



Second quarter report 2014

**Santander Consumer Bank Nordics (group)
and
Santander Consumer Bank AS**

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Report of the Board of Directors

Introduction

The accounts of Santander Consumer Bank AS show the activities of the company in Norway, Sweden and Denmark. In the group section, the Finnish subsidiary and the SPV's are included. All figures and notes were prepared on the assumption that the business is a going concern.

Highlights

- Savings account and the related product High Interest Account reached NOK 13.1 billion
- Losses and non-performing loans remain stable on a moderate level
- Profits before tax of MNOK 536 against MNOK 683 in 2013

Business areas

| | Variance Actual in % | Variance Actual in % |
|---------|-------------------------------|----------------------|
| | YTD 2014/2013 New Business | YTD 2014/2013 PBT |
| Norway | 3.4 % | -45.6 % |
| Sweden | 6.1 % | 27.0 % |
| Denmark | 15.1 % | 27.9 % |
| Finland | 21.8 % | 2.6 % |

Financial review

The Nordic Group accounts show a profit before tax of MNOK 536 against MNOK 683 in 2013, which is a decrease of 21.5 %. The main reason for the decrease is a changed funding structure (hybrid capital which is interest bearing) compared to last year. Net interest income is in the first half year of 2014 MNOK 1 731.7 which is an increase from the same period last year of 18.6%

There has been done a write down of Software in June 2014, which is shown as Extraordinary Depreciation with MNOK 131.

For the parent company the profit before tax totaled MNOK 438 compared to MNOK 536 in 2013, which is a decrease of 18.3 %.

Total assets for the Nordic business as per June 2014 amounted to MNOK 84 774 which is an increase of 21.1 % compared to the same period last year.

Risk

Non-Performing Loans (NPL) for the Nordic Group remain at a moderate level with a first half 2014 NPL ratio of 1.51 % vs. 1.62 % first half of 2013. The positive evolution is driven by continued focus and investment in collection processes as well as improvements to internally developed credit score models, which have a higher predictive power in terms of customer segmentation and monitoring.

The Group's Total Loan Losses for the first half of 2014 amounted to MNOK 312.0 from MNOK 257.4 first half 2013. This represents an increase of 21.2% compared to same period 2013 and relates mainly to high levels of new business volumes, which grew by 16.1% for the total portfolio over the same period.

Total loan loss reserves (on balance) at the end of first half 2014 totaled MNOK 1 253.4 resulting in an NPL Coverage Ratio of 105.0%.

Solvency and capital adequacy

Santander Consumer Bank applies the standard approach in Basel II. Bank has applied permission to start using advanced IRB model for capital calculation. The application is currently being processed by Bank of Spain and Finanstilsynet.

During 2014 SCB AS has received a capital increase of NOK 550 million.

| SCB AS | 30.06.2013 | 31.12.2013 | 30.06.2014 |
|--------------|------------|------------|------------|
| CET1 Ratio | 10,97 % | 10,74 % | 11,71 % |
| Tier 1 Ratio | 10,97 % | 14,62 % | 15,43 % |
| Tier 2 Ratio | 12,02 % | 15,36 % | 16,07 % |

| Nordics Consolidated | 30.06.2013 | 31.12.2013 | 30.06.2014 |
|----------------------|------------|------------|------------|
| CET1 Ratio | 10,10 % | 9,69 % | 10,58 % |
| Tier 1 Ratio | 10,10 % | 13,06 % | 13,81 % |
| Tier 2 Ratio | 11,03 % | 13,71 % | 14,37 % |

Outlook for 2014

The Group expects earnings to increase in 2014, however at a slower rate than previous years. We see a relative higher growth in unsecured lending vs. auto finance, which will to some extent increase margins. The trend in credit quality indicates credit loss levels coming in at same or lower levels vs. historical rates. This due to a combination of more predictive admission models, investments in collection as well as having sold written off contracts.

Regarding self-funding we see a continued strong performance on customer deposits, as well as securitizations continuing to be our overall primary vehicle for self-funding.

Capital adequacy is a focus area for the bank. Core capital requirements are met, and the bank will focus on hybrid and additional capital to fully meet future regulatory requirements.

Santander Consumer Finance S.A. signed an agreement in June with GE Capital to acquire GE money Bank AB, with businesses in Sweden, Denmark and Norway. The agreement is subject to regulatory approval.

Santander Consumer Bank

Lysaker, 13th August 2014

The Board of Directors of Santander Consumer Bank

Erik Kongelf

(Chairman)

Bruno Montalvo Wilmot

(Deputy Chairman)

Maria Rosario Vacas Rolan

Francisco Javier Anton San
Pablo

Bjørn Elvestad

Henning Strøm

Vibeke Hamre Krey

(Employee Representative)

Michael Hvidsten

(Chief Executive Officer)

Profit and loss account – half year

| Group | | | Santander Consumer Bank AS | | | | |
|--|------------------|------------------|--|------|------------------|------------------|------------------|
| 30.06.14 | 30.06.13 | 31.12.2013 | All amounts in thousands of NOK | Note | 30.06.14 | 30.06.13 | 31.12.2013 |
| Interest income and similar income | | | | | | | |
| 5 179 | 1 204 | 43 290 | Interest and similar income on loans to and receivables from credit institutions | | 359 547 | 244 883 | 566 864 |
| 2 491 569 | 2 099 884 | 4 375 772 | Interest and similar income on loans to and receivables from customers | | 1 372 404 | 1 132 289 | 2 496 286 |
| 77 859 | 70 883 | 148 009 | Operational leasing income | | 0 | 0 | 0 |
| 11 189 | 3 188 | 10 833 | Interest and similar income on comm. paper, bonds and other securities | | 147 719 | 138 250 | 301 346 |
| 2 585 797 | 2 175 159 | 4 577 904 | Total interest income and similar income | | 1 879 670 | 1 515 422 | 3 364 496 |
| Interest expenses and similar expenses | | | | | | | |
| 340 815 | 487 623 | 960 218 | Interest and similar expenses on debt to credit institutions | | 270 945 | 432 228 | 838 887 |
| 176 184 | 27 165 | 128 646 | Interest and similar expenses on deposits from and debt to customers | | 176 184 | 27 165 | 128 646 |
| 202 683 | 159 228 | 324 093 | Interest and similar expenses on issued commercial papers and bonds | | 21 743 | 3 867 | 12 130 |
| 93 504 | 7 972 | 75 313 | Interest on subordinated loan capital | 12 | 104 047 | 13 125 | 57 349 |
| 40 962 | 33 580 | 66 308 | Other interest expenses and similar expenses | | 36 016 | 33 944 | 65 729 |
| 854 148 | 715 569 | 1 554 578 | Total interest expenses and similar expenses | | 608 934 | 510 329 | 1 102 741 |
| 1 731 649 | 1 459 590 | 3 023 326 | Net interest and credit commission income | | 1 270 735 | 1 005 092 | 2 261 754 |
| Commission income | | | | | | | |
| 951 | 2 365 | 4 114 | Guarantee commissions | | 875 | 987 | 1 903 |
| 133 516 | 154 802 | 341 486 | Other commissions and fees | | 180 741 | 193 626 | 415 175 |
| 134 467 | 157 167 | 345 599 | Total commission income and income from banking services | | 181 616 | 194 613 | 417 078 |
| Commission expenses | | | | | | | |
| 101 464 | 77 971 | 161 858 | Other fees and commission expenses | | 97 631 | 85 494 | 176 392 |
| 101 464 | 77 971 | 161 858 | Total commission expenses and expenses from banking services | | 97 631 | 85 494 | 176 392 |
| Net value change and gain/loss on foreign exchange and securities | | | | | | | |
| -60 767 | 1 133 | -11 318 | Net value change and gain/loss on foreign exchange and securities | | 27 481 | 86 907 | -5 357 |
| -60 767 | 1 133 | -11 318 | Total value change and gain/loss on foreign exchange and securities | | 27 481 | 86 907 | -5 357 |
| Other operating income | | | | | | | |
| 18 397 | 18 155 | 39 191 | Other operating income | | 13 513 | 12 810 | 27 232 |
| 18 397 | 18 155 | 39 191 | Total other operating income | | 13 513 | 12 810 | 27 232 |
| Salaries and administration expenses | | | | | | | |
| 324 249 | 290 711 | 619 570 | Salaries, fees and other personnel expenses | | 283 911 | 235 846 | 493 185 |
| 191 231 | 214 869 | 470 486 | <i>Of which: - Salaries</i> | | 198 081 | 167 483 | 359 414 |
| 64 592 | 34 689 | 69 524 | <i>- Pensions</i> | | 31 034 | 30 274 | 60 808 |
| 68 426 | 41 153 | 79 560 | <i>- Social costs</i> | | 54 795 | 38 089 | 72 963 |
| 252 367 | 184 224 | 420 960 | Administration expenses | | 211 853 | 161 188 | 364 548 |
| 576 616 | 474 935 | 1 040 530 | Total salaries and administration expenses | | 495 764 | 397 034 | 857 732 |
| Ordinary and extraordinary depreciation | | | | | | | |
| 44 955 | 40 742 | 83 402 | Ordinary depreciation | | 41 682 | 38 058 | 77 258 |
| 131 169 | | | Extraordinary depreciations | | 131 169 | | |
| 59 775 | 54 899 | 112 791 | Ordinary depreciation operational leasing | | 0 | 0 | 0 |
| 235 899 | 95 641 | 196 193 | Sum ordinary and extraordinary depreciation | | 172 851 | 18 127 | 77 258 |
| 61 713 | 46 989 | 92 249 | Other operating expenses | | 44 914 | 34 421 | 71 276 |
| Losses on loans, guarantees etc | | | | | | | |
| 312 040 | 257 400 | 513 469 | Loan losses | 9 | 244 674 | 207 888 | 419 702 |

Santander Consumer Bank

| | | | | | | | |
|---------|---------|-----------|---------------------------------------|---|---------|---------|-----------|
| 312 040 | 257 400 | 513 469 | Total losses on loans, guarantees etc | | 244 674 | 207 888 | 419 702 |
| 536 014 | 683 110 | 1 392 500 | Operating result | | 437 511 | 536 527 | 1 098 347 |
| 154 037 | 184 113 | 376 458 | Taxes charge | 7 | 121 927 | 149 355 | 289 812 |
| 381 977 | 498 997 | 1 016 043 | Profit after tax* | | 315 584 | 387 172 | 808 534 |

Statement of comprehensive income

| Group | | | | | Santander Consumer Bank AS | | |
|----------|----------|------------|--|------|----------------------------|----------|------------|
| 30.06.14 | 30.06.13 | 31.12.2013 | All amounts in thousands of NOK | Note | 30.06.14 | 30.06.13 | 31.12.2013 |
| 381 977 | 498 997 | 1 016 043 | Profit after tax for the period | | 315 584 | 387 172 | 808 534 |
| | | | Other Comprehensive income: | | | | |
| | | | <i>Items to be recycled to profit and loss</i> | | | | |
| 7 191 | 20 439 | -67 157 | Net exchange differences on translating foreign operations | | -9 186 | 2 535 | -1 399 |
| -35 447 | | 144 101 | Net investment hedge | | | | |
| -3 621 | | | Gain/loss on assets at available for sale | | -3 621 | | |
| | | | <i>Items not to be recycled to profit and loss</i> | | | | |
| | -11 637 | | Actuarial gain/loss on post employment | | | -11 637 | |
| 11 245 | | -99 492 | Remeasurement of defined benefit obligation | | 11 245 | | -99 492 |
| 361 345 | 507 799 | 993 495 | Total comprehensive income for the period, net of tax | | 314 022 | 378 070 | 707 643 |

