-downs	223 627	167 116
Net non performing- and other loss exposed loans	282 481	129 506

Note 4 – Repossessed assets

All amounts in thousands of NOK	31.12.08	31.12.07
Car Leasing	26 202	12 025
Other leasing subjects	-	-
Net	26 202	12 025

NOTES SANTANDER CONSUMER BANK GROUP

Note 5 – Risk classification

31.12.2008							
All amounts in thousands of NOK	Very good	Good	Medium	Less good	Default	Total	
Gross loans	29 318 234	3 100 513	892 794	253 064	569 925	34 134 531	
Write downs	16 300	15 664	14 615	19 917	184 978	251 474	
Net 31.12.08	29 301 934	3 084 850	878 179	233 147	384 947	33 883 057	

31.12.2007							
All amounts in thousands of NOK	Very good	Good	Medium	Less good	Default	Total	
Gross loans	24 314 120	2 633 599	607 813	171 285	326 144	28 052 962	
Write downs	12 651	12 157	11 343	15 458	143 563	195 171	
Net 31.12.08	24 301 470	2 621 442	596 470	155 827	182 582	27 857 791	

The company makes use of a risk classification system, which is based on objective valuation when granting/amending loans. Amounts in "Default" increased during second half of 2008 and was influenced by a change in product mix together with product development. 2007 risk distribution reclassified following new risk definition introduced 01.01.2008.

Note 6 – Tax

Tax payable

All amounts in thousands of NOK	2008
Profit before taxes in parent company	594 187
Loss in subsidiary	-16 132
Fx loss in group profit	4 421
Profit before taxes in group	582 476
Profit before taxes in parent company	594 187
Permanent differences	8 420
Change in temporary differences	-282 686
Net tax basis for the year	319 921

Deferred tax receivable

All amounts in thousands of NOK	31.12.08	31.12.07
Property, plant and equipment	1 049 730	797 919
Pension liabilities	-56 370	-50 514
Other temporary differences	33 454	-3 277
Basis for deferred tax receivable	1 026 814	744 128
Deferred tax (+) / deferred tax receivable (-)	287 508	208 356

For calculation of deferred tax / deferred tax benefit a 28% rate has been used.

Tax expenses

All amounts in thousands of NOK	2008
Tax payable	89 578
Change in deferred tax	79 152
Taxes charge	168 730
Excess provision for tax payable in earlier years	-2 720
Tax effect on fx loss in group profit	1 238
Total tax expenses	167 247

A loss in the subsidiary will not have any effect on the tax calculation in the parent company, except the loss on foreign exchange rate between booked values on the shares and paid in equity.

Reconciliation of taxes versus profit before taxes

All amounts in thousands of NOK	2008
Profit before taxes	594 187
Expected tax using nominal tax rate	166 372
Tax effect of permanent differences	2 358
Tax expense from this years operations	168 730
Excess provision for tax payable in earlier years	-2 720
Tax effect on fx loss in group profit	1 238
Total tax expenses	167 247

NOTES SANTANDER CONSUMER BANK GROUP

Note 7 – Fixed assets, intangible assets and lease financing

All amounts in thousands of NOK	Machines, fittings, vehicles	Intangible assets	Lease financing: -operating assets
Acquisition cost 01.01.	45 472	132 485	10 911 701
Rate difference opening balance	1 379	1 659	
Additions during the year	12 786	66 245	11 165 508
Disposals during the year	-4 344	-7 364	-3 368 943
Acquisition cost 31.12	55 292	193 024	11 708 165
Acc. ordinary depreciation 01.01.	-27 715	-63 206	-3 274 643
Rate difference 01.01.	-85	-94	-39 249
Year's ordinary depreciation	-27 800	-17 669	-1 607 473
Write-downs	-	-	
Rate difference year's depreciation average rate	-307	-722	-36 346
Reversed depreciation sold	2 076	7 394	1 427 415
Accumulated depreciation 31.12.	-33 649	-74 297	-3 530 295
Book value in the balance sheet 31.12.2008	21 643	118 728	8 177 870
Method on measurement	Acquisition cost	Acquisition cost	Acquisition cost
Depreciation method	Linear	Linear	Linear
Plan of depreciation and useful life	4 – 10 years	3 – 7 years	4 – 5 years

Intangible assets include software, and are based on linear depreciation over 3-7 years from the time the software was taken into use.

Note 8 – Liquidity risk/remaining term on balance sheet items 31.12.08

All amounts in million NOK	=< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	5 years	No maturity	Total
Loans / rec. on banks	335	-	-	-	-	-	335
- Of which foreign currency	290	-	-	-	-	-	290
Loans to customers	775	1 736	7 137	20 586	3 649	-	33 883
- Of which foreign currency	724	694	2 556	7 075	890	-	11 938
Other assets	764	-	-	-	-	-	764
- Of which foreign currency	736	-	-	-	-	-	736
Total assets	1 874	1 736	7 137	20 586	3 649	-	34 982
Debt to banks	7 505	10 147	7 309	4 550	-	-	29 511
- Of which foreign currency	4 127	1 815	3 432	2 900	-	-	12 274
Deposits from customers	514	-	-	-	-	-	514
Other debt	1 035	-	-	-	-	-	1 035
- Of which foreign currency	632	-	-	-	-	-	632
Subordinated loan capital	-	-	-	200	340	-	540
Equity	-	-	-	-	-	3 382	3 382
- Of which foreign currency	-	-	-	-	-	370	370
Total liabilities and equity	9 054	10 147	7 309	4 750	340	3 382	34 982

NOTES SANTANDER CONSUMER BANK GROUP

Note 9 – Interest risk and interest adjustments periods 31.12.07

All amounts in million NOK

	=< 1 month	>1<=3 months	>3<12 months	>1 year <5 year	>5 year	No maturity	Total	Interest sensitivity
Loans / rec, on banks	185	-	-	-	-	-	185	-
Loans to customers	12 051	17 036	989	3 548	173	86	33 883	97
Other assets	-	-	-	-	-	914	914	-
Total assets	12 236	17 036	989	3 548	173	1 000	34 982	97
Debt to banks	9 126	15 372	2 113	2 900	-	-	29 511	86
Deposits from customers	514	-	-	-	-	-	514	-
Other debt	-	-	-	-	-	1 035	1 035	-
Subordinated loan capital	80	460	-	-	-	-	540	1
Equity	-	-	-	-	-	3 382	3 382	-
Total liabilities and equity	9 720	15 832	2 113	2 900	-	4 417	34 982	87
Interest rate exposure on balance sheet items	2 516	1 204	-1 124	648	173	-3 417	-	-10
Interest rate exposure on financial derivatives	-	-	-	-	-	-	-	-
Net interest rate exposure	2 516	1 204	-1 124	648	173	-3 417	-	-10

Interest rate sensitivity states the value as the present value of the financial consequence of an interest rate increase of 1% point per 31.12.

