



First quarter report 2017
Santander Consumer Bank Nordic Group
and
Santander Consumer Bank AS

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Management review of the first quarter 2017

This review will give an update of the first quarter of this year and our views on the future for both Santander Consumer Bank AS (hereafter SCB AS) and the Santander Consumer Bank Group (hereafter the Group). The Group consists of SCB AS, Santander Consumer Finance Oy, and special entities for funding as listed in note 13 in the AS.

Highlights

- The Group's profit before tax year to date Q1 2017 was NOK 869 MM, compared to NOK 712 MM year to date in Q1 2016
- Increase in deposits of NOK 2 915 MM since 31.12.2016 for the Group. Total NOK 43 885 MM per Q1 2017 for the Group.
- The Group's net loans to customers increased by NOK 3 764 MM year to date in 2017, which is an increase of 3,1% since 31.12.2016.
- Dividend to Santander Consumer Finance S.A of NOK 1 200 MM in Q1 2017.

Financial overview

The Group's profit before tax of NOK 869 MM year to date Q1 2017 is an increase of 22% compared to the same period last year. The increase in results are mainly due lower costs of funding, increased commission income and lower losses.

Total assets for the Group were NOK 144 131 MM per Q1 2017 where loans to customers represented 87% (NOK 125 462 MM). Per Q1 2016 the total assets for the Group were NOK 136 111 MM of which loans to customers represented 84% (NOK 114 944 MM).

SCB AS accounts show a profit before tax of NOK 720 MM year to date Q1 2017 compared to NOK 598 MM year to date Q1 2016. The total assets was NOK 131 440 MM per Q1 2017 compared to NOK 127 850 MM per Q1 2016.

Risk management

The bank leverages from pan-Nordic initiatives and strategies, resulting in highly homogeneous risk practices across the business units while at the same time taking into consideration the local markets' needs and climate.

Credit Risk

The Group's Credit Risk profile at Q1 2017 remains stable for the secure and unsecure portfolio respectively from Year End 2016 despite continuing loan growth. The consolidated Non-Performing Loans (NPL) Ratio was 2.06% in Q1 2017, which has been decreased compared with 2016 Q4 2.07%.

The YTD Loan Loss Provisions (LLP) until Q1 2017 was NOK 108 MM, compared to NOK 272 MM for the same period in 2016. Consolidated Loan Loss Reserves (LLR) was NOK 2 851 MM per Q1 2017 compared to NOK 2 926 MM at Year End 2016.

Liquidity and Interest Rate Risk

The Group manages interest rate risk by aiming to match the interest rate risk of the liabilities with the interest rate risk of the underlying assets (loan to customers). Interest rate risk in the Group is measured using the Net Interest Margin sensitivity and Market Value of Equity sensitivity. The sensitivity is measured through various shifts in the underlying market rates. Both metrics were at satisfactory levels for all countries during Q1 2017. Liquidity Risk in Santander is measured using the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Additional Liquidity Monitoring Metrics (ALMM). Overall, the Group's liquidity profile has been strengthened in preparation for meeting CRD IV's liquidity requirements. At the end of March 2017 the LCR in the Group was 113 %, whilst the minimum LCR regulatory requirement is 80% from December 2016.

Foreign currency risk

The Group operates in countries with various currencies and will inevitably be exposed to currency risks. The Group's strategy is to strive for a composition of the balance sheet that minimizes currency risk by ensuring that the assets and liabilities are denominated in the same currency. When the Group raises funding through the international debt markets, such as EMTN or securitizations, any open currency exposure should be managed with derivatives. The open currency exposure as of end of Q1 2017 was NOK equivalent 855 Mn in SEK, DKK and EUR exposures.

Funding

The main funding pillars of the Group are deposits, issuance of senior unsecured bonds, asset backed securities, and parent company funding. The Group has during the last years taken significant steps to diversify its funding sources, with particular focus on expanding deposits and senior unsecured funding the last couple of years.

Customer deposits are a strategic priority for the Group. Deposit-taking capabilities have been developed in Norway, Sweden and Denmark. Total outstanding volumes is NOK 43 885 MM across the 3 countries, representing an increase of NOK 2 915 MM year-to-date 2017.

The Group is well-established in the Norwegian senior unsecured bond market and has increased issuance under its Euro Medium Term Note program (EMTN). The bank has year-to-date issued EUR 500 MM of senior unsecured bonds in the Euro-market, 400 MM senior unsecured bonds in the Swedish market and NOK 2 200 MM senior unsecured bonds in the Norwegian markets (see note 11 for further details).

Issuance of asset backed securities is also an important funding source for the Group, with plans to continue its use during the remainder of 2017.

The Group is also funded through loans and drawing rights from the parent bank and companies within Grupo Santander. These loans are priced at market rates and denominated in local currencies.

Credit markets and access to funding have been regarded as satisfactory year-to-date Q1 2017.

Solvency and capital adequacy

The bank is supervised by the Norwegian FSA and has to comply with the capital requirements for banks in Norway. The bank has to comply with the capital requirements both at group level and at stand-alone level (SCB AS). The bank had per December 2016 a strong capital adequacy position.

Norwegian banks are subject to ongoing capital adequacy requirements, which implement EU Directives and Regulations based on the Basel III regime. In line with the recommendations of the Basel Committee on Banking Supervision (the "Basel Committee"), the regulatory approach in the Financial Undertakings Act is divided into three pillars;

Pillar 1 - Calculation of minimum regulatory capital: Norwegian banks shall at all times satisfy capital adequacy requirements reflecting credit risk, operational risk and market risk. The minimum capital adequacy requirement of 8% shall consist of at least 4.5% common equity tier 1 capital ("CET1 capital") and the remaining 3.5% may consist of other eligible capital instruments. In addition, Norwegian banks need to hold a capital conservation buffer of 2.5% CET1 capital, a systemic risk buffer of 3% CET1 capital and a bank specific counter cyclical buffer ranging between 0 and 2.5%, which per 31.12.16 was 0.9% for SCB Group and 1.0% for SCB AS. Hence, the Pillar 1 requirement for SCB Group per December 2016, was 10.9% CET1-ratio, 12.4% Tier-1 ratio and 14.4% Tier 2-ratio. The Pillar 1 requirement for SCB AS per December 2016, was 11.0% CET1-ratio, 12.5% Tier-1 ratio and 14.5% Tier 2-ratio.

Pillar 2 - Assessment of overall capital needs and individual supervisory review: The bank conducts at least annually an internal capital adequacy assessment process (ICAAP) assessing capital adequacy and thus its Pillar 2 capital requirement. The combined Pillar 1 and Pillar 2 requirements will be the basis for the bank's target capital ratios set by the Board of Directors. For 2017, the Pillar 2 requirement for the bank is set at 2.2% by the Norwegian FSA and must be met by CET1 capital.

Pillar 3 - Disclosure of information: The bank is required to disclose relevant information on their activities, risk profile and capital situation. The bank's Pillar 3 Disclosure Report is published at least on an annual basis. The Board approves the policy for the disclosure requirements under Pillar 3, whilst the Capital Committee, consisting of Senior Management, approves the disclosure information.

Please see Note for "Capital adequacy" for details on risk weighted exposure and capital ratios for the bank per December 2016.

OUTLOOK FOR 2017

Our strategic initiatives will continue in 2017 with investment in innovation, investing in our employees and launching new products. The work on extracting synergies from the merger in 2015 will still be ongoing in 2017.