Profit and loss account – quarterly

| Group | | Santander Consumer Bank AS | | | |
|--|------------------|--|------|------------------|----------------|
| Q2 14 | Q2 13 | All amounts in thousands of NOK | Note | Q2 14 | Q2 13 |
| Interest income and similar income | | | | | |
| 1 123 | -1 393 | Interest and similar income on loans to and receivables from credit institutions | | 165 778 | 103 393 |
| 1 293 551 | 1 067 464 | Interest and similar income on loans to and receivables from customers | | 763 734 | 551 407 |
| 37 986 | 35 749 | Operational leasing income | | 0 | 0 |
| 7 619 | 3 188 | Interest and similar income on comm. paper, bonds and other securities | | 70 504 | 105 501 |
| 1 340 279 | 1 105 008 | Total interest income and similar income | | 1 000 017 | 760 301 |
| Interest expenses and similar expenses | | | | | |
| 167 587 | 247 619 | Interest and similar expenses on debt to credit institutions | | 133 800 | 217 800 |
| 94 171 | 22 448 | Interest and similar expenses on deposits from and debt to customers | | 94 171 | 22 448 |
| 98 935 | 86 711 | Interest and similar expenses on issued commercial papers and bonds | | 14 165 | 1 331 |
| 46 355 | 2 124 | Interest on subordinated loan capital | 12 | 52 301 | 6 576 |
| 17 701 | 18 900 | Other interest expenses and similar expenses | | 15 630 | 19 084 |
| 424 748 | 377 802 | Total interest expenses and similar expenses | | 310 067 | 267 239 |
| 915 531 | 727 206 | Net interest and credit commission income | | 689 949 | 493 061 |
| Commission income | | | | | |
| 430 | 520 | Guarantee commissions | | 430 | 505 |
| 44 920 | 93 207 | Other commissions and fees | | 64 056 | 107 053 |
| 45 350 | 93 727 | Total commission income and income from banking services | | 64 487 | 107 558 |
| Commission expenses | | | | | |
| 51 101 | 40 632 | Other fees and commission expenses | | 49 662 | 41 996 |
| 51 101 | 40 632 | Total commission expenses and expenses from banking services | | 49 662 | 41 996 |
| Net value change and gain/loss on foreign exchange and securities | | | | | |
| -26.669 | -3 632 | Net value change and gain/loss on foreign exchange and securities | | 16 054 | 44 195 |
| -26.669 | -3 632 | Total value change and gain/loss on foreign exchange and securities | | 16 054 | 44 195 |
| Other operating income | | | | | |
| 8 961 | 9 528 | Other operating income | | 6 794 | 6 534 |
| 8 961 | 9 528 | Total other operating income | | 6 794 | 6 534 |
| Salaries and administration expenses | | | | | |
| 159 430 | 147 894 | Salaries, fees and other personnel expenses | | 138 030 | 119 231 |
| 81 749 | 115 420 | <i>Of which: - Salaries</i> | | 103 107 | 90 757 |
| 41 790 | 15 434 | <i>- Pensions</i> | | 10 730 | 13 122 |
| 35 891 | 17 039 | <i>- Social costs</i> | | 24 192 | 15 352 |
| 141 658 | 88 702 | Administration expenses | | 119 439 | 77 637 |
| 301 088 | 236 596 | Total salaries and administration expenses | | 257 469 | 196 868 |
| Ordinary and extraordinary depreciation | | | | | |
| 20 659 | 21 323 | Ordinary depreciation | | 19 024 | 19 931 |
| 131 169 | | Extraordinary depreciations | | 131 169 | |
| 29 329 | 27 486 | Ordinary depreciation operational leasing | | 0 | 0 |
| 181 157 | 48 809 | Sum ordinary and extraordinary depreciation | | 150 193 | 19 931 |
| 32 162 | 22 385 | Other operating expenses | | 23 960 | 16 340 |
| Losses on loans, guarantees etc | | | | | |
| 145 685 | 112 848 | Loan losses | 9 | 110 835 | 92 284 |
| 145 685 | 112 848 | Total losses on loans, guarantees etc | | 110 835 | 92 284 |
| 231 979 | 365 559 | Operating result | | 185 167 | 283 929 |

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| | | | | | |
|---------------------------------------|----------------|------------------------------------|---|----------------|----------------|
| 68 156 | 98 892 | Taxes charge | 7 | 52 936 | 80 136 |
| 163 823 | 266 667 | Profit after tax | | 132 231 | 203 793 |
| <hr/> | | | | | |
| Allocation of profit after tax | | | | | |
| 163 823 | 266 667 | Transferred to other earned equity | | 132 231 | 203 793 |
| 163 823 | 266 667 | Total allocations | | 132 231 | 203 793 |
| <hr/> | | | | | |

Statement of comprehensive income – quarterly

| Group | | All amounts in thousands of NOK | Santander Consumer Bank AS | | |
|--|----------------|---|----------------------------|----------------|----------------|
| Q2 14 | Q2 13 | | Note | Q2 14 | Q2 13 |
| 163 823 | 266 667 | Profit after tax for the period | | 132 231 | 203 793 |
| Other Comprehensive income: | | | | | |
| <i>Items to be recycled to profit and loss</i> | | | | | |
| 89 177 | 20 439 | Net exchange differences on translating foreign operations | | -6 288 | 2 535 |
| -164 243 | | Net investment hedge | | | |
| -20 573 | | Gain/loss on assets at available for sale | | -20 573 | |
| <i>Items not to be recycled to profit and loss</i> | | | | | |
| 119 351 | | Actuarial gain/loss on post employment benefit obligations | | 11 245 | |
| | | Income tax relating to components of other comprehensive income | | | |
| 187 535 | 287 106 | Total comprehensive income for the period, net of tax | | 116 615 | 206 328 |

Balance sheet – Assets

| Group | | | Santander Consumer Bank AS | | | | |
|---|-------------------|-------------------|--|--------------|-------------------|-------------------|-------------------|
| 30.06.14 | 30.06.13 | 31.12.2013 | All amounts in thousands of NOK | Note | 30.06.14 | 30.06.13 | 31.12.2013 |
| Cash and receivables on central banks | | | | | | | |
| 50 215 | 995 355 | 0 | Cash and receivables on central banks | | 50 215 | 995 355 | 0 |
| 50 215 | 995 355 | 0 | Total cash and receivables on central banks | | 50 215 | 995 355 | 0 |
| Deposits with and receivables on financial institutions | | | | | | | |
| 4 296 699 | 3 221 213 | 4 908 825 | Deposits with and receivables on financial institutions | 4 | 2 783 220 | 1 875 803 | 3 024 211 |
| 4 296 699 | 3 221 213 | 4 908 825 | Total deposits with and loans to financial institutions | | 2 783 220 | 1 875 803 | 3 024 211 |
| Loans to customers | | | | | | | |
| 2 582 511 | 2 272 101 | 2 461 641 | Credit cards | | 2 582 511 | 2 272 101 | 2 461 641 |
| 5 386 670 | 3 918 085 | 4 639 197 | Unsecured loans | | 3 384 780 | 2 044 615 | 2 689 660 |
| 56 204 930 | 48 492 361 | 53 063 747 | Installment loans | | 47 347 932 | 41 546 873 | 45 027 852 |
| 12 339 463 | 11 337 421 | 11 726 477 | Financial leasing | | 11 585 340 | 10 782 332 | 11 098 395 |
| 76 513 574 | 66 019 969 | 71 891 062 | Total loans before individual and group write-downs | 4 | 64 900 563 | 56 645 921 | 61 277 547 |
| 106 862 | 108 110 | 92 045 | -Individual write-downs | 4, 9 | 72 025 | 71 498 | 55 498 |
| 1 146 527 | 986 808 | 1 061 253 | -Group write-downs | 4, 9 | 857 195 | 713 217 | 787 172 |
| 75 260 185 | 64 925 050 | 70 737 764 | Net loans | 4, 11 | 63 971 343 | 55 861 206 | 60 434 877 |
| 13 758 | 20 065 | 18 339 | Repossessed assets | | 4 826 | 13 973 | 5 312 |
| Commercial papers, bonds and other fixed-income securities | | | | | | | |
| 1 018 449 | - | 995 650 | Commercial papers and bonds | | 7 274 021 | 6 512 448 | 8 849 099 |
| 1 018 449 | - | 995 650 | Total commercial papers, bonds, other fixed-income securities | | 7 274 021 | 6 512 448 | 8 849 099 |
| 573 730 | 404 712 | 862 151 | Financial derivatives | 4 | 172 524 | 127 988 | 200 479 |
| Ownership interests in group companies | | | | | | | |
| 0 | 0 | 0 | Ownership interest in credit institutions | | 1 090 959 | 1 023 582 | 1 085 701 |
| 0 | 0 | 0 | Sum ownership interest in group companies | | 1 090 959 | 1 023 582 | 1 085 701 |
| Intangible assets | | | | | | | |
| 415 175 | 441 618 | 421 600 | Goodwill | 8 | 114 534 | 107 421 | 113 934 |
| 132 751 | 143 177 | 201 412 | Deferred tax assets | | 37 020 | 4 525 | 37 020 |
| 218 649 | 318 179 | 352 445 | Other intangible assets | | 208 073 | 306 212 | 339 840 |
| 766 576 | 902 973 | 975 458 | Total intangible assets | | 359 627 | 418 158 | 490 794 |
| Fixed assets | | | | | | | |
| 41 525 | 38 449 | 35 332 | Machinery, fittings and vehicles | | 35 390 | 33 941 | 30 686 |
| 442 548 | 416 254 | 440 585 | Operational leasing | | 0 | 0 | 0 |
| 484 073 | 454 703 | 475 917 | Total fixed assets | | 35 390 | 33 941 | 30 686 |
| Other assets | | | | | | | |
| 1 899 402 | 1 509 068 | 1 775 409 | Consignment | | 801 397 | 695 853 | 699 441 |
| 255 850 | 243 558 | 282 845 | Other assets | | 1 484 133 | 674 324 | 424 407 |
| 2 155 252 | 1 752 626 | 2 058 254 | Total other assets | | 2 285 530 | 1 370 177 | 1 123 847 |
| Prepayments and earned income | | | | | | | |
| 155 343 | 190 790 | 182 357 | Earned income not received and prepaid expenses not incurred | | 145 250 | 149 624 | 121 214 |
| 155 343 | 190 790 | 182 357 | Total prepayments and earned income | | 145 250 | 149 624 | 121 214 |
| 84 774 280 | 72 867 489 | 81 214 715 | Total assets | | 78 172 906 | 68 382 254 | 75 366 222 |