Note 10 – Net foreign currency position

All amounts in thousands of NOK	Balance		Net positions	
	Asset	Debt	in currency	in NOK
SEK	4 959 347	4 974 174	-16 530	-14 827
DKK	2 995 322	3 015 797	-15 647	-20 476
EUR	4 515 267	4 528 560	-1 363	-13 294
Total 2008	12 469 935	12 518 532		-48 597
Total 2007				38 128

Note 11 – Loans and losses by main sectors

All amounts in thousands of NOK	Loans		Write-down	
	31.12.08	31.12.08	31.12.07	31.12.07
Public sector	142 374	1	118 988	32
Agriculture and forestry	60 629	16	66 212	21
Industry	406 292	50	418 686	125
Building and construction	1 177 436	100	1 203 934	359
Trade in goods	1 601 130	421	1 431 431	322
Proprietary management	177 061	28	186 898	47
Various	2 908 787	967	2 719 014	688
Transportation	1 512 523	1 061	1 472 516	14 044
Private individuals	14 607 846	11 640	13 692 018	2 821
Foreign	11 540 453	13 563	6 743 265	9 596
Sum	34 134 531	27 847	28 052 962	28 055

Only individual write-downs on loans are listed.

NOTES SANTANDER CONSUMER BANK GROUP

Note 12 – Loans by geographic region

All amounts in thousands of NOK	Loan	Guaranties	Loan	Guaranties
	31.12.08	31.12.08	31.12.07	31.12.07
Eastern Norway	12 351 069	30 593	11 747 545	18 434
Southern Norway	2 749 640	4 920	2 625 867	4 097
Western Norway	4 042 777	9 224	3 740 361	3 649
Mid Norway	2 148 843	6 113	1 982 061	8 036
Northern Norway	1 301 749	3 459	1 216 859	96
Foreign	11 540 453	-	11 535 619	-
Total	34 134 531	54 309	28 052 962	34 312

The distribution is undertaken on the basis of the customers' registered addresses.

Note 13 – Pension expenses

Santander Consumer Bank has a service pension scheme under the Act of Occupational Pensions through Vital. In addition employees can take an early retirement pension at the age of 62. This scheme only applies to employees in Norway and forms part of a group agreement. The scheme provides for a pension age of 67 and a pension of 70% of the pension basis based on the number of years earnings and salary level at pension age. The agreement also includes a disability pension, a spouse's pension and a child pension. In addition there are pension commitments to certain employees additional to the ordinary collective agreement. This applies to employees with a lower pension age, employees with a salary above 12 G and supplementary pensions.

Pension expenses

All amounts in thousands of NOK	2008	2007
Present value of year's pension earnings	15 002	12 873
Interest cost on accrued liability	10 472	9 764
Return on pension funds	- 8 692	-7 670
Administration costs	-	-
Amortization of actuarial (gain) /loss	771	26
Accrual payroll tax	1 765	1 412
Net pension expenses	19 318	16 406
Pension liabilities in balance sheet	31.12.08	31.12.07
Pension funds at market value	147 292	144 770
Estimated pension liability	254 817	295 193
Net pension funds	107 524	150 423
Difference not posted to P&L	-51 154	- 99 909
Capitalised net pension liability	56 370	50 514
Payroll tax	11.973	21 146

The following assumptions have been used in calculating future pensions:

	31.12.08	31.12.07
Discount rate	4,30%	4,70 %
Expected return	6,30%	6,00 %
Salary growth	4,50%	4,50 %
G-adjustment	4,25%	4,25 %
Increase in pensions being paid	2,00%	4,25 %

NOTES SANTANDER CONSUMER BANK GROUP

Note 14 – Changes in equity

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity	Total
Equity as at 31.12.2007	584 084	891 314	856 429	2 331 827
Capital increase	144 385			144 385
Paid, not registered share capital	784 000			784 000
Dividend			-288 770	-288 770
Conversion differences foreign currencies (branches)			-4 437	-4 437
Profit for the year			415 228	415 228
Equity as at 31.12.2008	1 512 469	891 314	978 450	3 382 233

Note 15 – Receivables and liabilities to companies in the same group

Receivables and liabilities to companies in the same group

All amounts in thousands of NOK	31.12.08	Interest 2008	31.12.07
Santander Consumer Group			
Loans from credit institutions	29 511 232	1 595 957	24 162 316
Accrued interest / other debt	251 223		153 891
Subordinated loan capital	540 000	35 484	460 000
Accrued interest / other debt	6 561		5 579
Subordinated loan capital		2008	2007
MNOK 200, maturity August 2010, 6 month NIBOR + 1,00 %		200 000	200 000
MNOK 180, maturity September 2016, 3 month NIBOR + 0,55 %		180 000	180 000
MNOK 80, maturity October 2017, 3 month NIBOR + 1,00 %		80 000	80 000
MNOK 80, maturity September 2018, 3 month NIBOR + 2,41 %		80 000	0
Total subordinated loan capital		540 000	460 000

Financial information in accordance with the capital requirement regulation is published at www.santander.no

Note 16 – Ownership

The share capital is divided into 72 846 912 shares, of NOK 10,- par value. All shares are owned by Santander Consumer Finance S.A.

Note 17 – Capital adequacy

All amounts in thousands of NOK	31.12.08	31.12.07
Core capital	2 346 528	2 169 614
Eligible supplementary capital	380 000	340 000
Total primary capital	2 726 528	2 509 614
Risk weighted volume	28 592 395	23 990 259
Capital ratio	9,61%	10,55 %
Core capital ratio	8,27%	9,12 %

Financial information in accordance with the capital requirement regulation is published at www.santander.no