The macroeconomic picture is uncertain both locally in the Nordics, but also globally which creates challenges for stable growth. The Group does however have focus on monitoring macroeconomic factors in every day decisions, as well as a close follow up of the effect on our current and future asset and funding portfolio. The Group's focus on funding and liquidity remains on securing a diverse and robust supply. Customer deposits, senior unsecured bonds, securitization and intra group funding form the main funding pillars.

We always strive to optimize and perfect our setup for system and process support, our innovation capabilities and margin management. The bank plans for another year of sustainable growth in both the top and bottom line.

Profit and Loss - Santander Consumer Bank Nordic Group

All amounts in millions of NOK

	Note	Q1 / YTD 2017	Q1 / YTD 2016	Financial year 2016
Interest income and similar income				
Interest and similar income on loans to and receivables from credit institutions		21	6	29
Interest and similar income on loans to and receivables from customers		1 835	1 870	7 479
Interest and similar income on comm. paper, bonds and other securities		39	36	149
Total interest income and similar income		1 895	1 912	7 657
Interest expenses and similar expenses				
Interest and similar expenses on debt to credit institutions		-60	-69	-219
Interest and similar expenses on deposits from and debt to customers		-135	-125	-505
Interest and similar expenses on issued securities		-100	-125	-441
Interest on subordinated loan capital		-51	-47	-210
Other interest expenses and similar expenses		1	-8	-29
Total interest expenses and similar expenses	6	-345	-375	-1 405
Net interest income		1 550	1 537	6 252
Commissions and fees				
Commission and fee income		156	176	676
Commission and fee expenses		-21	-63	-301
Net commissions and fees		135	113	375
Other product and funding related income and costs				
Value change and gain/loss on foreign exchange and securities		-24	27	17
Received dividend from investments		-	-	42
Operational leasing income		27	33	124
Depreciation of operational leasing		-23	-26	-102
Other product and funding related income and costs		-3	-38	-11
Other product and funding related income and costs		-23	-4	70
Gross margin		1 662	1 647	6 697
Operating costs				
Salaries and personnel expenses		-282	-296	-1 161
Administration expenses		-377	-340	-1 303
Ordinary depreciation fixed assets		-26	-27	-109
Total operating costs		-685	-663	-2 573
Net margin		978	984	4 124
Other income and costs		-1	0	-70
Impairment losses on other assets		-	0	-1
Total losses on loans, guarantees etc		-108	-272	-977
Profit before tax		869	712	3 076
Income tax		-205	-182	-765
Profit after tax		663	530	2 311
Allocation of profit after tax				
Transferred to other earned equity		663	530	2 311
Total allocations		663	530	2 311

<i>All amounts in thousands of NOK</i>	Note		
Profit after tax for the period	663	530	2 311
<i>Items not to be recycled to profit and loss</i>			
Actuarial gain/loss on post employment benefit obligations	-	-	24
<i>Items to be recycled to profit and loss</i>			
Net exchange differences on translating foreign operations	26	-47	-135
Value change of assets held for sale	3	2	-20
Cash flow hedge	25	-2	-27
Net investment hedge	-8	14	24
Other comprehensive income for the period net of tax	46	-32	-134
Total comprehensive income for the period	709	498	2 177

Balance Sheet - Assets - Santander Consumer Bank Group

<i>All amounts in millions of NOK</i>		Q1 / YTD	Q1 / YTD	Financial year
	Note	2017	2016	2016
Deposits with external institutions				
Cash and receivables on central banks		60	57	60
Deposits with and receivables on financial institutions		2 905	4 834	3 897
Total deposits with external institutions		2 965	4 890	3 957
Loans to customers				
Credit Card		5 775	7 118	5 743
Unsecured loans		23 948	21 851	23 139
Auto loans		95 739	85 975	92 817
Total loans to customers	3, 4	125 462	114 944	121 698
Other financial assets				
Commercial papers and bonds	9, 10, 12	9 206	9 674	10 944
Financial trading derivatives	10	289	794	362
Loans to subsidiaries and SPV's		-	-	-
Ownership interest in credit institutions		-	-	-
Other ownership interests		18	52	18
Total other financial assets		9 513	10 520	11 325
Intangible assets				
Goodwill		731	751	725
Deferred tax assets		239	235	258
Other intangible assets		250	248	260
Total intangible assets		1 220	1 234	1 242
Fixed assets				
Repossessed assets		14	14	6
Machinery, fittings and vehicles		71	83	77
Operational leasing		451	378	447
Consignment		3 112	2 748	3 228
Total fixed assets		3 648	3 223	3 758
Other non-financial assets				
Earned income not received and prepaid expenses		380	270	442
Other non-financial assets		942	1 031	307
Total other assets		1 322	1 301	749
Total assets		144 131	136 111	142 729

Balance sheet - Liabilities and Equity - Santander Consumer Bank Nordic Group

All amounts in millions of NOK

	Note	Q1 / YTD 2017	Q1 / YTD 2016	Financial year 2016
Debt to credit institutions				
Loans and deposits from credit institutions with an agreed term	12	29 853	29 088	35 019
Total loans and deposits from financial institutions		29 853	29 088	35 019
Deposits from customers				
Customer deposits		43 885	39 844	40 971
Total deposits from customers		43 885	39 844	40 971
Debt established by issuing securities				
Bonded debt	11	47 250	44 016	42 609
Total debt established by issuing securities		47 250	44 016	42 609
Other financial liabilities				
Financial derivatives	10	235	750	291
Other financial liabilities		90	190	153
Total other financial liabilities		326	939	444
Other non-financial liabilities				
Expenses incurred and earned income not received		702	829	853
Pension liabilities		210	254	218
Deferred tax		712	715	723
Other Allowances		34	123	60
Other Liabilities		1 073	745	1 262
Total other non-financial liabilities		2 731	2 666	3 116
Subordinated loan capital				
Other subordinated loan capital	12	3 583	3 809	3 576
Total subordinated loan capital		3 583	3 809	3 576
Total liabilities		127 628	120 362	125 735
Paid-in equity				
Share capital		9 652	9 652	9 652
Share capital premium		891	891	891
Total paid-in equity		10 544	10 544	10 544
Earned equity				
Retained earnings		6 066	5 257	6 603
OCI items		-107	-51	-153
Total other equity		5 959	5 205	6 450
Total equity	7	16 503	15 749	16 993
Total liabilities and equity		144 131	136 111	142 729

Cash Flow - Santander Consumer Bank Nordic Group

All amounts in millions of NOK

	Q1 / YTD 2017	Q1 / YTD 2016	Financial year 2016
Cash flow from operations			
Profit before tax	869	712	3 076
Taxes paid in the period	-183	-111	-698
Depreciation and impairment	23	52	103
Change in net loans to customers	-3 764	-1 291	-8 032
Change in repossessed assets	-9	-1	7
Value adjustments over P&L	24	-954	-17
Change in net loans from consignment and operational lease	112	-233	-578
Change in prepayments and earned income	63	47	-132
Change in loans and deposits from customers	2 915	2 459	3 590
Change in other debt	-428	212	188
Differences in expensed pensions and payments in/out of the pension scheme	-23	-20	-10
Change in other provisions	-617	-403	1 082
Net cash flow from operations	-1 018	469	-1 421
Cash flow from investments			
Purchased bonds	-137	-3 037	-14 224
Matured bonds	1 875	-	12 482
Net proceeds from purchase and sale of fixed assets	-11	-36	-122
Net cash flow from investments	1 727	-3 073	-1 864
Cash flow from financing			
Receipts on issued bonds	7 020	5 207	18 342
Repayments on issued bonds	-2 380	-	-17 219
Change in loans and deposits from financial institutions	-5 166	-3 517	1 447
Change in subordinated loans	7	-19	-252
Paid out dividend	-1 200	-	-500
Paid in share capital	-	-	-
Net cash flow from financing	-1 719	1 672	1 819
Exchange gains / (losses) on cash and cash equivalents	17	-29	-426
Net change in cash and cash equivalents	-993	-960	-1 892
Cash and cash equivalents at the beginning of the period	3 958	5 850	5 850
Cash and cash equivalents at the end of the period	2 964	4 889	3 958