Balance sheet - Liabilities

| Group | | | Santander Consumer Bank AS | | | | |
|-------------------|-------------------|-------------------|---|-------|-------------------|-------------------|-------------------|
| 30.06.14 | 30.06.13 | 31.12.2013 | (All amounts in thousands of NOK) | Note | 30.06.14 | 30.06.13 | 31.12.2013 |
| | | | Debt to credit institutions | | | | |
| 33 077 131 | 43 854 365 | 34 460 678 | Loans and deposits from credit institutions with an agreed term | 4 | 46 126 992 | 55 316 566 | 50 874 089 |
| 33 077 131 | 43 854 365 | 34 460 678 | Total loans and deposits from financial institutions | | 46 126 992 | 55 316 566 | 50 874 089 |
| | | | Deposits from and debt to customers | | | | |
| 13 051 324 | 3 521 486 | 9 216 043 | Deposits from and debt to customers repayable on notice | | 13 051 324 | 3 521 486 | 9 216 043 |
| 13 051 324 | 3 521 486 | 9 216 043 | Total deposits from customers | | 13 051 324 | 3 521 486 | 9 216 043 |
| 186 427 | 140 770 | 300 995 | Financial derivatives | | 145 819 | 0 | 160 477 |
| | | | Debt established by issuing securities | | | | |
| 25 014 239 | 15 308 764 | 24 706 513 | Bonds and other long term loan raising | 4, 14 | 6 281 750 | 244 965 | 3 705 014 |
| 25 014 239 | 15 308 764 | 24 706 513 | Total debt established by issuing securities | | 6 281 750 | 244 965 | 3 705 014 |
| | | | Other debt | | | | |
| 760 514 | 679 953 | 622 128 | Other debt | | 769 457 | 837 816 | 559 526 |
| 760 514 | 679 953 | 622 128 | Total other debt | | 769 457 | 837 816 | 559 526 |
| | | | Allocations for expenses incurred and liabilities | | | | |
| 849 636 | 816 784 | 905 516 | Expenses incurred and earned income not received | | 734 623 | 484 663 | 572 973 |
| 207 446 | 135 694 | 223 071 | Pension liabilities | 2 | 207 446 | 135 694 | 223 071 |
| 404 613 | 486 291 | 468 524 | Deferred tax | | 404 613 | 486 291 | 468 524 |
| 1 461 696 | 1 438 768 | 1 597 110 | Total allocations for liabilities | | 1 346 682 | 1 106 647 | 1 264 567 |
| | | | Subordinated loan capital | | | | |
| 2 857 707 | 655 183 | 2 857 352 | Other subordinated loan capital | 4, 12 | 2 857 707 | 655 183 | 2 857 352 |
| 2 857 707 | 655 183 | 2 857 352 | Total subordinated loan capital | | 2 857 707 | 655 183 | 2 857 352 |
| 76 409 039 | 65 599 289 | 73 760 819 | Total liabilities | | 70 579 730 | 61 682 663 | 68 637 068 |
| | | | Equity | | | | |
| | | | Paid-in equity | | | | |
| 4 998 469 | 3 848 469 | 4 448 469 | Share capital | | 4 448 469 | 3 848 469 | 4 448 469 |
| 891 314 | 891 314 | 891 314 | Share premium capital | | 891 314 | 891 314 | 891 314 |
| 0 | 600 000 | 0 | Paid in, not registered share capital | | 550 000 | 600 000 | 0 |
| 5 889 783 | 5 339 783 | 5 339 783 | Total paid-in equity | | 5 889 783 | 5 339 783 | 5 339 783 |
| | | | Earned equity | | | | |
| 2 475 458 | 1 928 417 | 2 114 113 | Other equity | | 1 703 392 | 1 359 798 | 1 389 371 |
| 2 475 458 | 1 928 417 | 2 114 113 | Total earned equity | | 1 703 392 | 1 359 798 | 1 389 371 |
| 8 365 241 | 7 268 200 | 7 453 896 | Total equity | | 7 593 176 | 6 699 581 | 6 729 154 |
| 84 774 280 | 72 867 489 | 81 214 715 | Total liabilities and equity | | 78 172 906 | 68 382 254 | 75 366 222 |

Santander Consumer Bank

Lysaker, 13th August 2014

The Board of Directors of Santander Consumer Bank

Erik Kongelf

(Chairman)

Bruno Montalvo Wilmot

(Deputy Chairman)

Maria Rosario Vacas Rolan

Francisco Javier Anton San
Pablo

Bjørn Elvestad

Henning Strøm

Vibeke Hamre Krey

(Employee Representative)

Michael Hvidsten

(Chief Executive Officer)

Statement of changes in equity

Group:

All amounts in thousands of NOK

| | Share capital | Share capital premium | Other equity | Retained earnings | Total |
|--|------------------|-----------------------------|-----------------|----------------------|------------------|
| Balance at 1 January 2014 | 4 448 469 | 891 314 | (32 350) | 2 146 463 | 7 453 896 |
| Net profit for the year | | | | 381 997 | 381 997 |
| Acturaial gain/loss on post employment benefit obligations | | | 11 245 | | 11 245 |
| Income tax relating to components of post employment benefit obligations | | | | | - |
| Net investment hedge | | | (35 447) | | (35 447) |
| Net exchange differences on translating foreign operations | | | 7 171 | | 7 171 |
| Gain/loss on assets at available for sale | | | (3 621) | | (3 621) |
| Other comprehensive income, net of tax | - | - | (20 652) | - | (20 652) |
| Total comprehensive income | - | - | (20 652) | 381 997 | 361 345 |
| Share dividend | | | | | - |
| Capital increase | 550 000 | | | | 550 000 |
| Other changes (Paid in, not registered share capital) | | | | | - |
| Balance at 30 June 2014 | 4 998 469 | 891 314 | (53 002) | 2 528 460 | 8 365 241 |

| | Share Capital ¹⁾ | Share premium reserve | Other equity | Retained earnings | Total equity ²⁾ |
|--|--------------------------------|-----------------------------|-----------------|----------------------|-------------------------------|
| Balance at 1 January 2013 | 3 848 469 | 891 314 | (9 803) | 1 430 420 | 6 160 401 |
| Net profit for the year | | | | 1 016 043 | 1 016 043 |
| Currency translation differences during the year | | | | | - |
| Acturaial gain/loss on post employment benefit obligations | | | -136 512 | | -136 512 |
| Income tax relating to components of post employment benefit obligations | | | 37 020 | | 37 020 |
| Net investment hedge | | | 144 102 | | 144 102 |
| Net exchange differences on translating foreign operations | | | -67 157 | | -67 157 |
| Other (fx-difference capital increase 2011) | | | | | - |
| Other comprehensive income, net of tax | - | - | -22 548 | - | -22 548 |
| Total comprehensive income | - | - | -22 548 | 1 016 043 | 993 495 |
| Share dividend | | | | -300 000 | -300 000 |
| Capital increase | 600 000 | | | | 600 000 |
| Other changes (Paid in, not registered share capital) | | | | | - |
| Balance at 31 December 2013 | 4 448 469 | 891 314 | -32 350 | 2 146 463 | 7 453 896 |

Santander Consumer Bank

Santander Consumer Bank AS:*All amounts in thousands of NOK*

| | Share capital | Share capital premium | Other equity | Retained earnings | Total |
|--|------------------|-----------------------------|-----------------|----------------------|------------------|
| Balance at 1 January 2014 | 4 448 469 | 891 314 | (105 387) | 1 494 758 | 6 729 154 |
| Profit for the period | | | | 315 584 | 315 584 |
| Acturaial gain/loss on post employment benefit obligations | | | 11 245 | | 11 245 |
| Conversion differences foreign currencies (branches) | | | (9 186) | | (9 186) |
| Currency translation differences during the year | | | | | |
| Gain/loss on assets at available for sale | | | (3 621) | | (3 621) |
| Total comprehensive income for the period | - | - | (6 991) | 315 584 | 314 022 |
| Capital increase | 550 000 | | | | 550 000 |
| Share dividend | | | | | |
| Other changes (Paid in, not registered share capital) | | | | | |
| Balance at 30 June 2014 | 4 998 469 | 891 314 | -112 378 | 1 810 342 | 7 593 176 |

All amounts in thousands of NOK

| | Share Capital | Share premium reserve | Other equity | Retained earnings | Total equity |
|---|------------------|-----------------------------|-----------------|----------------------|------------------|
| Balance at 1 January 2013 | 3 848 469 | 891 314 | (4 496) | 986 224 | 5 721 511 |
| Net profit for the year | | | | 808 534 | 808 534 |
| Currency translation differences during the year | | | -1 399 | | -1 399 |
| Acturaial gain/loss on post employment benefit obligations | | | -136 512 | | -136 512 |
| Income tax relating to components of other comprehensive income | | | 37 020 | | 37 020 |
| Other | | | | | - |
| Other comprehensive income, net of tax | - | - | -100 891 | - | -100 891 |
| Total comprehensive income | - | - | -100 891 | 808 534 | 707 643 |
| Share dividend | | | | -300 000 | -300 000 |
| Capital increase | 600 000 | | | | 600 000 |
| Other changes (Paid in, not registered share capital) | | | | | - |
| Balance at 31 December 2013 | 4 448 469 | 891 314 | -105 387 | 1 494 758 | 6 729 154 |

Cash flow statement

| Santander Consumer Bank AS | | Group | | |
|----------------------------|------------------|--|-------------------|------------------|
| Q2 2014 | Q2 2013 | | Q2 2014 | Q2 2013 |
| | | Cash flow from operations | | |
| 437 511 | 536 527 | Profit before income taxes | 536 014 | 683 110 |
| -271 141 | -83 264 | Taxes paid in the period | -141 495 | -109 389 |
| 172 860 | 38 058 | Depreciation and impairment | 244 952 | 95 641 |
| -50 215 | -995 355 | Change in loans to central banks | -50 215 | -995 355 |
| 240 991 | -301 153 | Change in loans to credit institutions | 612 126 | -193 087 |
| -3 536 466 | -5 303 140 | Change in loans to customers | -4 522 420 | -6 373 451 |
| 486 | 2 123 | Change in repossessed assets | 4 581 | 8 369 |
| 1 575 078 | -1 927 060 | Change in commercial papers and bonds | -22 799 | |
| 13 296 | 14 748 | Change in financial derivatives, net. | 173 854 | -276 492 |
| -1 161 683 | -711 915 | Change in consignment and other assets | -96 998 | -331 151 |
| -24 036 | -49 655 | Change in prepayments and earned income | 27 014 | -50 527 |
| -4 747 097 | 4 478 003 | Change in loans and deposits from financial institutions | -1 383 547 | 3 860 405 |
| 3 835 281 | 3 239 187 | Change in loans and deposits from customers | 3 835 282 | 3 239 187 |
| 295 237 | 762 076 | Change in other debt | 224 002 | 293 439 |
| -15 625 | 9 451 | Differences in expensed pensions and payments in/out of the pension scheme | -15 624 | 9 451 |
| -27 611 | -75 465 | Change in other provisions | -569 633 | -364 433 |
| -3 263 135 | -228 558 | Net cash flow from operations | -1 144 908 | -246 882 |
| | | Cash flow from investments | | |
| -46 665 | -61 088 | Purchase of fixed assets | -112 886 | -46 550 |
| -46 665 | -61 088 | Net cash flow from investments | -112 886 | -46 550 |
| | | Cash flow from financing | | |
| 2 576 736 | -4 889 | Receipts on issued bonds | 307 726 | -114 351 |
| 355 | | Receipts on subordinated loan capital | 354 | |
| 550 000 | 600 000 | Proceeds from issuance of equity | 550 000 | 600 000 |
| 3 127 091 | 595 111 | Net cash flow from financing | 858 080 | 485 649 |
| -8 067 | -4 313 | Exchange gains / (losses) on cash and cash equivalents | -6 092 | 870 |
| -190 776 | 301 153 | Net change in cash and cash equivalents | -405 805 | 193 087 |
| 3 024 211 | 1 574 650 | Cash and cash equivalents at the beginning of the period | 4 908 825 | 3 028 126 |
| 2 833 435 | 1 875 803 | Cash and cash equivalents at the end of the period | 4 503 020 | 3 221 213 |

Notes

1. Basis of preparation

The accounts show the activities of the company in Norway, Sweden and Denmark (Santander Consumer Bank AS). In the group accounts, the Finnish subsidiary (Santander Consumer Finance OY) and the special purpose Vehicles Bilkreditt 2 Ltd., Bilkreditt 3 Ltd., Bilkreditt 4 Ltd., Bilkreditt 5 Ltd., SCG Ajoneuvo-hallinto Ltd., SCF Rahoitus-palvelut Ltd., SCF Ajoneuvo-hallinta Ltd, SCF Rahoitus-palvelut 2013 Ltd, Dansk Auto Finansiering 1 Ltd., Svensk Autofinans 1 Ltd. and Svensk Autofinans WH Ltd related to the securitized portfolios are included. All figures and notes were prepared under the assumption that the business is a going concern.

The Santander Consumer Bank interim accounts for the second quarter of 2014 are prepared in accordance with IAS 34 Interim Financial reporting as endorsed by EU. The interim accounts do not include all the information and disclosures required for full annual accounts and should be read in conjunction with the company's annual report as of 31 December 2013, which was prepared in accordance with IFRS.

The annual report for 2013 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting www.santander.no.

2. Accounting policies

The Group's accounting policies are consistent with those of the previous financial year as described in the 2013 Annual Report except as described below.

Interim reporting policies:

The amendment of disclosure requirements Interim Financial reporting in IAS 34 regarding fair value and segment reporting is reflected in the notes to the financial statement.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The Cash Flow presentation is changed from the direct method to the indirect method.