NOTES SANTANDER CONSUMER BANK GROUP

Note 18 – Interest Expenses

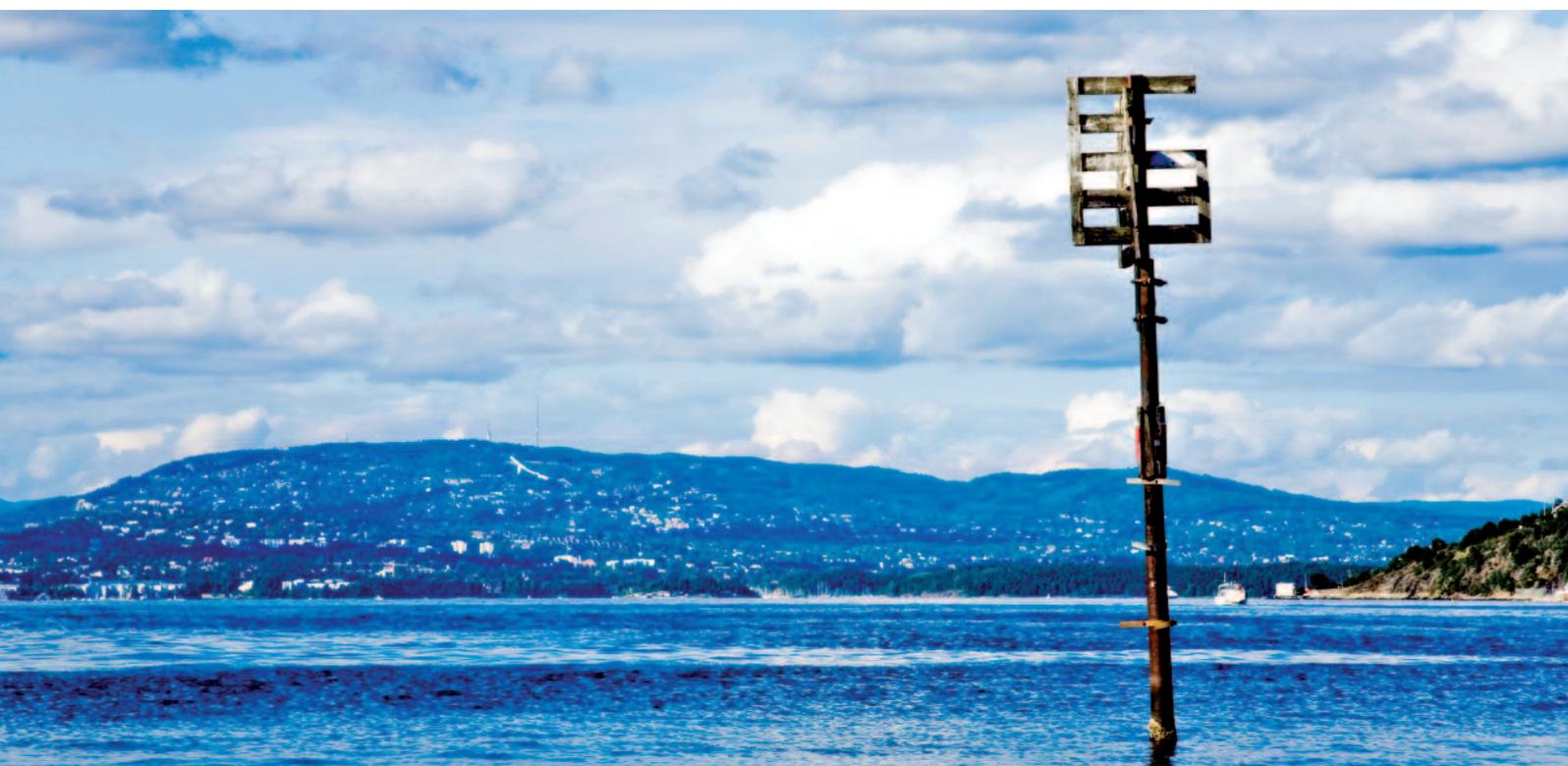
All amounts in thousands of NOK	31.12.08	31.12.07
To credit institutions		
Interest expenses	1 608 979	956 571
Average loan	27 108 372	21 237 854
Average nominal interest rate	5,81%	4,43 %
To customers		
Interest expenses	36 590	28 176
Average deposit	569 146	628 453
Average nominal interest rate	6,28%	4,41 %

Note 19 – Guarantee liabilities

Santander Consumer Bank has as at 31.12.2008 a guarantee liability of 57,7 MNOK. This is mainly payment guarantees.

Note 20 – Ownership interests in group companies

Santander Consumer Bank AS owns 100% of the stocks in Santander Consumer Finance OY. To reduce the risk related to changes in foreign exchange values it is established a hedge loan. The ownership in Santander Consumer Finance OY is booked at historical cost adjusted for the effect of the hedge.



NOTES SANTANDER CONSUMER BANK GROUP

Note 21 – Classification of financial instruments

Classification of financial assets	2008		2007	
	Booked value	Fair value	Booked value	Fair value
All amounts in thousands of NOK				
Deposits with and receivables on financial institutions				
Deposits with Norwegian financial institutions	184 925	184 925	241 224	241 224
Total deposits with and loans to financial institutions	184 925	184 925	241 224	241 224
Loans to customers				
Credit cards	1 328 934	1 328 934	1 167 129	1 167 129
Installment loans	24 868 923	24 868 923	19 550 111	19 550 111
Financial leasing	7 936 674	7 936 674	7 335 723	7 335 723
Total loans before individual and group write-downs	34 134 531	34 134 531	28 052 962	28 052 962
-Individual write-downs	27 847	27 847	28 055	28 055
-Group write-downs	223 627	223 627	167 116	167 116
Net loans	33 883 057	33 883 057	27 857 791	27 857 791
Other assets				
Operational leasing	87 218	87 218	9 163	9 163
Other assets	0	0	37 864	37 864
Sum other assets	87 218	87 218	43 808	43 808
Total financial assets	33 970 275	33 970 275	28 146 042	28 146 042

The last known sales value is used as fair value

Classification of financial liabilities	2008		2007	
	Booked value	Fair value	Booked value	Fair value
All amounts in thousands of NOK				
Debt to credit institutions				
Loans and deposits from credit institutions	29 511 232	29 511 232	24 208 228	24 208 228
Total loans and deposits from financial institutions	29 511 232	29 511 232	24 208 228	24 208 228
Deposits from and debt to customers				
Deposits from and debt to customers repayable on notice	513 859	513 859	607 527	607 527
Total deposits from customers	513 859	513 859	607 527	607 527
Other debt	0	0	36 961	36 961
Subordinated loan capital				
Other subordinated loan capital	540 000	540 000	460 000	460 000
Total subordinated loan capital	540 000	540 000	460 000	460 000
Total financial liabilities	30 565 091	30 565 091	25 312 446	25 312 446

Note 22 – Consignment goods

Consignment goods are booked at lowest of accusation cost and fair value. As of 31.12.2008 it has not been necessary to do any write downs on consignment goods.