Statement of changes in equity - Santander Consumer Bank Nordic Group

Q1 2017

<i>All amounts in millions of NOK</i>	Share capital	Share capital premium	Retained earnings	Translation differences from foreign currencies	Value change available for sale assets	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
Balance at 1 January 2017	9 652	891	6 603	-36	29	-48	24	-123	16 993
Profit for the period	-	-	663	-	-	-	-	-	663
OCI movements (net of tax)	-	-	-	26	3	25	-8	-	46
Capital increase	-	-	-	-	-	-	-	-	-
Share dividend	-	-	-1 200	-	-	-	-	-	-1 200
Balance at 31 March 2017	9 652	891	6 066	-10	32	-23	16	-123	16 503

Financial Year 2016

<i>All amounts in millions of NOK</i>	Share capital	Share capital premium	Retained earnings	Translation differences from foreign currencies	Value change available for sale assets	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
Balance at 1 January 2016	9 652	891	4 727	99	49	-20	0	-147	15 251
Profit for the period	-	-	2 311	-	-	-	-	-	2 311
OCI movements (net of tax)	-	-	-	-70	-20	-27	24	24	-69
Capital increase	-	-	-	-	-	-	-	-	-
Share dividend	-	-	-500	-	-	-	-	-	-500
Correction previous years	-	-	65	-65	-	-	-	-	0
Balance at 31 December 2016	9 652	891	6 603	-36	29	-48	24	-123	16 993

1) Total shares registered as at March 31, 2017, was 965 241 842

2) Restricted capital as at March 31, 2017, was NOK 9 652 M, unrestricted capital was NOK 6 850 M. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

All shares are owned by Santander Consumer Finance S.A. The annual consolidated accounts and the address of Santander Consumer S.A. in which Santander Consumer Bank AS is included, is published on www.santanderconsumer.com.

Profit and Loss - Santander Consumer Bank AS

All amounts in millions of NOK

	Note	Q1 / YTD 2017	Q1 / YTD 2016	Financial year 2016
Interest income and similar income				
Interest and similar income on loans to and receivables from credit institutions		135	177	660
Interest and similar income on loans to and receivables from customers		1 452	1 354	5 619
Interest and similar income on comm. paper, bonds and other securities		48	78	290
Total interest income and similar income		1 635	1 610	6 569
Interest expenses and similar expenses				
Interest and similar expenses on debt to credit institutions		-48	-51	-205
Interest and similar expenses on deposits from and debt to customers		-135	-125	-505
Interest and similar expenses on issued securities		-78	-78	-302
Interest on subordinated loan capital		-51	-54	-210
Other interest expenses and similar expenses		-2	-3	-13
Total interest expenses and similar expenses	6	-313	-311	-1 236
Net interest income		1 322	1 299	5 333
Commissions and fees				
Commission and fee income		156	186	701
Commission and fee expenses		-16	-56	-270
Net commissions and fees		141	130	431
Other product and funding related income and costs				
Value change and gain/loss on foreign exchange and securities		-25	29	14
Received dividend from investments		-	-	554
Operational leasing income		-	-	-
Depreciation of operational leasing		-2	-	-5
Other product and funding related income and costs		-3	-41	-22
Other product and funding related income and costs		-31	-12	542
Gross margin		1 432	1 416	6 306
Operating costs				
Salaries and personnel expenses		-249	-268	-1 031
Administration expenses		-341	-306	-1 174
Ordinary depreciation fixed assets		-23	-25	-101
Total operating costs		-613	-599	-2 306
Net margin		819	818	4 000
Other income and costs		-1	-	-71
Impairment losses on other assets		-	-	-
Total losses on loans, guarantees etc		-98	-220	-850
Profit before tax		720	598	3 080
Income tax		-176	-160	-649
Profit after tax		545	437	2 431
Allocation of profit after tax				
Transferred to other earned equity		545	437	2 431
Total allocations		545	437	2 431

<i>All amounts in thousands of NOK</i>	Note		
Profit after tax for the period	545	437	2 431
<i>Items not to be recycled to profit and loss</i>			
Actuarial gain/loss on post employment benefit obligations	-	-	24
<i>Items to be recycled to profit and loss</i>			
Net exchange differences on translating foreign operations	1	-1	-31
Value change of assets held for sale	4	2	-23
Cash flow hedge	11	-4	-18
Other comprehensive income for the period net of tax	16	-3	-48
Total comprehensive income for the period	560	434	2 382

Balance Sheet - Assets - Santander Consumer Bank AS

All amounts in millions of NOK

	Note	Q1 / YTD 2017	Q1 / YTD 2016	Financial year 2016
Deposits with external institutions				
Cash and receivables on central banks		60	57	60
Deposits with and receivables on financial institutions		812	739	1 500
Total deposits with external institutions		872	795	1 560
Loans to customers				
Credit Card		5 773	7 115	5 743
Unsecured loans		21 761	19 723	21 054
Auto loans		78 689	71 862	76 936
Total loans to customers	3, 4	106 222	98 700	103 733
Other financial assets				
Commercial papers and bonds	9, 10, 12	10 718	15 540	12 552
Financial trading derivatives	10	283	835	355
Loans to subsidiaries and SPV's		8 624	8 136	6 494
Ownership interest in credit institutions		1 190	1 222	1 180
Other ownership interests		18	52	18
Total other financial assets		20 834	25 786	20 598
Intangible assets				
Goodwill		353	362	350
Deferred tax assets		68	106	80
Other intangible assets		242	238	251
Total intangible assets		662	706	680
Fixed assets				
Repossessed assets		8	8	5
Machinery, fittings and vehicles		56	74	61
Operational leasing		155	-	141
Consignment		1 434	1 267	1 348
Total fixed assets		1 654	1 350	1 556
Other non-financial assets				
Earned income not received and prepaid expenses		354	231	298
Other non-financial assets		842	282	91
Total other assets		1 196	513	389
Total assets		131 440	127 850	128 517