3. Significant accounting policies and estimates

Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the consolidated financial statements.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013, with the exception of changes in estimates that are required in determining the provision for income taxes. The estimates and assumptions that are deemed critical to the consolidated financial statements are listed in the Santander Consumer Bank 2013 annual report.

4. Financial risk management

The group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk. The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with note 23 in the group's 2013 annual financial statements.

Fair value estimation:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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The following table presents the Group's financial assets and liabilities at 30 June 2014:

Group

| Classification of financial assets second quarter 2014 | Financial assets at fair value through P&L | Financial assets at available for sale | Loans and receivables | Booked value | Fair value |
|---|---|---|----------------------------------|---------------------|-------------------|
| <i>All amounts in thousands of NOK</i> | | | | | |
| Cash and receivables on central banks | | | | | |
| Cash and receivables on central banks | | | 50 215 | 50 215 | 50 215 |
| Total cash and receivables on central banks | | | 50 215 | 50 215 | 50 215 |
| Deposits with and receivables on financial institutions | | | | | |
| Deposits with Norwegian financial institutions | | | 4 296 699 | 4 296 699 | 4 296 699 |
| Total deposits with and loans to financial institutions | | | 4 296 699 | 4 296 699 | 4 296 699 |
| Loans to customers | | | | | |
| Credit cards | | | 2 582 511 | 2 582 511 | 2 582 511 |
| Unsecured loans | | | 5 386 670 | 5 386 670 | 5 386 670 |
| Instalment loans | | | 56 204 930 | 56 204 930 | 56 204 930 |
| Financial leasing | | | 12 339 463 | 12 339 463 | 12 339 463 |
| Total loans before individual and group write-downs | | | 76 513 574 | 76 513 574 | 76 513 574 |
| -Individual write-downs | | | 106 862 | 106 862 | 106 862 |
| -Group write-downs | | | 1 146 527 | 1 146 527 | 1 146 527 |
| Net loans | | | 75 260 185 | 75 260 185 | 75 260 185 |
| Comm papers, bonds and other fixed-income securities | | | | | |
| Commercial papers and bonds | | 1 018 449 | | 1 018 449 | 1 018 449 |
| Total comm. papers, bonds, other fixed-income securities | | 1 018 449 | | 1 018 449 | 1 018 449 |
| Financial derivatives | | | | | |
| Financial derivatives | 573 730 | | | 573 730 | 573 730 |
| Sum financial derivatives | 573 730 | | | 573 730 | 573 730 |
| Total financial assets | 573 730 | 1 018 449 | 79 607 100 | 81 199 278 | 81 199 278 |

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| Classification of financial liabilities second quarter 2014 | Financial liabilities at fair value through P&L | Financial liabilities measured at amortised cost | Booked value | Fair value |
|--|--|---|---------------------|-------------------|
| <i>All amounts in thousands of NOK</i> | | | | |
| Debt to credit institutions | | | | |
| Loans and deposits from credit institutions | | 33 077 131 | 33 077 131 | 33 077 131 |
| Total loans and deposits from financial institutions | | 33 077 131 | 33 077 131 | 33 077 131 |
| Deposits from and debt to customers | | | | |
| Deposits from and debt to customers repayable on notice | | 13 051 324 | 13 051 324 | 13 051 324 |
| Total deposits from customers | | 13 051 324 | 13 051 324 | 13 051 324 |
| Financial derivatives | | | | |
| Financial derivatives | 186 427 | | 186 427 | 186 427 |
| Total financial derivatives | 186 427 | | 186 427 | 186 427 |
| Debt established by issuing securities | | | | |
| Securitization assets | | 25 014 239 | 25 014 239 | 25 014 239 |
| Total debt established by issuing securities | | 25 014 239 | 25 014 239 | 25 014 239 |
| Subordinated loan capital | | | | |
| Other subordinated loan capital | | 2 857 707 | 2 857 707 | 2 857 707 |
| Total subordinated loan capital | | 2 857 707 | 2 857 707 | 2 857 707 |
| Total financial liabilities | 186 427 | 74 000 401 | 74 186 829 | 74 186 829 |

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Group:

| Classification of financial assets 31 December 2013 | Financial assets at fair value through Profit & Loss - Held for trading | Financial assets at available for sale | Loans and receivables | Booked value | Fair value |
|---|---|--|--------------------------|-------------------|-------------------|
| <i>All amounts in thousands of NOK</i> | | | | | |
| Deposits with and receivables on financial institutions | | | | | |
| Deposits with Norwegian financial institutions | | | 4 908 825 | 4 908 825 | 4 908 825 |
| Total deposits with and loans to financial institutions | | | 4 908 825 | 4 908 825 | 4 908 825 |
| Loans to customers | | | | | |
| Credit cards | | | 2 461 641 | 2 461 641 | 2 461 641 |
| Unsecured loans | | | 4 639 197 | 4 639 197 | 4 639 197 |
| Instalment loans | | | 53 063 747 | 53 063 747 | 53 063 747 |
| Financial leasing | | | 11 726 477 | 11 726 477 | 11 726 477 |
| Total loans before individual and group write-downs | | | 71 891 062 | 71 891 062 | 71 891 062 |
| -Individual write-downs | | | 92 045 | 92 045 | 92 045 |
| -Group write-downs | | | 1 061 253 | 1 061 253 | 1 061 253 |
| Net loans | | | 70 737 764 | 70 737 764 | 70 737 764 |
| Comm papers, bonds and other fixed-income securities | | | | | |
| Commercial papers and bonds | | 995 650 | | 995 650 | 995 650 |
| Total comm. papers, bonds, other fixed-income securities | | 995 650 | | 995 650 | 995 650 |
| Financial derivatives | | | | | |
| Financial derivatives | 862 151 | | | 862 151 | 862 151 |
| Sum financial derivatives | 862 151 | | | 862 151 | 862 151 |
| Total financial assets | 862 151 | 995 650 | 75 646 589 | 77 504 390 | 77 504 390 |

Santander Consumer Bank

Santander Consumer Bank AS:

| Classification of financial assets second quarter 2014 | Financial assets at fair value through P&L | Financial assets at available for sale | Loans and receivables | Booked value | Fair value |
|---|---|---|----------------------------------|---------------------|-------------------|
| <i>All amounts in thousands of NOK</i> | | | | | |
| Cash and receivables on central banks | | | | | |
| Cash and receivables on central banks | | | 50 215 | 50 215 | 50 215 |
| Total cash and receivables on central banks | | | 50 215 | 50 215 | 50 215 |
| Deposits with and receivables on financial institutions | | | | | |
| Deposits with Norwegian financial institutions | | | 2 783 220 | 2 783 220 | 2 783 220 |
| Total deposits with and loans to financial institutions | | | 2 783 220 | 2 783 220 | 2 783 220 |
| Loans to customers | | | | | |
| Credit cards | | | 2 582 511 | 2 582 511 | 2 582 511 |
| Unsecured loans | | | 3 384 780 | 3 384 780 | 3 384 780 |
| Instalment loans | | | 47 347 932 | 47 347 932 | 47 347 932 |
| Financial leasing | | | 11 585 340 | 11 585 340 | 11 585 340 |
| Total loans before individual and group write-downs | | | 64 900 563 | 64 900 563 | 64 900 563 |
| -Individual write-downs | | | 72 025 | 72 025 | 72 025 |
| -Group write-downs | | | 857 195 | 857 195 | 857 195 |
| Net loans | | | 63 971 343 | 63 971 343 | 63 971 343 |
| Comm papers, bonds and other fixed-income securities | | | | | |
| Commercial papers and bonds | | 1 018 449 | 6 255 572 | 7 274 021 | 7 274 021 |
| Total comm. papers, bonds, other fixed-income securities | | 1 018 449 | 6 255 572 | 7 274 021 | 7 274 021 |
| Financial derivatives | | | | | |
| Financial derivatives | 172 524 | | | 172 524 | 172 524 |
| Sum financial derivatives | 172 524 | | | 172 524 | 172 524 |
| Total financial assets | 172 524 | 1 018 449 | 73 060 350 | 74 251 324 | 74 251 324 |

| Classification of financial liabilities second quarter 2014 | Financial liabilities at fair value through P&L | Financial liabilities measured at amortised cost | Booked value | Fair value |
|--|--|---|-------------------------|-------------------|
| <i>All amounts in thousands of NOK</i> | | | | |
| Debt to credit institutions | | | | |
| Loans and deposits from credit institutions | | 46 126 992 | 46 126 992 | 46 126 992 |
| Total loans and deposits from financial institutions | | 46 126 992 | 46 126 992 | 46 126 992 |
| Deposits from and debt to customers | | | | |
| Deposits from and debt to customers repayable on notice | | 13 051 324 | 13 051 324 | 13 051 324 |
| Total deposits from customers | | 13 051 324 | 13 051 324 | 13 051 324 |
| Financial derivatives | | | | |
| Financial derivatives | 145 819 | | 145 819 | 145 819 |
| Sum financial derivatives | 145 819 | | 145 819 | 145 819 |
| Debt established by issuing securities | | | | |
| Securitization assets | | 6 281 750 | 6 281 750 | 6 281 750 |
| Total debt established by issuing securities | | 6 281 750 | 6 281 750 | 6 281 750 |
| Subordinated loan capital | | | | |
| Other subordinated loan capital | | 2 857 707 | 2 857 707 | 2 857 707 |
| Total subordinated loan capital | | 2 857 707 | 2 857 707 | 2 857 707 |
| Total financial liabilities | 145 819 | 68 317 773 | 68 463 591 | 68 463 591 |

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| Classification of financial assets 31 December 2013 | Financial assets at fair value through Profit & Loss | Financial assets at available for sale | Loans and receivables | Booked value | Fair value |
|---|---|---|----------------------------------|---------------------|-------------------|
| <i>All amounts in thousands of NOK</i> | | | | | |
| Deposits with and receivables on financial institutions | | | | | |
| Deposits with Norwegian financial institutions | | | 3 024 211 | 3 024 211 | 3 024 211 |
| Total deposits with and loans to financial institutions | | | 3 024 211 | 3 024 211 | 3 024 211 |
| Loans to customers | | | | | |
| Credit cards | | | 2 461 641 | 2 461 641 | 2 461 641 |
| Unsecured loans | | | 2 689 660 | 2 689 660 | 2 689 660 |
| Instalment loans | | | 45 027 852 | 45 027 852 | 45 027 852 |
| Financial leasing | | | 11 098 395 | 11 098 395 | 11 098 395 |
| Total loans before individual and group write-downs | | | 61 277 547 | 61 277 548 | 61 277 548 |
| -Individual write-downs | | | 55 498 | 55 498 | 55 498 |
| -Group write-downs | | | 787 172 | 787 172 | 787 172 |
| Net loans | | | 60 434 877 | 60 434 878 | 60 434 878 |
| Comm papers, bonds and other fixed-income securities | | | | | |
| Securitization assets | | | 7 853 449 | 7 853 449 | 7 853 449 |
| Commercial papers and bonds | | 995 650 | | 995 650 | 995 650 |
| Total comm. papers, bonds, other fixed-income securities | | 995 650 | 7 853 449 | 8 849 099 | 8 849 099 |
| Financial derivatives | | | | | |
| Financial derivatives | 200 479 | | | 200 479 | 200 479 |
| Sum financial derivatives | 200 479 | | | 200 479 | 200 479 |
| Total financial assets | 200 479 | 995 650 | 71 312 537 | 72 508 667 | 72 508 667 |

| Classification of financial liabilities 31 December 2013 | Financial liabilities at fair value through P&L | Financial liabilities measured at amortised cost | Booked value | Fair value |
|---|--|---|-------------------------|-------------------|
| <i>All amounts in thousands of NOK</i> | | | | |
| Debt to credit institutions | | | | |
| Loans and deposits from credit institutions | | 50 874 089 | 50 874 089 | 50 874 089 |
| Total loans and deposits from financial institutions | | 50 874 089 | 50 874 089 | 50 874 089 |
| Deposits from and debt to customers | | | | |
| Deposits from and debt to customers repayable on notice | | 9 216 043 | 9 216 043 | 9 216 043 |
| Total deposits from customers | | 9 216 043 | 9 216 043 | 9 216 043 |
| Financial derivatives | | | | |
| Financial derivatives | 160 477 | | 160 477 | 160 477 |
| Sum financial derivatives | 160 477 | | 160 477 | 160 477 |
| Debt established by issuing securities | | | | |
| Securitization assets | | 3 705 014 | 3 705 014 | 3 705 014 |
| Total debt established by issuing securities | | 3 705 014 | 3 705 014 | 3 705 014 |
| Subordinated loan capital | | | | |
| Other subordinated loan capital | | 2 857 352 | 2 857 352 | 2 857 352 |
| Total subordinated loan capital | | 2 857 352 | 2 857 352 | 2 857 352 |
| Total financial liabilities | 160 477 | 66 652 498 | 66 812 975 | 66 812 975 |