NOTES SANTANDER CONSUMER BANK GROUP

CASH FLOW STATEMENT

All amounts in thousands of NOK	2008	2007
Operations		
Interest receipts	3 144 971	2 187 902
Interest payments	-1 612 228	-862 363
Other receipts	-97 084	-156 815
Operating payments	-523 755	-431 871
Recovered on previously recognized losses	43 426	39 786
Taxes paid	-82 665	-55 424
Net cash flow from operations	872 665	721 215
Financial activities		
Increase/ reduction in lending	-6 546 428	-5 022 808
Increase/ reduction in other receivables	-145 812	-98 652
Increase/ reduction in prepayments	61 368	-34 777
Net cash flow from financial activities	-6 630 872	-5 156 237
Investments		
Increase/ reduction in real assets	-354 252	-35 766
Increase/ reduction in other operating assets	-307 278	-24 090
Net cash flow from investment activities	-661 529	-59 856
Long-term financing		
Increase/ reduction in deposits from customers	-93 668	-4 007
Increase/ reduction in share capital	144 385	297 748
Increase/ reduction in equity capital	778 625	-254 485
Increase/ reduction in loans from credit institutions	5 616 013	4 359 592
Increase/ reduction in subordinated loan	80 000	80 000
Increase/ reduction in debt	200 432	134 228
Expenses incurred	-73 579	-82 525
Group transfers/ dividends	-288 770	-
Net cash flow from long-term financing activities	6 363 438	4 530 551
Net cash flow for the period	-56 299	35 672
Net change in cash and cash equivalents		
Holding of cash and cash equivalents at start of period	241 224	205 552
Holding of cash and cash equivalents at end of period	184 925	241 224

NOTES SANTANDER CONSUMER BANK AS

Note 1 – Information on connected parties

Salaries and fees to officers and Chief Executive Officer

The company is 100% owned by Santander Consumer Finance S.A. The chairman and the deputy chairman of the board have central positions in Madrid and are, together with the Chief Executive Officer, considered to be central management in the company. The management team has been evaluated towards the Norwegian accounting act § 7-31b and is not considered to be central management according to this paragraph.

All amounts in thousands of NOK	Salary	Bonus	* Pension	** Other remuneration	Total 2008	Total 2007
Chief Executive Officer	1 690	772	685	1 596	4 058	2 726

* Included in 2008 pension figures is NOK 170' which relates to 2007.

** NOK 1.387' relates to realization of stock options.

Board of directors

		Fees 2008	Fees 2007
Javier San Felix Garcia	Chairman	-	-
Eduardo Garcia Arroyo	Deputy chairman	-	-
Ernesto Zulueta	Member	-	-
Bjørn Elvestad	Member	125 000	125 000
Odd Lunde	Member	125 000	125 000
Vibeke Hamre Krey	Employee representative	125 000	-
Nina Lind	Deputy employee representative	62 500	-

The board of directors will present a statement regarding salary and other remuneration for central officers, cf. The Public Limited Liability Companies Act (Allmennaksjeloven) § 6-1 in the annual shareholders meeting.

Supervisory Board

	Fees 2008	Fees 2007
Total	65 000	60 000

Torkel Ernø, the chairman of the supervisory board, has received 25 000 both in 2007 and 2008. Other representatives has received 2 500 each per meeting.

Control committee

		Fees 2008	Fees 2007
Finn Myhre	Chairman	65 000	65 000
Egil Dalviken	Deputy chairman	15 000	25 000
Steinar Ouren	Member	15 000	25 000
Terje Sommer	Deputy member	-	-

Audit fees and advisory services without VAT

All amounts in thousands of NOK	2008	2007
Audit services	1 330	1 064
Other certification services	-	-
Tax advice	42	14
Other non-audit services	13	34

Staff

	2008		2007	
	Norway	Abroad	Norway	Abroad
Number of employees' as of 31.12.	262	124	244	116
Man-labour year as of 31.12.	252	114	259	116

NOTES SANTANDER CONSUMER BANK AS

Note 2 – Losses and write-downs

Loan losses expenses

All amounts in thousands of NOK	2008	2007
Write-downs 31.12.	232 258	192 793
+/- Rate adjustment opening balance	-2 819	1 106
Adjustment purchase of portfolio	0	-1 130
- Write-downs 01.01.	192 793	162 571
+ Total recognised losses	133 007	87 482
- Recoveries on recognised losses	43 467	39 787
= Loan losses	126 186	77 892

Individual- and by group write-downs

All amounts in thousands of NOK	31.12.08	31.12.07
Individual write-downs 01.01.	28 055	33 245
+/- Rate adjustment opening balance	777	-873
- Recognised losses covered by earlier write-downs	-	7 183
- Reversal of earlier individual write-downs	4 176	4 208
+ Individual write-downs for the period	3 191	7 074
= Individual write-downs 31.12.	27 847	28 055
	31.12.08	31.12.07
Group write-downs 01.01.	164 738	129 326
+/- Rate adjustment opening balance	1 702	-232
Adjustment in purchase of portfolio	-	1 130
+/- Write-downs for the year	37 971	34 514
= Group write-downs 31.12.	204 411	164 738

Note 3 – Non-performing- and loss exposed loans

All amounts in thousands of NOK	31.12.08	31.12.07	31.12.06	31.12.05
Gross non-performing- and other loss exposed loans	533 508	324 677	276 997	292 685
Individual write-downs	27 847	28 055	33 245	42 033
Group write-downs	204 411	164 738	129 326	127 035
Net non performing- and other loss exposed loans	301 250	131 884	114 426	123 617

The figures for the year 2004 are omitted as they were based on the former loss regulations and as they were only valid for Elcon Finans before the demerger.

Note 4 – Repossessed assets

All amounts in thousands of NOK	31.12.08	31.12.07
Car Leasing	20 842	11 994
Other leasing subjects	-	-
Net	20 842	11 994

NOTES SANTANDER CONSUMER BANK AS

Note 5 – Risk classification

31.12.2008						
All amounts in thousands of NOK	Very good	Good	Medium	Less good	Default	Total
Gross loans	26 000 064	2 727 533	799 499	225 962	533 508	30 286 565
Write downs	14 980	14 412	13 337	16 147	173 381	232 258
Net 31.12.08	25 985 083	2 713 121	786 162	209 815	360 127	30 054 307

31.12.2007						
All amounts in thousands of NOK	Very good	Good	Medium	Less good	Default	Total
Gross loans	23 502 204	2 515 344	607 813	171 285	324 642	27 121 288
Write downs	12 651	12 157	11 343	15 458	141 185	192 793
Net 31.12.08	23 489 554	2 503 187	596 470	155 827	183 458	26 928 496

The company makes use of a risk classification system, which is based on objective valuation when granting/amending loans. Amounts in "Default" increased during second half of 2008 and was influenced by a change in product mix together with product development. 2007 risk distribution reclassified following new risk definition introduced 01.01.2008.