Balance sheet - Liabilities and Equity - Santander Consumer Bank AS

All amounts in millions of NOK

	Note	Q1 / YTD 2017	Q1 / YTD 2016	Financial year 2016
Debt to credit institutions				
Loans and deposits from credit institutions with an agreed term	12	32 790	41 585	38 420
Total loans and deposits from financial institutions		32 790	41 585	38 420
Deposits from customers				
Customer deposits		43 885	39 844	40 971
Total deposits from customers		43 885	39 844	40 971
Debt established by issuing securities				
Bonded debt	11	32 971	24 571	26 473
Total debt established by issuing securities		32 971	24 571	26 473
Other financial liabilities				
Financial derivatives	10	232	730	287
Other financial liabilities		89	172	161
Total other financial liabilities		321	903	449
Other non-financial liabilities				
Expenses incurred and earned income not received		633	745	772
Pension liabilities		210	254	218
Deferred tax		702	715	711
Other Allowances		34	123	60
Other Liabilities		822	624	740
Total other non-financial liabilities		2 402	2 461	2 502
Subordinated loan capital				
Other subordinated loan capital	12	3 583	3 809	3 576
Total subordinated loan capital		3 583	3 809	3 576
Total liabilities		115 953	113 172	112 390
Paid-in equity				
Share capital		9 652	9 652	9 652
Share capital premium		891	891	891
Total paid-in equity		10 544	10 544	10 544
Earned equity				
Retained earnings		5 079	4 240	5 735
OCI items		-135	-106	-151
Total other equity		4 944	4 134	5 583
Total equity	7	15 487	14 678	16 127
Total liabilities and equity		131 440	127 850	128 517

Cash Flow - Santander Consumer Bank AS

All amounts in millions of NOK

	Q1 / YTD 2017	Q1 / YTD 2016	Financial year 2016
Cash flow from operations			
Profit before tax	720	598	3 080
Taxes paid in the period	-159	-101	-536
Depreciation and impairment	2	24	5
Change in net loans to customers	-2 489	-913	-5 937
Change in repossessed assets	-3	2	4
Value adjustments over P&L	25	342	-14
Change in net loans from consignment and operational lease	-100	162	-422
Change in prepayments and earned income	-57	-20	-101
Change in loans and deposits from customers	2 915	2 459	3 590
Change in other debt	-155	195	-113
Differences in expensed pensions and payments in/out of the pension scheme	-23	-20	-10
Change in other provisions	-738	-329	55
Net cash flow from operations	-62	2 399	-400
Cash flow from investments			
Purchased bonds	-	-2 880	-12 327
Matured bonds	1 834	-	15 549
Net proceeds from purchase and sale of fixed assets	-9	-33	-109
Net cash flow from investments	1 825	-2 913	3 113
Cash flow from financing			
Receipts on issued bonds	7 020	5 207	13 405
Repayments on issued bonds	-522	-	-6 315
Loans and deposits from financial institutions	-7 760	-4 841	-8 173
Change in subordinated loans	7	-19	-252
Paid out/in dividend	-1 200	-	-500
Paid in share capital	-	-	-
Net cash flow from financing	-2 455	348	-1 834
Exchange gains / (losses) on cash and cash equivalents	5	-21	-302
Net change in cash and cash equivalents	-687	-187	578
Cash and cash equivalents at the beginning of the period	1 559	981	981
Cash and cash equivalents at the end of the period	872	794	1 559

Statement of changes in equity - Santander Consumer Bank AS

Q1 2017

<i>All amounts in millions of NOK</i>	Share capital	Share capital premium	Retained earnings	Translation differences from foreign currencies	Value change available for sale assets	Cash flow hedge	Actuarial gain/loss	Total
Balance at 1 January 2017	9 652	891	5 734	-22	26	-32	-123	16 127
Profit for the period	-	-	545	-	-	-	-	545
OCI movements (net of tax)	-	-	-	1	4	11	-	16
Capital increase	-	-	-	-	-	-	-	-
Share dividend	-	-	-1 200	-	-	-	-	-1 200
Balance at 31 March 2017	9 652	891	5 079	-22	30	-21	-123	15 487

Financial Year 2016

<i>All amounts in millions of NOK</i>	Share capital	Share capital premium	Retained earnings	Translation differences from foreign currencies	Value change available for sale assets	Cash flow hedge	Actuarial gain/loss	Total
Balance at 1 January 2016	9 652	891	3 803	8	50	-14	-147	14 244
Profit for the period	-	-	2 431	-	-	-	-	2 431
OCI movements (net of tax)	-	-	-	-31	-23	-18	24	-48
Capital increase	-	-	-	-	-	-	-	-
Share dividend	-	-	-500	-	-	-	-	-500
Balance at 31 December 2016	9 652	891	5 734	-22	26	-32	-123	16 127

1) Total shares registered as at March 31, 2017, was 965 241 842

2) Restricted capital as at March 31, 2017, was NOK 9 652 M, unrestricted capital was NOK 5 835 M. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

All shares are owned by Santander Consumer Finance S.A. The annual consolidated accounts and the address of Santander Consumer S.A. in which Santander Consumer Bank AS is included, is published on www.santanderconsumer.com.

Madrid, 11th May 2017

The Board of Directors of Santander Consumer Bank

Erik Kongelf
(Chairman)

Bruno Montalvo Wilmot
(Deputy Chairman)

Manuel Angel Menendez
Barrero

Francisco Javier Anton San
Pablo

Niels Christian Aall

Henning Strøm

Sigrid Dale
(Employee Representative)

Jyri Vilamo
(Employee Representative)

Michael Hvidsten
(Chief Executive Officer)



Santander Consumer Bank Group

Notes

Note 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 entities (as listed in note 13) 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 first quarter of 2017 are prepared in accordance with IAS 34 Interim Financial reporting as endorsed by EU.

The annual report for 2016 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting www.santander.no.

Note 2 - Accounting policies

The Group's accounting policies are consistent with those of the previous financial year as described in the 2016 Annual Report except as described below.

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 2016, with the exception of changes in methodology 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 2016 annual report.

Note 3 - Risk classification

The tables below show the past due portfolio at certain aging intervals. The purpose of the note is to show the credit risk associated with the loans to customers.

<i>All amounts in millions of NOK</i>	Balance			Loss reserves		
	Q1 2017	Q1 2016	FY 2016	Q1 2017	Q1 2016	FY 2016
Current - not past due date	119 294	108 558	115 699	-1 034	-1 043	-1 084
Current - past due date	6 380	6 721	6 349	-251	-262	-251
Total impaired loans	2 639	2 365	2 577	-1 566	-1 396	-1 592
Total gross loans to customers	128 313	117 644	124 625	-2 851	-2 700	-2 926

<i>Ageing of past due but not impaired loans</i>	Balance			Loss reserves		
	Q1 2017	Q1 2016	FY 2016	Q1 2017	Q1 2016	FY 2016
1 - 29 days	5 236	5 412	5 172	-105	-114	-110
30 - 59 days	839	990	893	-77	-80	-77
60 - 89 days	305	320	284	-69	-69	-64
Total loans due but not impaired	6 380	6 721	6 349	-251	-262	-251

<i>Ageing of impaired loans</i>	Balance			Loss reserves		
	Q1 2017	Q1 2016	FY 2016	Q1 2017	Q1 2016	FY 2016
90 - 119 days	214	254	213	-77	-85	-72
120 - 149 days	169	170	148	-72	-91	-65
150 - 179 days	140	129	121	-70	-89	-63
180 + days	947	886	929	-681	-698	-711
Economic doubtful*	1 170	926	1 166	-666	-434	-679
Total impaired loans	2 639	2 365	2 577	-1 566	-1 396	-1 592

* Economic doubtful contracts are loans where there is a reasonable doubt of full repayment due to reasons other than payment arrears

The SCB portfolio now consists of 75% of Auto Finance and 25% Unsecured finance (credit cards, consumer loans, sales finance); where for auto finance the underlying assets serve as collateral.

Auto Finance, collateral is held as security. Carrying amount in relationship with object value and financed amount is influenced by specific mileage, use and maintenance among others, which varies from object to object. This value is embedded into Write Downs calculation as part of recoveries.