Interest risk and interest adjustments:**Group and SCB AS 30.06.14****Norway in NOK**

| | 1M | 3M | 6M | 12M | 2 Y | 3 Y | 4 Y | 5 Y | >5 Y | Non Interest Bearing | Total |
|----------------|---------|--------|-------|-------|-------|-------|-------|-------|-------|----------------------|--------|
| ASSET | 6 603 | 31 634 | 1 244 | 1 787 | 108 | 57 | 9 | 4 | 4 | 239 | 41 690 |
| LIABILITY | 16 712 | 12 657 | 1 520 | 2 115 | 0 | 150 | 0 | 0 | 0 | 8 536 | 41 690 |
| NET BALANCE | -10 109 | 18 977 | -275 | -328 | 108 | -93 | 9 | 4 | 4 | -8 297 | 0 |
| REPRICING GAP | -10 109 | 18 977 | -275 | -328 | 108 | -93 | 9 | 4 | 4 | -8 297 | 0 |
| CUMULATIVE GAP | -10 109 | 8 868 | 8 593 | 8 265 | 8 373 | 8 280 | 8 289 | 8 293 | 8 297 | 0 | 0 |

A +1,00 % parallel change in market rates will result in a 25,89 million NOK decrease in profit in Norway.

A +1,00 % parallel change in market rates will result in a 26,14 million increase in profit in Norway.

Sweden in SEK

| | 1M | 3M | 6M | 12M | 2 Y | 3 Y | 4 Y | 5 Y | >5 Y | Non Interest Bearing | Total |
|----------------|--------|--------|-------|------|-----|-----|-----|-----|------|----------------------|--------|
| ASSET | 14 219 | 722 | 2 | 3 | 2 | 1 | 0 | 0 | 0 | 160 | 15 110 |
| LIABILITY | 7 335 | 5 765 | 595 | 793 | 0 | 0 | 0 | 0 | 0 | 622 | 15 110 |
| NET BALANCE | 6 884 | -5 043 | -593 | -791 | 2 | 1 | 0 | 0 | 0 | -461 | 0 |
| REPRICING GAP | 6 884 | -5 043 | -593 | -791 | 2 | 1 | 0 | 0 | 0 | -461 | 0 |
| CUMULATIVE GAP | 6 884 | 1 841 | 1 248 | 458 | 460 | 460 | 461 | 461 | 461 | 0 | 0 |

A +1,00 % parallel change in market rates will result in a 14,21 million SEK increase in profit in Sweden.

A +1,00 % parallel change in market rates will result in a 9,02 million SEK decrease in profit in Sweden.

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Denmark in DKK

| | 1M | 3M | 6M | 12M | 2 Y | 3 Y | 4 Y | 5 Y | >5 Y | Non Interest Bearing | Total |
|----------------|-------|--------|------|------|-------|------|------|------|------|----------------------|--------|
| ASSET | 8 212 | 258 | 362 | 670 | 1 072 | 781 | 544 | 347 | 330 | 85 | 12 661 |
| LIABILITY | 3 826 | 4 221 | 944 | 636 | 1 363 | 940 | 240 | 200 | 0 | 290 | 12 661 |
| NET BALANCE | 4 386 | -3 964 | -582 | 34 | -291 | -159 | 304 | 147 | 330 | -205 | 0 |
| REPRICING GAP | 4 386 | -3 964 | -582 | 34 | -291 | -159 | 304 | 147 | 330 | -205 | 0 |
| CUMULATIVE GAP | 4 386 | 422 | -160 | -126 | -417 | -576 | -272 | -125 | 205 | 0 | 0 |

A +1,00 % parallel change in market rates will result in a 17,16 million DKK decrease in profit in Denmark

A +1,00 % parallel change in market rates will result in a 25,66 million DKK increase in profit in Denmark

Finland in EUR

| | 1M | 3M | 6M | 12M | 2 Y | 3 Y | 4 Y | 5 Y | >5 Y | Non Interest Bearing | Total |
|----------------|-------|--------|-----|-----|-----|-----|-----|-----|------|----------------------|-------|
| ASSET | 493 | 110 | 149 | 248 | 325 | 140 | 97 | 61 | 1 | 4 | 1 627 |
| LIABILITY | 538 | 181 | 72 | 163 | 409 | 12 | 20 | 15 | 0 | 216 | 1 627 |
| NET BALANCE | 9 602 | -9 602 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| REPRICING GAP | -36 | -81 | 77 | 85 | -84 | 128 | 77 | 46 | 1 | -212 | 0 |
| CUMULATIVE GAP | -36 | -117 | -40 | 45 | -39 | 89 | 165 | 211 | 212 | 0 | 0 |

A +1,00 % parallel change in market rates will result in a 6,41 million EUR decrease in profit in Finland.

A -1,00 % parallel change in market rates will result in a 2,95 million EUR increase in profit in Finland.

5. Financial instruments measured at fair value

Valuation techniques used to derive Level 2 fair values:

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

Valuation techniques used to derive Level 3 fair values:

Level 3 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These are valued using the same methods as described for Level 2 derivatives, with one exception, the amortization schedule is estimated using historical installment data.

| <u>Group</u> | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total |
|-------------------------------------|-----------------------------|---------------------------------|--|-----------------|
| All amounts in thousands of NOK | | | | |
| Financial assets | | | | |
| Bilkreditt 2 Limited, BtB | | | 27 856 | 27 856 |
| Bilkreditt 3 limited, Currency Swap | | 254 691 | | 254 691 |
| Bilkreditt 4 limited, Currency Swap | | | 113 447 | 113 447 |
| Bilkreditt 4 limited, Fixed Swap | | 108 552 | | 108 552 |
| Bilkreditt 5 limited, Currency Swap | | | 30 711 | 30 711 |
| Bilkreditt 5 limited, fixed Swap | | 27 000 | | 27 000 |
| Dansk Autofinans 1 Limited, BtB | | | 9 117 | 9 117 |
| Kimi BTB | | | 2 357 | 2 357 |
| Total | | 390 243 | 183 487 | 573 730 |
| Financial liabilities | | | | |
| Bilkreditt 2 Limited, Basis Swap | | | -28 208 | -28 208 |
| Bilkreditt 4 limited, Front Swap | | | -113 447 | -113 447 |
| Dansk Autofinans 1 Limited, basis | | | -9 897 | -9 897 |
| Bilkreditt 5 limited, front Swap | | | -30 711 | -30 711 |
| EMTN fixed fixed | | -1 661 | | -1 661 |
| Kimi Basis | | | -2 422 | -2 422 |
| Kimi IRS | | | -80 | -80 |
| Total | | -1 661 | -184 765 | -186 426 |

Reconciliation of fair value measurements categorized within Level 3

| All amounts in thousands of NOK | Opening balance | Total gains or losses for the period | Purchases | Issues | sales | settlements | Closing balance |
|-------------------------------------|-----------------|--------------------------------------|-----------|--------|-------|-------------|-----------------|
| Bilkreditt 2 Limited, Basis Swap | -32 242 | 4 034 | | | | | -28 208 |
| Bilkreditt 2 Limited, BtB | 31 809 | -3 953 | | | | | 27 856 |
| Bilkreditt 4 limited, Currency Swap | 77 256 | 36 191 | | | | | 113 447 |
| Bilkreditt 4 limited, Front Swap | -77 256 | -36 191 | | | | | -113 447 |
| Bilkreditt 5 limited, Currency Swap | -34 641 | 65 352 | | | | | 30 711 |
| Bilkreditt 5 limited, front Swap | 34 641 | -65 352 | | | | | -30 711 |
| Dansk Autofinans 1 Limited, basis | 447 | -10 344 | | | | | -9 897 |
| Dansk Autofinans 1 Limited, BtB | -1 522 | 10 638 | | | | | 9 117 |
| Kimi Basis | 3 186 | -5 608 | | | | | -2 422 |
| Kimi BTB | 3 077 | -721 | | | | | 2 357 |
| Kimi IRS | 0 | -80 | | | | | -80 |
| Total | 4 756 | -6 033 | | | | | -1 277 |

Santander Consumer Bank

| Santander Consumer Bank AS | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total |
|-----------------------------------|------------------------------------|--|---|------------------|
| All amounts in thousands of NOK | | | | |
| Financial assets | | | | |
| Bilkreditt 2 Limited, BtB | | | 27 855,78 | 27 856 |
| Bilkreditt 4 limited, Fixed Swap | | 108 552 | | 108 552 |
| Bilkreditt 5 limited, fixed Swap | | 27 000 | | 27 000 |
| Dansk Autofinans 1 Limited, BtB | | | 9 117 | 9 117 |
| Total | | 135 552 | 36 972 | 172 524 |
| Financial liabilities | | | | |
| Bilkreditt 4 limited, Front Swap | | | (113 447) | (113 447) |
| Bilkreditt 5 limited, front Swap | | | (30 711) | (30 711) |
| EMTN fixed fixed | | (1 661) | | (1 661) |
| Total | | (1 661) | (144 158) | (145 819) |

Reconciliation of fair value measurements categorized within Level 3

| All amounts in thousands of NOK | Opening balance | Total gains or losses for the period | Purchases | Issues | sales | settlements | Closing balance |
|----------------------------------|------------------------|---|------------------|---------------|--------------|--------------------|------------------------|
| Bilkreditt 2 Limited, BtB | 31 809 | (3 953) | | | | | 27 856 |
| Bilkreditt 4 limited, Front Swap | (77 256) | (36 191) | | | | | (113 447) |
| Bilkreditt 5 limited, front Swap | 34 641 | (65 352) | | | | | (30 711) |
| Dansk Autofinans 1 Limited, BtB | (1 522) | 10 638 | | | | | 9 117 |
| Total | (12 328) | (94 858) | | | | | (107 185) |

6. Business segments

The group's chief operating decision maker is the board of directors. Management has determined the operating segments based in the information reviewed by the strategic steering committee for the purposes of allocating resources and assessing performance.

The operating segment are divided into the different geographical markets the Group operates within. The segments are; Norway, Sweden, Denmark and Finland. Internal income and expenses are allocated to the individual segments on an arm's-length basis.

The following summary describes the operations of each reportable segment:

Norway - car financing, leasing, consignment, consumer loans, credit cards and deposits.

Sweden - car financing, leasing, consignment, consumer loans and deposits.

Denmark - car financing, leasing, consignment, consumer loans and deposits.