Note 6 – Tax

Tax payable

All amounts in thousands of NOK	2008
Profit before taxes	594 187
Permanent differences	8 420
Change in temporary differences	-282 686
Net tax basis for the year	319 921

Deferred tax receivable

All amounts in thousands of NOK	31.12.08	31.12.07
Property, plant and equipment	1 049 730	797 919
Pension liabilities	-56 370	-50 514
Other temporary differences	33 454	-3 277
Basis for deferred tax receivable	1 026 814	744 128
Deferred tax (+) / deferred tax receivable (-)	287 508	208 356

For calculation of deferred tax / deferred tax benefit a 28% rate has been used,

Tax expenses

All amounts in thousands of NOK	2008
Tax payable	89 578
Change in deferred tax	79 152
Taxes charge	168 730
Excess provision for tax payable in earlier years	-2 720
Total tax expenses	166 010

Reconciliation of taxes versus profit before taxes

All amounts in thousands of NOK	2008
Profit before taxes	594 187
Expected tax using nominal tax rate	166 372
Tax effect of permanent differences	2 358
Tax expense from this years operations	168 730
Excess provision for tax payable in earlier years	-2 720
Total tax expenses	166 010

NOTES SANTANDER CONSUMER BANK AS

Note 7 – Fixed assets, intangible assets and lease financing

All amounts in thousands of NOK	Machines, fittings, vehicles	Intangible assets	Lease financing: -operating assets
Acquisition cost 01.01.	44 525	126 973	10 769 634
Rate difference opening balance	1 166	417	214 534
Additions during the year	12 485	65 294	3 825 719
Disposals during the year	-4 344	-7 364	3 368 943
Acquisition cost 31.12.	53 831	185 320	11 440 944
Acc, ordinary depreciation 01.01.	-27 338	-62 790	-3 264 967
Rate difference 01.01.	-	-	-5 664
Year's ordinary depreciation	-7 416	-16 785	-1 612 769
Write-downs	-	-	-
Rate difference year's depreciation average rate	-269	-555	-31 405
Reversed depreciation sold	2 076	7 394	1 427 415
Accumulated depreciation 31.12.	-32 947	-72 736	-3 487 389
Book value in the balance sheet 31.12.2008	20 885	112 584	7 953 555
Method on measurement	Acquisition cost	Acquisition cost	Acquisition cost
Depreciation method	Linear	Linear	Linear
Plan of depreciation and useful life	4 – 10 years	3 – 7 years	4 – 5 years

Intangible assets include software, and are based on linear depreciation over 3-7 years from the time the software was taken into use.

Note 8 – Liquidity risk/remaining term on balance sheet items at 31.12.08

All amounts in million NOK	=< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	5 years	No maturity	Total
Loans / rec. on banks	191 066	-	-	-	-	-	191 066
- Of which foreign currency	104 300	-	-	-	-	-	104 300
Loans to customers	739 598	1 512 434	6 308 438	17 849 294	3 644 543	-	30 054 307
- Of which foreign currency	269 169	470 233	1 727 343	4 338 371	885 045	-	7 690 160
Other assets	658 613	-	-	-	-	-	658 613
- Of which foreign currency	612 577	-	-	-	-	-	612 577
Total assets	1 589 276	1 512 434	6 308 438	17 849 294	3 644 543	-	30 903 986
Debt to banks	7 062 604	9 901 750	6 240 876	2 223 167	-	-	25 428 396
- Of which foreign currency	3 643 209	1 569 750	2 363 277	573 167	-	-	8 149 403
Deposits from customers	513 859	-	-	-	-	-	513 859
Other debt	1 000 137	-	-	-	-	-	1 000 137
- Of which foreign currency	517 364	-	-	-	-	-	517 364
Subordinated loan capital	-	-	-	200 000	340 000	-	540 000
Equity	-	-	-	-	-	3 421 594	3 421 594
- Of which foreign currency	-	-	-	-	-	51 306	51 306
Total liabilities and equity	8 576 599	9 901 750	6 240 876	2 423 167	340 000	3 421 594	30 903 986

NOTES SANTANDER CONSUMER BANK AS

Note 9 – Interest risk and interest adjustments period at 31.12.08

All amounts in million NOK

	=< 1 month	>1<=3 months	>3<12 months	>1 year <5 year	>5 year	No maturity	Total	Interest sensitivity
Loans / rec, on banks	41	-	-	-	-	-	41	-
Loans to customers	11 602	16 829	174	812	168	469	30 054	51
Other assets	-	-	-	-	-	809	809	-
Total assets	11 643	16 829	174	812	168	1 277	30 904	51
Debt to banks	8 683	15 127	1 045	573	-	-	25 428	45
Deposits from customers	514	-	-	-	-	-	514	-
Other debt	-	-	-	-	-	1 000	1 000	-
Subordinated loan capital	80	460	-	-	-	-	540	1
Equity	-	-	-	-	-	3 422	3 422	-
Total liabilities and equity	9 277	15 587	1 045	573	-	4 422	30 904	46
Interest rate exposure on balance sheet items	2 366	1 242	-871	239	168	-3 144	0	-5
Interest rate exposure on financial derivatives	-	-	-	-	-	-	-	-
Net interest rate exposure	2 366	1 242	-871	239	168	-3 144	0	-5

Interest rate sensitivity states the value as the present value of the financial consequence of an interest rate increase of 1% point per 31.12.

Note 10 – Net foreign currency position

All amounts in thousands of NOK	Balance		Net positions	
	Asset	Debt	in currency	in NOK
SEK	4 959 347	4 974 174	-16 530	-14 827
DKK	2 995 322	3 015 797	-15 647	-20 476
EUR	356 328	335 864	2 099	20 465
Total 2008	8 310 997	8 325 836		-14 838
Total 2007				38 128

Note 11 – Loans and losses by main sectors

All amounts in thousands of NOK	Loans	Write-down	Loans	Write-down
	31.12.08	31.12.08	31.12.07	31.12.07
Public sector	142 374	1	118 988	32
Agriculture and forestry	60 629	16	66 212	21
Industry	406 292	50	418 686	125
Building and construction	1 177 436	100	1 203 934	359
Trade in goods	1 601 130	421	1 431 431	322
Proprietary management	177 061	28	186 898	47
Various	2 908 787	967	2 719 014	688
Transportation	1 512 523	1 061	1 472 516	14 044
Private individuals	14 607 846	11 640	13 692 018	2 821
Foreign	7 692 487	13 563	5 811 591	9 596
Total	30 286 565	27 847	27 121 288	28 055

Only individual write-downs on loans are listed.