Note 4 – Loan reserves

All amounts in millions of NOK

	Q1 2017	Q1 2016	FY 2016
Specific loan reserves			
Specific loan reserves 01.01.	1 555	1 520	1 520
+/- Rate adjustment opening balance	4	-10	-33
Reclassification between specific and generic loan reserves	-	-	-58
+ Specific loan reserves for the period	4	-108	126
= Specific loan reserves period end	1 563	1 402	1 555
Generic loan reserves			
Generic loan reserves 01.01	1 371	1 111	1 111
+/- Rate adjustment opening balance	8	-16	-50
Release of reserves related to bad debt sale	-	-	-19
Reclassification between specific and generic loan reserves	-	-	58
+/- Generic loan reserves for the period	-91	203	270
= Generic loan reserves period end	1 288	1 298	1 371
Total Loan Reserves in Balance Sheet	2 851	2 700	2 926
Loan losses expenses			
Change in loan reserves provision	87	-95	-397
+/- Fx rate adjustment opening balance	-1	0	-1
+ Total realized losses	-362	-351	-1 472
- Recoveries on previously realized losses	168	174	893
= Loan losses in the period	-108	-272	-977

Loan reserves calculated separately for each business unit, using internal parameters.

-Specific loan reserves calculated by arrears following portfolio ageing and specific assessment of the exposure by specific contracts, also referred to as non performing loans.

-Generic loan reserves calculated by arrears, including incurred but not reported impaired loans following portfolio ageing, and reserves based on macro parameters.

Note 5 - Liquidity coverage ratio

Liquidity Coverage Ratio (LCR) measures the capability to meet obligations in the next 30 days by means of liquidity assets. It is defined as $LCR = \text{liquidity assets} / (\text{cash outflows} - \text{cash inflows})$. The minimum LCR level (CRD IV) is 70% from 31 December 2015. With a stable basis of High Quality Liquid Assets, SCB AS fulfills the minimum LCR requirements.

Liquidity Coverage Ratio (LCR) %	Q1 2017	Q1 2016	Q4 2016
Liquidity Coverage Ratio (LCR) Total	113	99	119
Liquidity Coverage Ratio (LCR) NOK	145	138	124
Liquidity Coverage Ratio (LCR) SEK	82	72	129
Liquidity Coverage Ratio (LCR) DKK	-	115	66
Liquidity Coverage Ratio (LCR) EUR	119	64	98

Note 6 - Interest Expenses

The table show average interest rate on interest bearing debt. Average interest is calculated as actual interest expense through the year in percent of weighted average balance.

All amounts in millions of NOK

To credit institutions	Q1 / YTD 2017	Q1 / YTD 2016	FY 2016
Interest expenses	-60	-69	-219
Average loan	32 436	31 813	34 295
Average nominal interest rate	0,54%	0,47%	0,48%

To customers	Q1 / YTD 2017	Q1 / YTD 2016	FY 2016
Interest expenses	-135	-125	-505
Average deposit	42 428	38 610	39 176
Average nominal interest rate	1,27%	1,29%	1,29%

To bondholders	Q1 / YTD 2017	Q1 / YTD 2016	FY 2016
Interest expenses	-100	-125	-441
Average issued notes and bonds	44 930	42 155	42 309
Average nominal interest rate	1,05%	1,42%	1,31%

Subordinated loan capital	Q1 / YTD 2017	Q1 / YTD 2016	FY 2016
Interest expenses	-51	-47	-210
Average subordinated loan capital	3 580	3 818	3 702
Average nominal interest rate	5,68%	5,61%	5,68%

Total of tables above:	Q1 / YTD 2017	Q1 / YTD 2016	FY 2016
Interest expenses	-346	-367	-1 376
Loan	123 373	116 397	119 482
Average nominal interest rate	1,12%	1,13%	1,13%

Note 7 - Capital adequacy

<i>All amounts in millions of NOK</i>	Q1 2017	Q1 2016	FY 2016
Balance sheet equity			
Paid in equity	9 652	9 652	9 652
Share premium	891	891	891
Retained earnings	6 066	5 257	6 603
Other reserves	-107	-51	-153
Total Equity	16 503	15 749	16 993
Common Equity Tier 1 Capital			
(-) Year to date profit not-eligible (Not audited)	-	-530	-
(-) Profit not eligible as capital	-663	-	-1 200
Cash-flow hedge adjustment	-	-	-
IRB Expected Loss - Reserves	-316	-265	-236
Goodwill	-655	-751	-647
Other intangible assets	-250	-248	-260
Deferred tax assets	-	-235	-
Adjustment Prudent Valuation (AVA)	-10	-	-12
Total common Equity Tier 1 Capital	14 609	13 721	14 639
Tier 1 Capital			
Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital	16 859	15 971	16 889
Total Capital			
Paid up subordinated loans	1 275	1 471	1 291
Subordinated loans not eligible	-80	-244	-80
Total Capital	18 055	17 198	18 100
Risk exposure			
Regional governments or local authorities	64	54	63
Institutions	1 258	1 439	1 522
Corporates	6 267	6 147	6 178
Retail Standard Approach	46 658	45 894	45 017
Retail Internal Rating Based	27 077	23 677	25 699
Exposures in default SA	940	774	901
Covered bonds	807	714	864
Other Exposures	5 797	4 367	5 820
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	88 868	83 068	86 065
Foreign exchange (zero if under threshold)	900	367	854
Risk exposure amount for position, foreign exchange and commodities risks	900	367	854
Basic indicator approach	9 835	7 100	9 835
Risk exposure amount for operational risk	9 835	7 100	9 835
Standardized method	232	410	269
Risk exposure amount for credit valuation adjustment	232	410	269
Allowance which apply on the standardized approach for credit risk	-	-	-
Deductions of risk exposure amount	-	-	-
Total risk exposure amount	99 836	90 944	97 023

	Q1 2017	Q1 2016	FY 2016
Common equity tier 1 capital ratio	14,63%	15,09%	15,09%
Tier 1 capital ratio	16,89%	17,56%	17,41%
Total capital ratio	18,08%	18,91%	18,66%
Leverage ratio	11,41%	11,35%	11,63%

From December 2015 the Group are calculating credit risk capital requirement using advanced internal rating based models (IRB- A models) for part of its exposures

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.

Note 8 - Segment information

Financial management in Santander is oriented towards the various geographical markets. Monitoring of the overall profitability of the geographic areas are important dimensions of the strategic priorities and allocation of resources in the SCB Group. Reported figures for the various segments reflect the SCB Group's total sales of products and services in the geographical area.

Segment information is based on the internal financial reporting as it is reported to SCB Group management. SCB Group management uses the segment reporting as an element to assess historical and expected future development and allocation of resources.

Reporting from the segments is based on Santander's governance model and the SCB Group's accounting policies. The figures are based on a number of assumptions and estimates.

The Segments are responsible for profits after tax, with the corresponding return on allocated capital according to the SCB Group's governance model. All the SCB Group's trade activities are divided into the reported segments with corresponding balances, income and expenses.

Deficit liquidity from the segments are funded by the SCB Group treasury at market conditions. Surplus liquidity is transferred to the SCB Group treasury at market conditions.

Internal agreements at market conditions or simulated market conditions are made when segments cooperate on the delivery of financial services to customers.

Services provided by the Group's central functions and staff are charged segments based on an allocation agreement.