Finland - car financing, leasing, consignment, consumer loans, durables and deposit

| Group: | Second quarter 2014 | | | | | |
|---|----------------------------|---------------|----------------|----------------|---------------------|--------------------|
| All amounts in thousands of NOK | Norway | Sweden | Denmark | Finland | Eliminations | Total Group |
| Net interest income | 900 915 | 210 139 | 278 088 | 342 506 | | 1 731 649 |
| Net commission income and income from banking services | (5 785) | 23 662 | 4 655 | 10 472 | | 33 004 |
| Value change and gain/loss on foreign exchange and securities | (708) | (913) | 1 917 | 2 017 | (63 080) | (60 767) |
| Other operating income | 11 487 | 4 109 | (1 169) | 3 969 | | 18 397 |
| Operating expenses, salaries, depreciation | 380 402 | 111 446 | 92 370 | 158 842 | | 743 059 |
| Losses on loans, guarantees etc | 202 279 | 27 177 | 44 045 | 38 540 | | 312 040 |
| Operating result | 323 230 | 98 374 | 147 076 | 161 583 | (63 080) | 667 184 |
| Total tax | 121 927 | 0 | 0 | 32 110 | 0 | 154 037 |
| Profit after tax | 201 303 | 98 374 | 147 076 | 129 473 | (63 080) | 513 147 |
| Cash and receivables on central banks | 50 215 | | | | | 50 215 |
| Deposits with and loans to financial institutions | 2 378 179 | 935 523 | 508 705 | 474 292 | | 4 296 699 |
| Net loans | 38 273 190 | 12 204 923 | 13 522 769 | 11 259 303 | | 75 260 185 |
| Commercial papers and bonds | 1 018 449 | | | | | 1 018 449 |

Santander Consumer Bank

| | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| Financial derivatives | 562 256 | | 9 117 | 2 357 | | 573 730 |
| Shares, interests and primary capital certificates | 1 090 959 | | | | (1 090 959) | |
| Other assets | 1 963 107 | 698 952 | 365 026 | 1 809 176 | (1 261 260) | 3 575 000 |
| Total assets | 45 336 356 | 13 839 398 | 14 405 616 | 13 545 128 | (2 352 219) | 84 774 279 |
| Debt to credit institutions | 9 035 934 | 5 010 525 | 10 717 026 | 9 570 130 | (1 257 219) | 33 076 396 |
| Deposits from customers | 8 708 509 | 3 632 906 | 709 909 | | | 13 051 324 |
| Financial derivatives | 174 027 | | 9 897 | 2 504 | | 186 427 |
| Debt issued by securities | 15 475 397 | 4 624 869 | 2 626 302 | 2 287 672 | | 25 014 239 |
| Other liabilities | 4 554 029 | 487 417 | 235 823 | 108 384 | (296 069) | 5 089 583 |
| Allocated capital | 7 388 460 | 83 681 | 106 660 | 1 576 440 | (798 932) | 8 356 309 |
| Total liabilities and equity | 45 336 356 | 13 839 398 | 14 405 616 | 13 545 128 | (2 352 220) | 84 774 279 |

Santander Consumer Bank

Group:

31 December 2013

| <i>All amounts in thousands of NOK</i> | Norway | Sweden | Denmark | Finland | Eliminations | Total Group |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|--------------------|
| Net interest income | 1 628 560 | 345 716 | 423 511 | 626 248 | (710) | 3 023 326 |
| Net commission income and income from banking services | 73 598 | 44 331 | 30 087 | 35 725 | | 183 742 |
| Value change and gain/loss on foreign exchange and securities | (29 857) | 5 012 | 14 014 | (24) | (463) | (11 317) |
| Other operating income | 18 961 | 8 007 | 1 751 | 10 472 | | 39 191 |
| Operating expenses, salaries, depreciation | 670 602 | 192 385 | 145 206 | 320 780 | | 1 328 972 |
| Losses on loans, guarantees etc | 303 262 | 67 991 | 88 903 | 53 312 | | 513 469 |
| Operating result | 717 399 | 142 690 | 235 255 | 298 329 | (1 173) | 1 392 500 |
| Total tax | 257 770 | 32 042 | 0 | 86 646 | 0 | 376 458 |
| Profit after tax | 459 629 | 110 649 | 235 255 | 211 683 | (1 173) | 1 016 042 |
| Cash and receivables on central banks | 995 650 | | | | | 995 650 |
| Deposits with and loans to financial institutions | 2 863 836 | 970 964 | 543 144 | 530 882 | | 4 908 825 |
| Net loans | 36 427 758 | 12 028 460 | 12 021 201 | 10 260 346 | | 70 737 764 |
| Commercial papers and bonds | | | | | | |
| Financial derivatives | 845 759 | | 11 209 | 5 183 | | 862 151 |
| Shares, interests and primary capital certificates | 1 085 701 | | | | (1 085 701) | |
| Other assets | 451 105 | 673 655 | 326 853 | 1 943 012 | 315 699 | 3 710 324 |
| Total assets | 42 669 810 | 13 673 079 | 12 902 407 | 12 739 422 | (770 003) | 81 214 715 |
| Debt to credit institutions | 11 710 177 | 6 497 552 | 9 104 144 | 7 140 451 | 8 354 | 34 460 678 |
| Deposits from customers | 6 822 170 | 2 393 872 | | | | 9 216 043 |
| Financial derivatives | 282 608 | | 12 451 | 5 936 | | 300 995 |
| Debt issued by securities | 13 036 902 | 4 478 977 | 3 476 112 | 3 714 521 | | 24 706 513 |
| Other liabilities | 4 233 901 | 249 725 | 187 331 | 430 095 | (24 462) | 5 076 590 |
| Allocated capital | 6 584 050 | 52 952 | 122 369 | 1 448 419 | (753 894) | 7 453 896 |
| Total liabilities and equity | 42 669 810 | 13 673 079 | 12 902 407 | 12 739 422 | (770 003) | 81 214 715 |

Santander Consumer Bank AS:

Second quarter 2014

| <i>All amounts in thousands of NOK</i> | Norway | Sweden | Denmark | Eliminations | Total Group |
|---|-------------------|-------------------|-------------------|---------------------|--------------------|
| Net interest income | 826 911 | 192 878 | 250 946 | 0 | 1 270 735 |
| Net commission income and income from banking services | 30 357 | 36 142 | 17 486 | 0 | 83 985 |
| Value change and gain/loss on foreign exchange and securities | (109 467) | (913) | 6 702 | 0 | (103 679) |
| Other operating income | 11 487 | 4 109 | (2 084) | 0 | 13 513 |
| Operating expenses, salaries, depreciation | 378 554 | 111 446 | 92 370 | 0 | 582 369 |
| Losses on loans, guarantees etc | 188 674 | 22 396 | 33 604 | 0 | 244 674 |
| Operating result | 192 060 | 98 374 | 147 076 | 0 | 437 511 |
| Total tax | 121 927 | 0 | 0 | 0 | 121 927 |
| Profit after tax | 70 133 | 98 374 | 147 076 | 0 | 315 583 |
| Cash and receivables on central banks | 50 215 | 0 | 0 | 0 | 50 215 |
| Deposits with and loans to financial institutions | 1 752 436 | 682 130 | 348 655 | 0 | 2 783 220 |
| Net loans | 38 243 568 | 12 204 928 | 13 522 847 | 0 | 63 971 343 |
| Commercial papers and bonds | 4 280 385 | 970 133 | 2 023 504 | 0 | 7 274 021 |
| Financial derivatives | 163 408 | 0 | 9 117 | 0 | 172 524 |
| Shares, interests and primary capital certificates | 1 090 959 | 0 | 0 | 0 | 1 090 959 |
| Other assets | 1 760 058 | 723 116 | 365 422 | (17 974) | 2 830 623 |
| Total assets | 47 341 029 | 14 580 306 | 16 269 545 | (17 974) | 78 172 906 |
| Debt to credit institutions | 22 720 466 | 10 379 812 | 15 207 144 | 0 | 48 307 421 |
| Deposits from customers | 8 708 509 | 3 632 906 | 709 909 | 0 | 13 051 324 |
| Financial derivatives | 145 819 | 0 | 0 | 0 | 145 819 |
| Debt issued by securities | 6 281 750 | 0 | 0 | 0 | 6 281 750 |
| Other liabilities | 2 081 627 | 483 922 | 245 841 | (17 974) | 2 793 416 |
| Total liabilities and equity | 47 341 029 | 14 580 306 | 16 269 545 | (17 974) | 78 172 906 |

Santander Consumer Bank

Santander Consumer Bank AS:

31 December 2013

| <i>All amounts in thousands of NOK</i> | Norway | Sweden | Denmark | Eliminations | Total Group |
|---|-------------------|-------------------|-------------------|---------------------|--------------------|
| Net interest income | 1 381 242 | 324 960 | 382 394 | 0 | 2 088 596 |
| Net commission income and income from banking services | 128 217 | 57 960 | 54 510 | 0 | 240 687 |
| Value change and gain/loss on foreign exchange and securities | 136 090 | 5 012 | 23 697 | 3 002 | 167 801 |
| Other operating income | 18 961 | 8 007 | 263 | 0 | 27 232 |
| Operating expenses, salaries, depreciation | 668 676 | 192 385 | 145 206 | 0 | 1 006 266 |
| Losses on loans, guarantees etc | 278 434 | 60 864 | 80 404 | 0 | 419 702 |
| Operating result | 717 399 | 142 690 | 235 255 | 3 002 | 1 098 347 |
| Total tax | 257 770 | 32 042 | 0 | 0 | 289 812 |
| Profit after tax | 459 629 | 110 649 | 235 255 | 3 002 | 808 534 |
| Cash and receivables on central banks | 995 650 | 0 | 0 | 0 | 995 650 |
| Deposits with and loans to financial institutions | 1 758 692 | 881 405 | 384 114 | 0 | 3 024 211 |
| Net loans | 36 385 148 | 12 028 465 | 12 021 264 | 0 | 60 434 877 |
| Commercial papers and bonds | 5 276 660 | 559 046 | 2 017 743 | 0 | 7 853 449 |
| Financial derivatives | 263 921 | 0 | 0 | (63 442) | 200 479 |
| Shares, interests and primary capital certificates | 1 085 701 | 0 | 0 | 0 | 1 085 701 |
| Other assets | 732 969 | 692 336 | 338 517 | 8 033 | 1 771 854 |
| Total assets | 46 498 741 | 14 161 253 | 14 761 638 | (55 410) | 75 366 222 |
| Debt to credit institutions | 27 843 241 | 8 591 060 | 14 439 788 | 0 | 50 874 089 |
| Deposits from customers | 6 822 170 | 2 393 872 | 0 | 0 | 9 216 043 |
| Financial derivatives | 214 471 | 0 | 12 451 | (66 444) | 160 477 |
| Debt issued by securities | 850 000 | 2 855 014 | 0 | 0 | 3 705 014 |
| Other liabilities | 4 250 499 | 268 371 | 187 038 | (24 462) | 4 681 446 |
| Allocated capital | 6 518 361 | 52 936 | 122 361 | 35 497 | 6 729 154 |
| Total liabilities and equity | 46 498 741 | 14 161 253 | 14 761 638 | (55 410) | 75 366 222 |

7. Income Taxes

Income tax expense is recognized based on management's estimate of income tax rate expected for the full financial year. The estimated average annual tax rate used for the period is 27 %.

8. Goodwill

Goodwill is related to the purchase of the portfolio from Eik Sparebank in 2007 (Santander Consumer Bank AS) and purchase of GE Money Oy in 2009 (Santander Consumer Bank Group).

9. Losses and write-downs

Write-downs calculated separately for each business unit, using internal parameters. Individual write-downs calculated by arrears following portfolio ageing and specific assessment of the exposure. Group write-downs calculated by arrears, including incurred but not reported impaired loans following portfolio ageing. Write-downs held in balance fully cover 12 months of expected losses arising from impaired loans and incurred but not reported.