NOTES SANTANDER CONSUMER BANK AS

Note 12 – Loans by geographic region

All amounts in thousands of NOK	Loan	Guaranties	Loan	Guaranties
	31.12.08	31.12.08	31.12.07	31.12.07
Eastern Norway	12 351 069	30 593	11 747 545	18 434
Southern Norway	2 749 640	4 920	2 625 867	4 097
Western Norway	4 042 777	9 224	3 740 361	3 649
Mid Norway	2 148 843	6 113	1 982 061	8 036
Northern – Norway	1 301 749	3 459	1 216 859	96
Foreign	7 692 487	-	5 808 596	-
Total	30 286 565	54 309	27 121 288	34 312

The distribution is undertaken on the basis of the customers' registered addresses.

Note 13 – Pension expenses

Santander Consumer Bank has a service pension scheme under the Act of Occupational Pensions through Vital. In addition employees can take an early retirement pension at the age of 62. This scheme only applies to employees in Norway and forms part of a group agreement. The scheme provides for a pension age of 67 and a pension of 70% of the pension basis based on the number of years earnings and salary level at pension age. The agreement also includes a disability pension, a spouse's pension and a child pension. In addition there are pension commitments to certain employees additional to the ordinary collective agreement. This applies to employees with a lower pension age, employees with a salary above 12 G and supplementary pensions.

Pension expenses

All amounts in thousands of NOK	2008	2007
Present value of year's pension earnings	15 002	12 873
Interest cost on accrued liability	10 472	9 764
Return on pension funds	- 8 692	-7 670
Administration costs	-	-
Amortization of actuarial (gain) /loss	771	26
Accrual payroll tax	1 765	1 412
Net pension expenses	19 318	16 406
Pension liabilities in balance sheet	31.12.08	31.12.07
Pension funds at market value	147 292	144 770
Estimated pension liability	254 817	295 193
Net pension funds	107 524	150 423
Difference not posted to P&L	-51 154	- 99 909
Capitalised net pension liability	56 370	50 514
Payroll tax	11.973	21 146

The following assumptions have been used in calculating future pensions:

	31.12.08	31.12.07
Discount rate	4,30%	4,70 %
Expected return	6,30%	6,00 %
Salary growth	4,50%	4,50 %
G-adjustment	4,25%	4,25 %
Increase in pensions being paid	2,00%	4,25 %

NOTES SANTANDER CONSUMER BANK AS

Note 14 – Changes in equity

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity	Total
Equity as at 31.12.2007	584 084	891 314	878 925	2 354 323
Capital increase	144 385			144 385
Paid, not registered share capital	784 000			784 000
Dividend			-288 770	-288 770
Conversion differences foreign currencies (branches)			-521	-521
Profit for the year			428 177	428 177
Equity as at 31.12.2008	1 512 469	891 314	1 017 811	3 421 594

Note 15 – Receivables and liabilities to companies in the same group

Receivables and liabilities to companies in the same group

All amounts in thousands of NOK	31.12.08	Interest 2008	31.12.07
Santander Consumer Group			
Loans from credit institutions	25 428 397	1 478 832	23 180 936
Accrued interest / other debt	181 367		159 471
Subordinated loan capital	540 000	35 484	460 000
Accrued interest / other debt	6 561		5 579
Subordinated loan capital		2008	2007
MNOK 200, maturity August 2010, 6 month NIBOR + 1,00 %		200 000	200 000
MNOK 180, maturity September 2016, 3 month NIBOR + 0,55 %		180 000	180 000
MNOK 80, maturity October 2017, 3 month NIBOR + 1,00 %		80 000	80 000
MNOK 80, maturity September 2018, 3 month NIBOR + 2,41 %		80 000	0
Total subordinated loan capital		540 000	460 000

Note 16 – Ownership

The share capital is divided into 72 846 912 shares, of NOK 10,- par value. All shares are owned by Santander Consumer Finance S.A.

Note 17 – Capital adequacy

All amounts in thousands of NOK	31.12.08	31.12.07
Core capital	2 213 868	2 173 171
Eligible supplementary capital	201 836	315 965
Total primary capital	2 415 703	2 489 136
Risk weighted volume	25 583 292	23 108 493
Capital ratio	9,65%	10,88 %
Core capital ratio	8,84%	9,50%

Financial information in accordance with the capital requirement regulation is published at www.santander.no

NOTES SANTANDER CONSUMER BANK AS

Note 18 – Interest Expenses

All amounts in thousands of NOK	31.12.08	31.12.07
To credit institutions		
Interest expenses	1 491 768	943 736
Average loan	24 495 490	20 932 364
Average nominal interest rate	5,96%	4,43 %
To customers		
Interest expenses	36 590	28 176
Average deposit	569 146	628 453
Average nominal interest rate	6,28%	4,41 %

Note 19 – Guarantee liabilities

Santander Consumer Bank has as at 31.12.2008 a guarantee liability of 57,7 MNOK. This is mainly payment guarantees.

Note 20 – Ownership interests in group companies

Santander Consumer Bank AS owns 100% of the stocks in Santander Consumer Finance OY.

To reduce the risk related to changes in foreign exchange values it is established a hedge loan on EUR 34 millions. According to IAS 39 the historical cost price on the stocks is adjusted with the same amount as value change on the hedge.

As of 31.12.2008 the following changes on the hedge loan and the owner interests in Santander Consumer Finance OY are booked:

Adjustment of the hedge loan on EUR 34 million to the exchange value as of 31.12.08	NOK 29,4 millions
Historical cost price of the stocks in Santander Consumer Finance OY	NOK 326,9 millions
+ Adjusted value on the shares due to the hedge loan	NOK 29,4 millions
= Book value of the stocks in Santander Consumer Finance OY	NOK 356,3 millions