Product segmentation per country (gross lending before expected losses)

31 March 2017

<i>All amounts in millions of NOK</i>	Unsecured loans	Secured loans	Financial lease	Operational lease	Consignment	Total
Norway	10 853	33 287	9 076	-	-	53 216
Sweden	13 234	12 167	4 400	-	1 152	30 952
Denmark	5 083	18 448	2 162	155	283	26 132
Finland	2 395	15 778	1 430	295	1 678	21 577
Total	31 565	79 680	17 069	451	3 112	131 877

31 March 2016

<i>All amounts in millions of NOK</i>	Unsecured loans	Secured loans	Financial lease	Operational lease	Consignment	Total
Norway	10 639	30 500	7 991	-	-	49 129
Sweden	12 915	11 044	4 074	-	1 027	29 061
Denmark	4 798	17 100	1 935	-	240	24 073
Finland	2 390	13 032	1 226	378	1 480	18 507
Total	30 742	71 676	15 226	378	2 748	120 770

Balance sheet and P&L per country

31 March 2017

<i>All amounts in millions of NOK</i>	Norway	Sweden	Denmark	Finland	Eliminations*	Total Group
Net interest income	675	346	324	200	5	1 550
Net fees and commissions	63	35	28	9	-	135
Other product and funding related income and costs	-23	-2	-5	7	-	-23
Total operating costs	-295	-197	-123	-65	-5	-685
Other income and costs	-1	0	0	0	-	-1
Impairment losses on other assets	-	-	-	-	-	-
Total losses on loans, guarantees etc	-46	-28	-33	-2	-	-108
Profit before tax	374	155	192	148	-	869
Total tax	-100	-34	-42	-30	-	-205
Profit after tax	275	121	149	119	-	663
Cash and receivables on central banks	60	-	-	-	-	60
Deposits with and loans to financial institutions	1 365	746	68	726	-	2 905
Total gross loans to customers	53 216	29 800	25 694	19 604	-	128 313
Write-downs	-1 681	-437	-369	-364	-	-2 851
Commercial papers and bonds	3 797	2 390	1 263	1 757	-	9 206
Financial trading derivatives	283	-	-	6	-	289
Ownership interests in group companies and other entities	1 208	-	-	-	-1 190	18
Other assets	20 686	1 338	1 446	2 175	-19 454	6 190
Total assets	78 933	33 837	28 101	23 904	-20 645	144 131
Debt to credit institutions	7 505	10 378	15 831	15 955	-19 816	29 853
Deposits from customers	19 764	12 658	11 463	-	-	43 885
Bonded debt	32 097	9 349	-11	5 815	-	47 250
Financial derivatives	232	-	-	3	-	235
Other liabilities	4 084	1 361	676	291	-8	6 405
Equity	15 251	91	141	1 840	-820	16 503
Total liabilities and equity	78 933	33 837	28 101	23 904	-20 645	144 131

Note 9 – Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 31 March 2017	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Cash and receivables on central banks	-	-	-	60	60
Deposits with and receivables on financial institutions	-	-	-	2 905	2 905
Net loans to costumers	-	-	-	125 462	125 462
Commercial papers and bonds	-	9 206	-	-	9 206
Financial trading derivatives	289	-	-	-	289
Other ownership interests	-	18	-	-	18
Other financial assets	-	-	-	-	-
Total financial assets	289	9 224	-	128 427	137 940
				Non financial assets	6 190
				Total assets	144 131

Classification of financial liabilities 31 March 2017	Financial liabilities at fair value through P&L	Financial liabilities measured at amortized cost	Booked value
Loans and deposits from credit institutions	-	29 853	29 853
Customer deposits	-	43 885	43 885
Bonded debt	-	47 250	47 250
Financial derivatives	235	-	235
Other financial liabilities	-	90	90
Subordinated loan capital	-	3 583	3 583
Total financial liabilities	235	124 662	124 897
			Non financial liabilities and equity
			19 234
			Total liabilities
			144 131

Classification of financial assets 31 December 2016	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Cash and receivables on central banks	-	-	-	60	60
Deposits with and receivables on financial institutions	-	-	-	3 897	3 897
Net loans to costumers	-	-	-	121 698	121 698
Commercial papers and bonds	-	10 944	-	-	10 944
Financial trading derivatives	362	-	-	-	362
Other ownership interests	-	18	-	-	18
Other financial assets	-	-	-	-	-
Total financial assets	362	10 963	-	125 655	136 980
				Non financial assets	5 749
				Total assets	142 729

Classification of financial liabilities 31 December 2016	Financial liabilities at fair value through P&L	Financial liabilities measured at amortized cost	Booked value
Loans and deposits from credit institutions	-	35 019	35 019
Customer deposits	-	40 971	40 971
Bonded debt	-	42 609	42 609
Financial derivatives	291	-	291
Other financial liabilities	-	153	153
Subordinated loan capital	-	3 576	3 576
Total financial liabilities	291	122 328	122 619

Non financial liabilities and equity	20 110
Total liabilities	142 729

For the financial assets and liabilities above the fair value is a reasonable approximation to the book value.

Note 10 - Valuation Hierarchy

Financial instruments measured at fair value

<i>All amounts in millions of NOK</i>		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial assets					
<i>Name</i>	<i>Type</i>				
Bilkreditt 4	Fixed amort.profile BK4	-	31	-	31
Bilkreditt 5	Fixed amort.profile BK5	-	46	-	46
Bilkreditt 6	Fixed amort.profile BK6	-	176	-	176
Bilkreditt 7	Pass-through swap BK7	-	30	-	30
KIMI5	Fixed amort.profile KIMI5	-	4	-	4
KIMI4	Pass-through swap KIMI4	-	2	-	2
Total financial trading derivatives		-	289	-	289
<i>Name</i>	<i>Type</i>				
Government bonds and Treasury Bills	Bonds	1 137	-	-	1 137
Covered Bonds	Bonds	8 069	-	-	8 069
Total commercial papers and bonds *		9 206	-	-	9 206
Total Assets		9 206	289	-	9 495
Financial liabilities					
<i>Name</i>	<i>Type</i>				
Bilkreditt 4	Pass-through swap BK4	-	17	-	17
Bilkreditt 5	Pass-through swap BK5	-	34	-	34
Bilkreditt 6	Pass-through swap BK6	-	150	-	150
Bilkreditt 7	Fixed swap BK7	-	31	-	31
KIMI5	Pass-through swap KIMI5	-	1	-	1
KIMI4	Fixed swap KIMI	-	2	-	2
Total financial derivatives		-	235	-	235
Total Liabilities		-	235	-	235
Derivatives designated for hedge accounting - assets					
<i>Name</i>	<i>Type</i>				
Bilkreditt 4	Front swap BK4	-	17	-	17
Bilkreditt 5	Front swap BK5	-	34	-	34
Bilkreditt 6	Front swap BK6	-	150	-	150
EMTN SEK	EMTN SEK	-	3	-	3
EMTN MEUR 350	EMTN FV hedge fixed floating	-	10	-	10
Total derivatives designated for hedging - assets*		-	214	-	214

Derivatives designated for hedge accounting - liabilities

<i>Name</i>	<i>Type</i>	Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Bilkreditt 7	Front swap BK7	-	30	-	30
EMTN MEUR 100	EMTN CF hedge fixed fixed	-	6	-	6
EMTN MEUR 240	EMTN FV hedge fixed floating	-	6	-	6
DK EMTN MEUR 245	DK EMTN FV hedge	-	14	-	14
SW EMTN MEUR 100	SW EMTN FV hedge	-	10	-	10
DK EMTN MEUR 250	DK EMTN FV hedge	-	5	-	5
KIMI4	Front swap Kimi4	-	2	-	2
KIMI5	Front swap Kimi5	-	1	-	1
Total derivatives designated for hedging - liabilities*		-	74	-	74

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access to at that date. When available, the fair value of an instrument is measured using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the instruments fair value is measured using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Level 1:

Instruments at this level obtain fair value from quoted prices in active markets for identical assets or liabilities that the entity has access by the reporting date. Examples of instruments at Level 1 are listed government bonds.