Group:

All amounts in thousands of NOK

| Loan losses expenses | Q2 2014 | Q2 2013 | Full year 2013 |
|---|----------------|----------------|-----------------------|
| Write-downs 30.06 | 1 253 389 | 1 094 917 | 1 153 298 |
| +/- Rate adjustment opening balance | -230 | -30 132 | -57 793 |
| Adjustment purchase of portfolio/correction | | | |
| - Write-downs 01.01. | 1 153 298 | 1 023 444 | 1 023 444 |
| + Total recognised losses | 307 908 | 304 698 | 607 695 |
| - Recoveries on recognised losses | 95 730 | 88 639 | 166 287 |
| = Loan losses | 312 040 | 257 400 | 513 469 |

| Individual- and group write-downs | Q2 2014 | Q1 2013 | 31.12.2013 |
|---|----------------|----------------|-------------------|
| Individual write-downs 01.01. | 92 045 | 110 802 | 110 802 |
| +/- Rate adjustment opening balance | 7 863 | 6 182 | 12 611 |
| Reclassification between individual to group loan loss reserves | | | -32 634 |
| - Recognised losses covered by earlier write-downs | | | |
| - Reversal of earlier individual write-downs | | | |
| + Individual write-downs for the period | 6 954 | -8 875 | 1 266 |
| = Individual write-downs 30.06 | 106 862 | 108 110 | 92 045 |

| Group write-downs | | | |
|---|------------------|----------------|------------------|
| Group write-downs 01.01 | 1 061 253 | 912 642 | 912 642 |
| +/- Rate adjustment opening balance | -7 634 | 23 950 | 45 182 |
| Reclassification between individual to group loan loss reserves | | | 32 634 |
| +/- Write-downs for the year | 92 907 | 50 216 | 70 795 |
| = Group write-downs 30.-06 | 1 146 527 | 986 808 | 1 061 253 |

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All amounts in thousands of NOK

| | Q2_2014 | Q2 2013 | Full year 2013 |
|---|----------------|----------------|-----------------------|
| Loan losses expenses | | | |
| Write-downs 30.06 | 929 219 | 784 715 | 842 670 |
| +/- Rate adjustment opening balance | 1 459 | -9 033 | -19 117 |
| Adjustment purchase of portfolio/correction | | | |
| - Write-downs 01.01. | 842 670 | 734 232 | 734 232 |
| + Total recognised losses | 199 579 | 215 859 | 414 415 |
| - Recoveries on recognised losses | 42 914 | 49 422 | 84 034 |
| = Loan losses | 244 674 | 207 888 | 419 702 |
| Individual- and group write-downs | Q2 2014 | Q2 2013 | 31.12.2013 |
| Individual write-downs 01.01. | 55 498 | 74 783 | 74 783 |
| +/- Rate adjustment opening balance | 3 392 | 3 461 | 6 176 |
| Reclassification between individual to group loan loss reserves | | | -32 634 |
| - Recognised losses covered by earlier write-downs | | | |
| - Reversal of earlier individual write-downs | | | |
| + Individual write-downs for the period | 13 134 | -6 745 | 7 173 |
| = Individual write-downs 30.06 | 72 025 | 71 498 | 55 498 |
| Group write-downs | | | |
| Group write-downs 01.01 | 787 172 | 659 449 | 659 449 |
| +/- Rate adjustment opening balance | -4 851 | 5 572 | 12 941 |
| Reclassification between individual to group loan loss reserves | | | 32 634 |
| +/- Write-downs for the year | 74 874 | 48 196 | 82 149 |
| = Group write-downs 30.06 | 857 195 | 713 217 | 787 172 |

10. Non-performing and loss exposed loans

Group:

| <i>All amounts in thousands of NOK</i> | Q2 2014 | 2Q 2013 | Full year 2013 |
|---|----------------|--------------|----------------|
| Gross non-performing- and other loss exposed loans | 1 193 384 | 1 101 534 | 1 190 238 |
| Individual write-downs | 106 862 | 108 110 | 92 045 |
| Group write-downs | 1 146 527 | 986 808 | 1 061 253 |
| Net non-performing- and other loss exposed loans | -60 005 | 6 617 | 36 940 |

Santander Consumer Bank AS:

| <i>All amounts in thousands of NOK</i> | Q2 2014 | 2Q 2013 | Full year 2013 |
|---|----------------|----------------|----------------|
| Gross non-performing- and other loss exposed loans | 1 068 495 | 980 646 | 1 063 538 |
| Individual write-downs | 72 025 | 71 498 | 55 498 |
| Group write-downs | 857 195 | 713 217 | 787 172 |
| Net non-performing- and other loss exposed loans | 139 276 | 195 931 | 220 868 |

11. Risk classification

Santander Consumer Bank makes use of a risk classification system, which is based on objective valuation when granting/amending loans. The risk groups had a fairly stable development during the first six months of 2014. The development of the portfolio is under continuous surveillance.

Group:

2Q 2014

| <i>All amounts in thousands of NOK</i> | Very good | Good | Medium | Less good | Default | Total |
|--|-------------------|------------------|----------------|----------------|----------------|-------------------|
| Gross loans | 72 590 583 | 4 084 851 | 755 981 | 268 352 | 1 193 384 | 78 893 151 |
| Write downs | 534 783 | 67 625 | 55 260 | 45 726 | 549 997 | 1 253 391 |
| Net 30.06.14 | 72 055 800 | 4 017 226 | 700 722 | 222 625 | 643 386 | 77 639 760 |

2Q 2013

| <i>All amounts in thousands of NOK</i> | Very good | Good | Medium | Less good | Default | Total |
|--|-------------------|------------------|----------------|----------------|----------------|-------------------|
| Gross loans | 61 116 167 | 4 584 468 | 892 945 | 272 070 | 1 101 532 | 67 967 182 |
| Write downs | 482 366 | 49 014 | 46 214 | 58 505 | 458 814 | 1 094 914 |
| Net 30.06.13 | 60 633 801 | 4 535 454 | 846 731 | 213 566 | 642 717 | 66 872 268 |

Santander Consumer Bank

Santander Consumer Bank AS:

-

2Q 2014

| <i>All amounts in thousands of NOK</i> | Very good | Good | Medium | Less good | Default | Total |
|--|-------------------|------------------|----------------|------------------|----------------|-------------------|
| Gross loans | 60 836 399 | 3 045 626 | 565 554 | 182 795 | 1 068 495 | 65 698 870 |
| Write downs | 320 894 | 46 033 | 40 633 | 31 974 | 489 687 | 929 222 |
| Net 30.06.14 | 60 515 504 | 2 999 593 | 524 922 | 150 821 | 578 808 | 64 769 648 |

2Q 2013

| <i>All amounts in thousands of NOK</i> | Very good | Good | Medium | Less good | Default | Total |
|--|-------------------|------------------|----------------|------------------|----------------|-------------------|
| Gross loans | 51 874 522 | 3 569 731 | 707 968 | 206 051 | 980 643 | 57 338 915 |
| Write downs | 285 933 | 34 040 | 33 414 | 46 109 | 385 216 | 784 712 |
| Net 30.06.13 | 51 588 589 | 3 535 692 | 674 553 | 159 942 | 595 428 | 56 554 203 |

12. Receivables and liabilities to group companies

Group:

| All amounts in thousands of NOK | Interest 30.06.14 | 2Q 2014 | 2Q 2013 | Full year 2013 |
|--|-------------------|----------------|----------------|-----------------------|
| Loans from credit institutions | 332 256 | 32 920 756 | 43 854 365 | 34 452 324 |
| <i>Of which:</i> | | | | |
| <i>Banco Santander</i> | | | | |
| <i>Santander Benelux</i> | | 24 066 007 | 34 740 722 | 26 027 611 |
| <i>Santander Consumer Finance S.A.</i> | | 8 854 749 | 9 113 643 | 8 230 438 |
| Accrued interest / other debt | | 86 724 | 125 029 | - |
| Hybrid capital | 32 524 | 2 250 000 | - | 2 250 000 |
| Subordinated loan capital | 93 504 | 575 183 | 655 183 | 575 183 |
| <i>Of which:</i> | | | | |
| <i>Banco Santander</i> | | 180 000 | 180 000 | 180 000 |
| <i>Santander Benelux</i> | | 210 000 | 210 000 | 210 000 |
| <i>Santander Consumer Finance S.A.</i> | | 185 183 | 265 183 | 185 183 |
| Accrued interest / other debt | | 35 165 | 2 578 | 33 278 |
| Subordinated loan capital | | 2Q 2014 | 2Q 2013 | Full year 2013 |
| MNOK 180, maturity September 2016, 3 month NIBOR + 0,55 % | | 180 000 | 180 000 | 180 000 |
| MNOK 80, maturity October 2017, 3 month NIBOR + 1,00 % | | 80 000 | 80 000 | 80 000 |
| MNOK 80, maturity September 2018, 3 month NIBOR + 2,41 % | | - | 80 000 | - |
| MNOK 210, maturity June 2019, 6 month NIBOR + 3,43 % | | 210 000 | 210 000 | 210 000 |
| MNOK 105, maturity December 2020, 12 month EURIBOR + 3,20% | | 105 183 | 105 183 | 105 183 |
| Total subordinated loan capital | | 575 183 | 655 183 | 575 183 |

Santander Consumer Bank

Santander Consumer Bank AS:

| All amounts in thousands of NOK | Interest 30.06.14 | 2Q 2014 | 2Q 2013 | Full year 2013 |
|--|-------------------|----------------|----------------|-----------------------|
| Loans to subsidiary | | | | |
| <i>Of which:</i> | | | | |
| <i>Santander Consumer Finance OY</i> | 692 | 1 260 525 | | |
| Loans from credit institutions | 270 296 | 24 377 148 | 35 806 429 | 27 130 096 |
| <i>Of which:</i> | | | | |
| <i>Santander Benelux</i> | | 23 948 562 | 34 784 129 | 26 027 611 |
| <i>Santander Consumer Finance S.A.</i> | | 428 586 | 1 022 301 | 1 086 363 |
| Accrued interest / other debt | | 71 456 | 108 014 | - |
| Hybrid capital | 32 524 | 2 250 000 | - | 2 250 000 |
| Subordinated loan capital | 104 047 | 575 183 | 655 183 | 575 183 |
| <i>Of which:</i> | | | | |
| <i>Banco Santander</i> | | 180 000 | 180 000 | 180 000 |
| <i>Santander Benelux</i> | | 210 000 | 210 000 | 210 000 |
| <i>Santander Consumer Finance S.A.</i> | | 185 183 | 265 183 | 185 183 |
| Accrued interest / other debt | | 35 165 | 2 578 | 33 278 |
| Subordinated loan capital | | 2Q 2014 | 2Q 2013 | Full year 2013 |
| MNOK 180, maturity September 2016, 3 month NIBOR + 0,55 % | | 180 000 | 180 000 | 180 000 |
| MNOK 80, maturity October 2017, 3 month NIBOR + 1,00 % | | 80 000 | 80 000 | 80 000 |
| MNOK 80, maturity September 2018, 3 month NIBOR + 2,41 % | | - | 80 000 | - |
| MNOK 210, maturity June 2019, 6 month NIBOR + 3,43 % | | 210 000 | 210 000 | 210 000 |
| MNOK 105, maturity December 2020, 12 month EURIBOR + 3,20% | | 105 183 | 105 183 | 105 183 |
| Total subordinated loan capital | | 575 183 | 655 183 | 575 183 |

13. Capital adequacy

Group:

| All amounts in thousands of NOK | Q2 2014 | Q2 2013 | 2013 |
|---|------------|-----------|-----------|
| Core capital | 9 641 693 | 6 134 493 | 8 728 439 |
| Eligible supplementary capital | 393 170 | 564 499 | 431 732 |
| Total primary capital | 10 034 863 | 6 698 992 | 9 160 170 |
| Minimum capital requirement (pillar I) | | | |
| Credit risk | 5 203 515 | 4 525 788 | 4 976 025 |
| Market risk | 48 392 | 33 914 | 28 276 |
| Operational risk | 426 744 | 379 136 | 426 744 |
| Deductions in capital requirement | -91 722 | -78 945 | -84 900 |
| Total minimum capital requirement (pillar I) | 5 586 928 | 4 859 894 | 5 346 144 |
| CET 1 Ratio | 10,58 % | 10,10 % | 9,69 % |
| Tier 1 Ratio | 13,81 % | 10,10 % | 13,06 % |
| Tier 2 Ratio | 14,37 % | 11,03 % | 13,71 % |

Santander Consumer Bank AS:

| All amounts in thousands of NOK | Q2 2014 | Q2 2013 | 2013 |
|---|-----------|-----------|-----------|
| Core capital | 9 342 969 | 5 894 277 | 8 485 357 |
| Eligible supplementary capital | 393 170 | 564 499 | 431 732 |
| Total primary capital | 9 736 139 | 6 458 775 | 8 917 089 |
| Minimum capital requirement (pillar I) | | | |
| Credit risk | 4 563 961 | 4 048 028 | 4 364 152 |
| Market risk | 14 926 | 14 854 | 11 911 |
| Operational risk | 335 150 | 291 198 | 335 150 |
| Deductions in capital requirement | -68 576 | -57 057 | -62 974 |
| Total minimum capital requirement (pillar I) | 4 845 461 | 4 297 022 | 4 648 240 |
| CET 1 Ratio | 11,71 % | 10,97 % | 10,74 % |
| Tier 1 Ratio | 15,43 % | 10,97 % | 14,62 % |
| Tier 2 Ratio | 16,07 % | 12,02 % | 15,36 % |

Financial information in accordance with the capital requirement regulation is published at www.santander.no. Information according to Pillar 3 will be published at www.santander.no.