NOTES SANTANDER CONSUMER BANK AS

Note 21 – Classification of financial instruments

Classification of financial assets	2008		2007	
	Booked value	Fair value	Booked value	Fair value
All amounts in thousands of NOK				
Deposits with and receivables on financial institutions				
Deposits with Norwegian financial institutions	41 066	41 066	204 725	204 725
Total deposits with and loans to financial institutions	41 066	41 066	204 725	204 725
Loans to customers				
Credit cards	1 328 934	1 328 934	1 167 129	1 167 129
Installment loans	21 236 796	21 236 796	18 754 849	18 754 849
Financial leasing	7 720 834	7 720 834	7 199 310	7 199 310
Total loans before individual and group write-downs	30 286 565	30 286 565	27 121 288	27 121 288
-Individual write-downs	27 847	27 847	28 055	28 055
-Group write-downs	204 411	204 411	164 738	164 738
Net loans	30 054 307	30 054 307	26 928 496	26 928 496
Ownership interests in group companies				
Ownership interest in credit institutions	356 329	356 329	49 052	49 052
Sum ownership interest in group companies	356 329	356 329	49 052	49 052
Other assets				
Operational leasing	0	0	5 944	5 944
Other assets	0	0	37 864	37 864
Sum other assets	0	0	43 808	43 808
Total financial assets	30 451 702	30 451 702	27 226 081	27 226 081

The last known sales value is used as fair value

Classification of financial liabilities	2008		2007	
	Booked value	Fair value	Booked value	Fair value
All amounts in thousands of NOK				
Debt to credit institutions				
Loans and deposits from credit institutions	25 428 397	25 428 397	23 226 848	23 226 848
Total loans and deposits from financial institutions	25 428 397	25 428 397	23 226 848	23 226 848
Deposits from and debt to customers				
Deposits from and debt to customers repayable on notice	513 859	513 859	607 527	607 527
Total deposits from customers	513 859	513 859	607 527	607 527
Other debt	0	0	36 961	36 961
Subordinated loan capital				
Other subordinated loan capital	540 000	540 000	460 000	460 000
Total subordinated loan capital	540 000	540 000	460 000	460 000
Total financial liabilities	26 482 256	26 482 256	24 331 336	24 331 336

NOTES SANTANDER CONSUMER BANK AS CASH FLOW STATEMENT

All amounts in thousands of NOK	2008	2007
Operations		
Interest receipts	2 932 288	2 172 995
Interest payments	-1 556 226	-858 162
Other receipts	-52 930	-150 170
Operating payments	-486 118	-415 934
Recovered on previously recognized losses	43 210	39 786
Taxes paid	-82 665	-55 425
Net cash flow from operations	797 559	733 091
Financial activities		
Increase/ reduction in lending	-3 538 635	-4 096 994
Increase/ reduction in other receivables	-75 782	-62 096
Increase/ reduction in prepayments	45 384	-15 259
Net cash flow from financial activities	-3 569 033	-4 174 349
Investments		
Increase/ reduction in real assets	-20 593	-34 587
Increase/ reduction in other operating assets	-307 278	-24 090
Net cash flow from investment activities	-327 870	-58 677
Long-term financing		
Increase/ reduction in deposits from customers	-93 668	-4 008
Increase/ reduction in share capital	144 385	250 000
Increase/ reduction in equity capital	783 479	-253 386
Increase/ reduction in loans from credit institutions	2 201 556	3 378 211
Increase/ reduction in subordinated loan	80 000	80 000
Increase/ reduction in debt	182 418	129 271
Expenses incurred	-73 716	-80 980
Group transfers/ dividends	-288 770	
Net cash flow from long-term financing activities	2 935 685	3 499 108
Net cash flow for the period	-163 660	-827
Net change in cash and cash equivalents		
Holding of cash and cash equivalents at start of period	204 725	205 553
Holding of cash and cash equivalents at end of period	41 066	204 725



ACCOUNTING PRINCIPLES

The annual accounts for Santander Consumer Bank AS were drawn up in accordance with the rules of the Norwegian Accounting Act, the regulations of the Financial Supervisory Authority of Norway and generally accepted accounting practice. The accounts show the activities of the company in Norway, Sweden and Denmark. In the group note section, the Finnish subsidiary is included. All figures and notes were prepared on the assumption that the business is a going concern.

Basic principles

The accounts were prepared in accordance with rule no. 1582 of 22.12.2006 concerning the simplified use of international accounting standards. This means that all items in the profit and loss statement and balance sheet follow EU-approved accounting rules, International Financial Reporting Standards (IFRS), whilst the requirements of the Norwegian Accounting Act form the basis of the layout and note information, with the exception of IFRS 7 on financial instruments.

The company has undertaken individual reclassifications in the comparable figures for 2007, in accordance with the changes undertaken in 2008. No changes in principles took place in 2008.

Use of estimates in the preparation of the annual accounts

When submitting annual accounts in accordance with IFRS, it is necessary that management uses estimates in individual cases. The estimates used in the annual accounts are based on historical experiences and data. The estimates affect assets, liabilities, income, expenses and note information. The estimates are continuously evaluated against the background of historical experience and factors relating to future events. Actual figures can deviate from the estimates used in the accounts and the most important estimated items are therefore discussed below:

- Intangible assets
- Amortisation of loans
- Write-down of loans
- Actuarial calculation of pension liabilities

Intangible assets

On-balance sheet goodwill is subject to regular write-down tests. Capitalised software is classified as intangible assets, if the balance sheet criteria are fulfilled and are depreciated in a straight line after an estimated lifetime of 3-7 years. The cost of maintaining the economic value of EDB systems is charged directly to expenses.

Amortisation of loans

Loans are valued and measured at amortised cost according to the effective interest method. The company undertakes regular assessments of the conditions forming the basis of amortisation, including the expected term of the portfolio. If the estimate changes, the adjustment is included as income or expense in the accounts.

Write-down of loans

If there is objective evidence that a loan or group of loans has been subject to a fall in value, a write-down will be calculated for the fall in value that is equal to the difference between capitalised value and the net present value of estimated future cash flows, discounted by the financial asset's original effective interest (i.e. the effective interest calculated at initial rates).

Objective evidence that a loan has fallen in value includes significant problems for the debtor, non-payment or other significant breach of contract, and if it is considered likely that a debtor will enter debt negotiations or if other concrete events have occurred.

Pension liabilities

The Norwegian company has both defined contribution and defined benefit schemes, whilst the branches have only defined contribution schemes. Pension calculations are carried out by an actuary and are based on conditions that can change in the future.

Inclusion

Interest income and interest expenses are included in the profit/loss statement at amortised cost through the use of the effective interest method.

Received and paid commission and fees and the like are included in the calculation of the effective interest.

Financial leasing

Financial leasing is classified as lease financing and is accounted for as lending. Contracts with residual value are written down to agreed residual value, distributed over the term. The interest part of the leasing fee is entered as interest income according to the principles described under the point for loans, whereas the repayment of the principal reduces the balance sheet value. In taxation terms, the leasing objects depreciate according to the balance method. Sales profits from leasing are entered under other operating profits.