Level 2:

Instruments at this level is not considered to have an active market. Fair value is obtained from relevant observable market data. This includes prices based on identical instruments, as well as prices based on similar assets and price indicators that are observable for the asset or liability. Examples of instruments at Level 2 are securities priced out of interest rate paths. The fair value at level 2 is calculated by discounting future cash flows. The cash flows are known from contractual conditions, in addition to a marked regulated interest rate element (e.g. EURIBOR).

Level 3:

Instruments at Level 3 have no observable market inputs, or they traded on markets that are considered inactive. The price is based mainly on calculations based on internal data and the best information available given the circumstances.

* Derivatives designated for hedge accounting are included in the balance sheet line "Other Assets" for the derivatives that represent an asset and in "Other liabilities" for derivatives that represent a liability for the entity.

Note 11 - Issued securities

<i>All amounts in millions of NOK</i>	Q1 2017	Q1 2016	FY 2016
Senior unsecured issued securities	32 971	24 571	26 473
Asset backed issued securities	14 278	19 446	16 136
Total issued securities	47 250	44 016	42 609

Santander Consumer Bank AS issued bonds on the Irish stock exchange in February to a value of EUR 500 MM (NOK 4 432 MM)

Santander Consumer Bank AS issued bonds on the Swedish stock exchange in March to a value of SEK 400 MM (NOK 388 MM)

Santander Consumer Bank AS issued bonds on the Norwegian stock exchange in March to a value of NOK 2 200 MM

The additional change in balance sheet value of senior unsecured issued securities is the reevaluation of the Euro and SEK bonds

Note 12 - Receivables and liabilities to related parties

Debt to related parties: <i>Amounts in millions of NOK</i>	Accrued interest		Accrued interest		Accrued interest	
	Q1 2017	Q1 2017	Q1 2016	Q1 2016	FY 2016	FY 2016
Balance sheet line: "Loans and deposits from credit institutions with an agreed term"						
<i>Santander Benelux</i>	789	3	3 992	14	2 028	10
<i>Santander Consumer Finance S.A.</i>	28 776	11	23 452	12	32 230	14
<i>Banco Madasant</i>	-	-	1 648	-	754	0
Total	29 565	14	29 092	26	35 012	24

Balance sheet line: "Subordinated loan capital" - Bonds

MNOK 180, maturity September 2016, 3 months NIBOR +0.55% (Banco Santander S.A)	-	-	180	-	-	-
MNOK 80, maturity October 2017, 3 months NIBOR +1.75% (Santander Consumer Finance S.A)	80	-	80	-	80	-
MNOK 250, maturity March 2025, 3 months NIBOR + 2.2575% (Santander Consumer Finance S.A)	250	-	250	2	250	-
Hybrid capital - perpetual bond, 3M NIBOR + 6.50% (Santander Consumer Finance S.A)	2 250	29	2 250	30	2 250	29
MNOK 250, maturity July 2025, 3 months NIBOR+3.135% (Santander Consumer Finance S.A)	250	2	250	-	250	2
MSEK 750, maturity December 2024, 3 months STIBOR+2.2825% (Santander Consumer Finance S.A)	721	-	765	-	713	-
Total	3 551	32	3 775	33	3 543	32

The interest rate on intercompany loans are priced in accordance with marked conditions for parties at arm's length.

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

Note 13 - Transaction with related parties

All amounts in millions of NOK

The group is controlled by Santander Consumer Finance S.A. which owns 100% of the company's shares. The group's ultimate parent is Grupo Santander. All companies within Grupo Santander is considered related parties. In addition, the SPV (securitization of car loans) are also considered as related Parties.

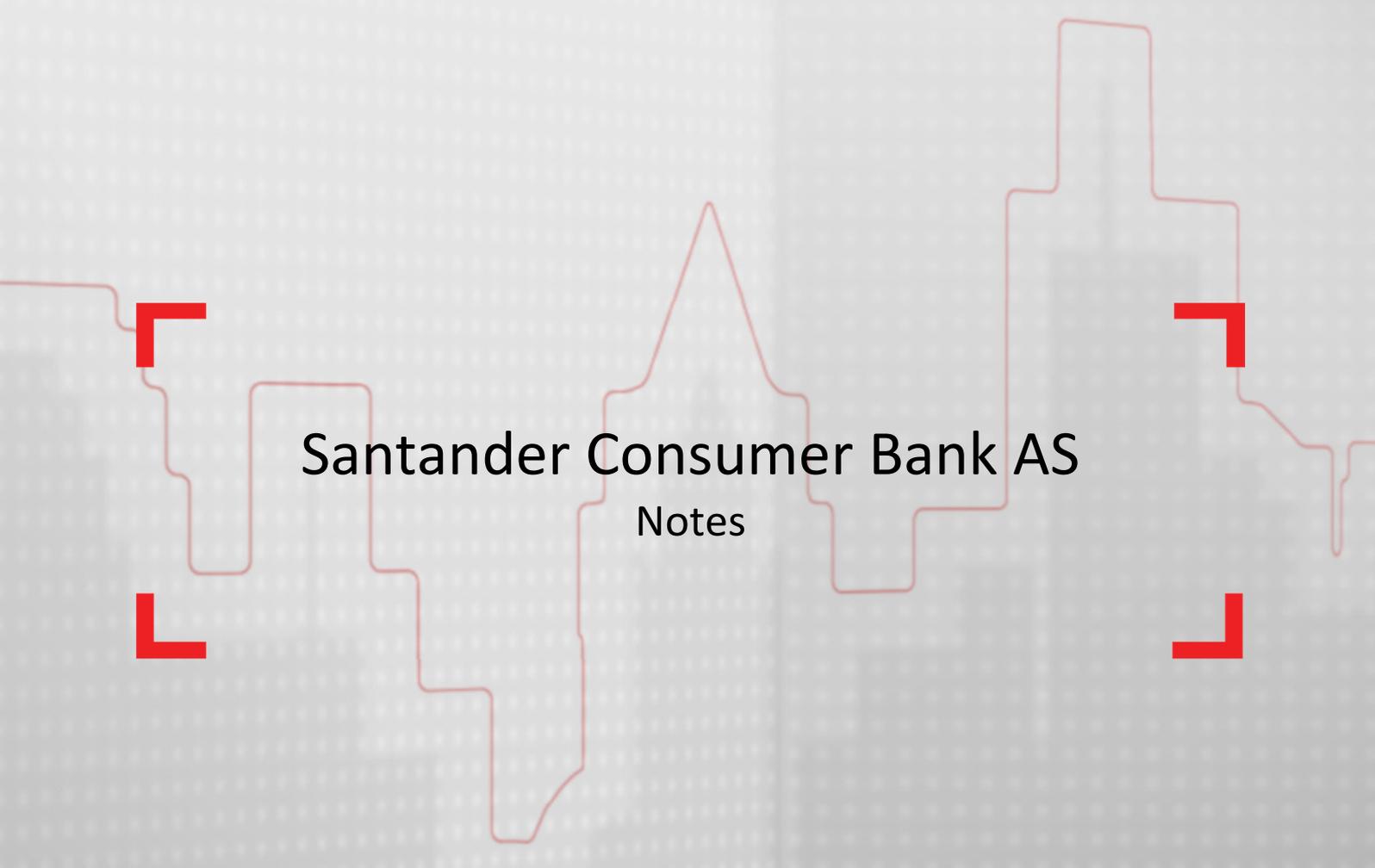
Transactions with related parties are mostly interest on funding from the parent company, ultimate parent or from Santander Benelux.