14. Issued securities

Group:

The Group securitizes auto loans by selling portfolios of eligible auto loans to a SPV, which finances the purchase by issuing bonds in the market with security in the assets.

All securitized assets are transferred to related parties, as all the SPV's buying the assets are consolidated into the group accounts. There are not transfers of securitized assets to unrelated parties.

Santander Consumer Bank AS:

The company securitizes auto loan to customers by selling the loans to a special purpose company, which funds the purchase by issuing bonds with security in the assets. The portfolio of auto loans consists of financing of motor vehicles (including but not limited to cars, light commercial vehicles, motor homes, motorcycles) and the related collateral. At 30.06.2014, Santander Consumer Bank AS has sold auto loan portfolio to eight different SPV's.

According to IAS 39, no derecognition of these sold assets is done in the company, as the company retains basically all the risk and reward of the transferred assets. The risk is retained through the company's ownership in the most subordinated tranche of the issued notes. Through the priority of payments, these notes take on all the losses before the prioritized notes. The reward is retained as the company receives all cash that is left from the month after all the note holder and service providers have been paid. This payment represents the net interest income from customers, as the company would have owned the loans.

As the company continues to recognize the transferred assets on the balance sheet, a liability to transfer the future cash flows from the customers arises. This liability is initially booked at the consideration received.

The table below shows the amount of un-derecognised securitized loans as of 30.06.2014 and the size of the liability in relation to securitization:

Group:

Specification of issued securities

All amounts in thousands NOK

| | 2Q 2014 | 2Q 2013 | Full year 2013 |
|--|-------------------|-------------------|-------------------|
| Issued commercial papers | | 0 | 0 |
| Issued bonds | 25 014 239 | 15 308 764 | 24 706 513 |
| Total liability issued securities | 25 014 239 | 15 308 764 | 24 706 513 |

Changes in liability issued securities

All amounts in thousands NOK

| | Book value 31.12.13 | New issues/ repurchase | Payments | Amortisation | Book value 30.06.14 |
|--|------------------------|---------------------------|-------------------|--------------|---------------------|
| Issued commercial papers | 0 | | | | 0 |
| Issued bonds | 24 706 512 | 6 093 535 | -5 785 809 | 0 | 25 014 239 |
| Total liability issued securities | 24 706 512 | 6 093 535 | -5 785 809 | 0 | 25 014 239 |

Santander Consumer Bank

Specification of issued securities

All amounts in thousands NOK

Bonds

| <i>ISIN number</i> | <i>Issuer</i> | <i>Original principal value</i> | <i>Currency</i> | <i>Interest</i> | <i>Call date</i> | <i>Book value 30.06.14</i> |
|----------------------------------|--|---------------------------------|-----------------|-----------------|------------------|----------------------------|
| NO0010694573 | Santander Consumer Bank AS | 1 125 000 | NOK | Floating | 18.11.2015 | 1 125 000 |
| NO0010694581 | Santander Consumer Bank AS | 955 000 | NOK | Floating | 18.11.2016 | 955 000 |
| ISINXS1074244317 | Santander Consumer Bank AS | 500 000 | EUR | Fixed | 10.06.2016 | 4 044 500 |
| XS0706720496 | Bilkreditt 2 ltd | 2 740 933 | NOK | Floating | 25.04.2026 | 623 873 |
| n/a | Bilkreditt 2 ltd | 1 003 580 | NOK | Floating | 25.04.2026 | 1 003 580 |
| XS0808637218 | Bilkreditt 3 ltd | 670 000 | EUR | Floating | 25.04.2027 | 2 127 012 |
| A2 (n/a) | Bilkreditt 3 ltd | 1 096 100 | NOK | Floating | 25.04.2027 | 777 423 |
| n/a | Bilkreditt 3 ltd | 1 061 345 | NOK | Floating | 25.04.2027 | 1 061 345 |
| XS0963557698 | Bilkreditt 4 ltd | 357 013 | EUR | Floating | | 2 388 193 |
| XS0963558159 | Bilkreditt 4 ltd | 250 000 | NOK | Floating | | 250 000 |
| n/a | Bilkreditt 4 ltd | 281 967 | NOK | Floating | | 281 967 |
| XS0973570053 | Bilkreditt 5 ltd | 494 000 | EUR | Floating | | 3 277 145 |
| XS0973570137 | Bilkreditt 5 ltd | 381 900 | NOK | Floating | | 381 900 |
| n/a | Bilkreditt 5 ltd | 281 628 | NOK | Floating | | 281 628 |
| XS0846727690 | Svensk Autofinans 1 | 3 963 045 | SEK | Floating | 30.08.2029 | 979 456 |
| n/a | Svensk Autofinans 1 | 592 178 | SEK | Floating | 30.08.2029 | 542 317 |
| n/a | SAF WH 1 Ltd | 3 980 577 | SEK | Floating | | 3 645 413 |
| n/a | SAF WH 1 Ltd | 466 995 | SEK | Floating | | 427 674 |
| IE00B9HGKD62 | Dansk Auto Finansiering 1 Ltd. Dansk Auto Finansiering 1 Ltd. | 3 100 350 | DKK | Floating | | 2 626 302 |
| IE00B9JL8Q83 | B1 Dansk Auto Finansiering 1 Ltd. | 1 459 310 | DKK | Floating | | 1 644 788 |
| IE00B8T2LN25 | B2 | 299 000 | DKK | Floating | | 337 003 |
| SCFKIMICLASA | Rahoituspalvelut Ltd. | 402 435 | EUR | Floating | 25.01.2020 | 47 887 |
| n/a | Rahoituspalvelut Ltd. | 79 524 | EUR | Floating | 25.01.2020 | 668 280 |
| XS0973934192 | Rahoituspalvelut 2013 Ltd. | 439 000 | EUR | Fixed | 25.05.2021 | 2 239 785 |
| XS0973934358 | Rahoituspalvelut 2013 Ltd. | 48 800 | EUR | Fixed | 25.05.2021 | 410 091 |
| n/a | Rahoituspalvelut 2013 Ltd. | 25 555 | EUR | Fixed | 25.05.2021 | 214 751 |
| Amortisation | | | | | | 157 250 |
| Totals issued bonds | | | | | | 32 519 563 |
| Repurchase | | | | | | |
| Repurchased own issued bonds | | | | | | 7 505 324 |
| Total repurchased own securities | | | | | | 7 505 324 |
| Total issued securities | | | | | | 25 014 239 |

Santander Consumer Bank

Santander Consumer Bank AS:

Specification of issued securities

All amounts in thousands NOK

| | 2Q 2014 | 2Q 2013 | Full year 2013 |
|--|------------------|----------------|-----------------------|
| Issued commercial papers | | 0 | 0 |
| Issued bonds | 6 281 750 | 244 965 | 850 000 |
| Total liability issued securities | 6 281 750 | 244 965 | 850 000 |

Changes in liability issued securities

| All amounts in thousands NOK | Book value 31.12.13 | New issues/ repurchase | Payments | Amortisation | Book value 30.06.14 |
|--|------------------------|---------------------------|----------------|--------------|---------------------|
| Issued commercial papers | 0 | 0 | 0 | 0 | 0 |
| Issued bonds | 850 000 | 5 274 500 | 157 250 | | 6 281 750 |
| Total liability issued securities | 249 854 | 5 274 500 | 157 250 | 0 | 6 281 750 |

Specification of issued securities

All amounts in thousands NOK

Bonds

| <i>ISIN number</i> | <i>Issuer</i> | <i>Original principal value</i> | <i>Currency</i> | <i>Interest</i> | <i>Call date</i> | <i>Book value 30.06.14</i> |
|---------------------|----------------------------|---------------------------------|-----------------|-----------------|------------------|----------------------------|
| NO0010694573 | Santander Consumer Bank AS | 1 125 000 | NOK | Floating | 18.11.2015 | 1 125 000 |
| NO0010694581 | Santander Consumer Bank AS | 955 000 | NOK | Floating | 18.11.2016 | 955 000 |
| ISINXS1074244317 | Santander Consumer Bank AS | 500 000 | EUR | Fixed | | 4 044 500 |
| Amortisation | | | | | | 157 250 |
| Totals issued bonds | | | | | | 6 281 750 |

Repurchase

| | |
|----------------------------------|------------------|
| Repurchased own issued bonds | 0 |
| Total repurchased own securities | 0 |
| Total issued securities | 6 281 750 |

15. Securitization

Group:

The Group securitizes auto loans by selling portfolios of eligible auto loans to a SPV, which finances the purchase by issuing bonds in the market with security in the assets.

All securitized assets are transferred to related parties, as all the SPV's buying the assets are consolidated into the group accounts. There are not transfers of securitized assets to unrelated parties.

Santander Consumer Bank AS:

The company securitizes auto loan to customers by selling the loans to a special purpose company, which funds the purchase by issuing bonds with security in the assets. The portfolio of auto loans consists of financing of motor vehicles (including but not limited to cars, light commercial vehicles, motor homes, motorcycles) and the related collateral. At 30.06.2014, Santander Consumer Bank AS has sold auto loan portfolio to eight different SPV's.

According to IAS 39, no derecognition of these sold assets is done in the company, as the company retains basically all the risk and reward of the transferred assets. The risk is retained through the company's ownership in the most subordinated tranche of the issued notes. Through the priority of payments, these notes take on all the losses before the prioritized notes. The reward is retained as the company receives all cash that is left from the month after all the note holder and service providers have been paid. This payment represents the net interest income from customers, as the company would have owned the loans.

As the company continues to recognize the transferred assets on the balance sheet, a liability to transfer the future cash flows from the customers arises. This liability is initially booked at the consideration received.

The table below shows the amount of un-derecognised securitized loans as of 30.06.2014 and the size of the liability in relation to securitization:

| All amounts in thousands of NOK | 2Q 2014 | 2Q 2013 | Full year 2013 |
|--|-------------|-----------------|------------------|
| Derecognized | 0 | 0 | 0 |
| Retained in the balance sheet | 21 480 132 | 19 434 670 | 26 743 861 |
| Related liabilities | -21 480 210 | -19 555 476 | -23 743 993 |
| Total liability issued securities | -78 | -120 806 | 2 999 868 |

About Santander Consumer Bank

Santander Consumer Bank AS is owned by Santander Consumer Finance, which is part of Grupo Santander, one of the world's largest banks. Santander Consumer Finance is among the leaders in Europe within car- and consumer finance. The division is present in 13 countries across Europe. The Nordic region is considered a key growth area.

Based on a business model that focuses on retail banking products and services for private customers, SMEs, and companies, the Santander Group currently serves more than 100 million customers through a global network of 14,000 branches, the largest in the international banking sector. It has 1.241 billion euros in managed funds in all customer segments, 3.3 million shareholders, and 183,000 employees.

Santander Consumer Bank AS provides financing in the areas of car finance, credit cards and consumer loans. The bank is market leader in Norway within car finance, and has business in Sweden, Finland and Denmark and has a vision to be one of the leading players in the Nordic region. The bank has more than 650 employees throughout the region and total assets of NOK 84.8 billions.