Operational leasing

Contracts in which Santander Consumer Bank AS guarantees residual value are classified as operational leasing. Income from leasing fees consists of interest and repayment of principal and is classified under the item interest income. Operating equipment is included under the item fixed assets.

Operating equipment used by the company

The company's fixed assets consist of machines, inventory, EDB systems and cars. The company's fixed assets are entered at acquisition cost less straight-line depreciation and possible write-downs.

The following linear depreciations apply:

Inventory	10 years
EDB equipment	4 years
Cars and vehicles	4 years

Presentation currency and the conversion of foreign companies and assets and liabilities in foreign currency
The company's presentation currency is Norwegian kroner. Assets and liabilities in foreign currencies are classified as financial items and valued at exchange rates on balance day. When converting currency exchange rates, the average rate on 31.12 for all balance sheet items is applied. Income and costs are converted using the average transaction exchange rate. Branches are valued according to currently applicable rules and any conversion differences are included in the result.

Branches and subsidiaries

Separate accounts are prepared for the branches in Sweden and Denmark and for the subsidiary in Finland. The branches' accounts are included in the company's accounts and notes.

The subsidiary Santander Consumer Finance OY is consolidated as from the 2007 financial year. No consolidation took place in 2006 since the result for the subsidiary had no significance when assessing the group's position and result. Key figures from Santander Group is available at www.santander.com.

When investing in foreign companies hedges are established. This is done in the same currency and the same amount as the issued shares. The ownership of the shares is then booked at historical cost adjusted for the effect of the hedges.

Tax

The annual tax costs include tax payable for the income year and changes in deferred tax liabilities and assets. Any changes in deferred tax and deferred tax assets are shown as the year's tax costs in the profit/loss statement together with tax payable for the income year.

Deferred tax is calculated at 28 percent on the basis of temporary differences between accounting and tax values at the end of the financial year. Deferred tax assets are entered as assets on the balance sheet when it is probable that the tax-reducing elements will be realised.

Internal transactions

Outstanding accounts, internal profit and loss and the like with group companies are eliminated in the group accounts.

Consignment goods

Consignment goods are goods held for resale. Consignment goods are booked at lowest of acquisition cost and fair value. Net selling price is estimated selling price deducted for estimated expenses concerning preparation of goods, marketing and distribution. Acquisition cost is allocated using the FIFO method and includes necessary purchase and placement expenses.



Deloitte

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Santander Consumer Bank AS

AUDITOR'S REPORT FOR 2008

We have audited the annual financial statements of Santander Consumer Bank AS as of 31 December 2008, showing a profit of NOK 428.177.000 for the parent company and a profit of NOK 415.228.000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal in the financial statements for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The group accounts comprise the balance sheet, statements of income and cash flow and the accompanying notes. Simplified application in accordance with the Norwegian Accounting Act § 3-9 International Financial Reporting Standards as adopted by the EU has been applied to prepare the parent company's financial statements and the group accounts. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We have conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and generally accepted auditing practice, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the annual financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as of 31 December 2008, and the results of its operations and its cash flows for the year then ended, in accordance with simplified application in accordance with the Norwegian Accounting Act § 3-9 of International Financial Reporting Standards as adopted by the EU
- the Company's management has fulfilled its duty to see to proper and well arranged recording and documentation of accounting information in accordance with law and generally accepted bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal in the financial statements for the allocation of the profit, is consistent with the financial statements and complies with law and regulations.

Oslo, March 24, 2009

Deloitte AS



Terje Boasson

State Authorised Public Accountant (Norway)

Audit • Tax & Legal • Consulting • Financial Advisory

Member of
Deloitte Touche Tohmatsu

Org.nr.: 980 211 282

Kontrollkomitéens uttalelse

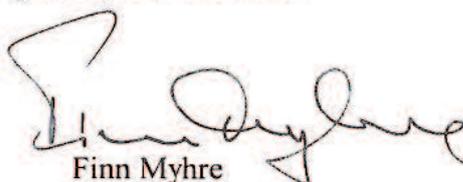
Til Representantskapet og Generalforsamlingen i Santander Consumer Bank AS

Kontrollkomitéen i Santander Consumer Bank AS har gjennom regnskapsåret 2008 ført tilsyn med banken i henhold til Forretningsbankloven § 13 og forskrift om instruks for kontrollkomiteer fastsatt av Kredittilsynet 18. desember 1995.

Kontrollkomitéen har gjennomgått årsregnskapet for 2008 for Santander Consumer Bank AS, styrets årsberetning for 2008 og revisors beretning for 2008.

Komitéen finner at styrets vurdering av bankens økonomiske stilling er dekkende, og anbefaler at årsregnskapet fastsettes for banken for 2008.

Lysaker, 24. mars 2009



Finn Myhre
Leder



Egil Dalviken
Nestleder



Terje Sommer
Varamedlem

Translation from the original Norwegian version:

The statement of the control committee

To the Committee of Representatives and to the General Shareholder's meeting

The Control Committee in Santander Consumer Bank AS has through the fiscal year 2008 kept attention with the bank according to the commercial bank law 13th § and instructions for the control committees set by the Securities Commission December 18th, 1995.

The Control Committee has gone through the Annual Report for 2008 of Santander Consumer Bank AS, the Board of Directors Annual Report for 2008 and the Auditors Report for 2008.

The committee finds the Board of Directors evaluation of the banks economic position is adequate and recommends that the Annual Report is determined for the bank for 2008.

Til Generalforsamlingen i Santander Consumer Bank AS

Representantskapet har i møte 24.03.2009 gått gjennom bankens årsoppgjør og revisjonsberetningen for 2008, samt kontrollkomitéens uttalelse. Representantskapet behandlet samtidig styrets forslag til resultatregnskap og balanse og styrets forslag til disponering av årets resultat.

Representantskapet anbefaler at styrets forslag til resultatregnskap og balanse fastsettes som bankens regnskap for 2008. Representantskapet anbefaler også at styrets forslag til disponering av årets resultat godkjennes.

Lysaker 24. mars 2009

For Representantskapet



Torkel Ernø
Representantskapets leder

Translation from the original Norwegian version:

To the General Meeting in Santander Consumer Bank AS

The Committee of Representatives has in the meeting 24.03.2009 reviewed the financial statements for 2008, profit and loss and balance sheet and the directors report as well as the auditors report and the report from the supervisory committee. Likewise the board of Directors' proposition for allocation of earnings was reviewed.

The Committee of Representatives recommends that the board of Directors' proposition for annual report and accounts is established as the annual report and accounts for 2008. The Committee of Representatives further recommends that the board of Directors' proposition for allocation of earnings is maintained."

SANTANDER CONSUMER BANK AS