The following transactions were carried out with related parties:

	Q1 / YTD 2017	Q1 / YTD 2016	Financial year 2016
Interest income	12	4	39
Interest expenses	-104	-118	-513
Fees	23	27	133
Other	-	-	-
Net transactions	-68	-87	-341

Santander Consumer Bank Group had transactions with the following related parties per 31 March 2017:

Banco Santander S.A
 Santander Benelux B.V.
 Santander Consumer Finance S.A.
 Santander Insurance Europe Ltd.
 Santander Insurance Services
 Ireland Ltd.
 Banco Madasant
 Abbey National Treasury Services plc
 Santander Global Facilities S.L
 Santander Securities Services, S.A
 Ingeniería de Software Bancario, S.L.



Santander Consumer Bank AS

Notes

Note 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 entities (as listed in note 13) 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 first quarter of 2017 are prepared in accordance with IAS 34 Interim Financial reporting as endorsed by EU.

The annual report for 2016 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting www.santander.no.

Note 2 - Accounting policies

The Group's accounting policies are consistent with those of the previous financial year as described in the 2016 Annual Report except as described below.

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 2016, with the exception of changes in methodology 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 2016 annual report.

Note 3 - Risk classification

The tables below show the past due portfolio at certain aging intervals. The purpose of the note is to show the credit risk associated with the loans to customers.

<i>All amounts in millions of NOK</i>	Balance			Loss reserves		
	Q1 2017	Q1 2016	FY 2016	Q1 2017	Q1 2016	FY 2016
Current - not past due date	101 343	93 281	99 056	-799	-761	-818
Current - past due date	4 880	5 478	4 784	-209	-215	-210
Total impaired loans	2 487	2 237	2 432	-1 479	-1 320	-1 511
Total gross loans to customers	108 710	100 996	106 272	-2 488	-2 296	-2 539

<i>Ageing of past due but not impaired loans</i>	Balance			Loss reserves		
	Q1 2017	Q1 2016	FY 2016	Q1 2017	Q1 2016	FY 2016
1 - 29 days	3 925	4 361	3 807	-83	-91	-89
30 - 59 days	688	840	730	-66	-66	-66
60 - 89 days	267	276	247	-61	-58	-56
Total loans due but not impaired	4 880	5 478	4 784	-209	-215	-210

<i>Ageing of impaired loans</i>	Balance			Loss reserves		
	Q1 2017	Q1 2016	FY 2016	Q1 2017	Q1 2016	FY 2016
90 - 119 days	193	233	191	-69	-74	-66
120 - 149 days	155	157	136	-66	-82	-60
150 - 179 days	131	117	114	-66	-84	-59
180 + days	946	885	927	-680	-696	-710
Economic doubtful*	1 062	845	1 063	-599	-383	-616
Total impaired loans	2 487	2 237	2 432	-1 479	-1 320	-1 511

* Economic doubtful contracts are loans where there is a reasonable doubt of full repayment due to reasons other than payment arrears

After the legal merge with Santander Consumer Bank AB (former GE Money Bank AB), the SCB portfolio now consists of 73% of Auto Finance and 27% Unsecured finance (credit cards, consumer loans, sales finance); where for auto finance the underlying assets serve as collateral.

Auto Finance, collateral is held as security. Carrying amount in relationship with object value and financed amount is influenced by specific mileage, use and maintenance among others, which varies from object to object. This value is embedded into Write Downs calculation as part of recoveries.

Note 4 – Loan reserves

All amounts in millions of NOK

	Q1 2017	Q1 2016	FY 2016
Specific loan reserves			
Specific loan reserves 01.01.	1 475	1 444	1 444
+/- Rate adjustment opening balance	3	-8	-29
Reclassification between specific and generic loan reserves	-	-	-58
+ Specific loan reserves for the period	1	-110	118
= Specific loan reserves period end	1 479	1 326	1 475
Generic loan reserves			
Generic loan reserves 01.01	1 064	783	783
+/- Rate adjustment opening balance	5	-9	-32
Release of reserves related to bad debt sale	-	-	-19
Reclassification between specific and generic loan reserves	-	-	58
+/- Generic loan reserves for the period	-60	196	274
= Generic loan reserves period end	1 009	970	1 064
Total Loan Reserves in Balance Sheet	2 488	2 296	2 539
Loan losses expenses			
Change in loan reserves provision	59	-87	-392
+/- Fx rate adjustment opening balance	-	-	-1
+ Total realized losses	-314	-298	-1 247
- Recoveries on previously realized losses	157	165	790
= Loan losses in the period	-98	-220	-850

Loan reserves calculated separately for each business unit, using internal parameters.

-Specific loan reserves calculated by arrears following portfolio ageing and specific assessment of the exposure by specific contracts, also referred to as non performing loans.

-Generic loan reserves calculated by arrears, including incurred but not reported impaired loans following portfolio ageing, and reserves based on macro parameters.

Note 5 - Liquidity Coverage Ratio

Liquidity Coverage Ratio (LCR) measures the capability to meet obligations in the next 30 days by means of liquidity assets. It is defined as $LCR = \text{liquidity assets} / (\text{cash outflows} - \text{cash inflows})$. The minimum LCR level (CRD IV) is 70% from 31 December 2015. With a stable basis of High Quality Liquid Assets, SCB AS fulfills the minimum LCR requirements.

Liquidity Coverage Ratio (LCR) %	Q1 2017	Q1 2016	Q4 2016
Liquidity Coverage Ratio (LCR) Total	94	105	117
Liquidity Coverage Ratio (LCR) NOK	145	138	124
Liquidity Coverage Ratio (LCR) SEK	82	72	129
Liquidity Coverage Ratio (LCR) DKK	-	115	66
Liquidity Coverage Ratio (LCR) EUR	-	96	-

Note 6 - Interest Expenses

The table show average interest rate on interest bearing debt. Average interest is calculated as actual interest expense through the year in percent of weighted average balance.

All amounts in millions of NOK

	Q1 / YTD 2017	Q1 / YTD 2016	FY 2016
To credit institutions			
Interest expenses	-48	-51	-205
Average loan	35 605	44 173	42 506
Average nominal interest rate	0,54%	0,47%	0,48%
To customers			
Interest expenses	-135	-125	-505
Average deposit	42 428	38 610	39 176
Average nominal interest rate	1,27%	1,29%	1,29%
To bondholders			
Interest expenses	-78	-78	-302
Average issued notes and bonds	29 722	21 819	23 055
Average nominal interest rate	1,05%	1,42%	1,31%
Subordinated loan capital			
Interest expenses	-51	-54	-210
Average subordinated loan capital	3 580	3 818	3 702
Average nominal interest rate	5,68%	5,61%	5,68%
Total of tables above:			
Interest expenses	-311	-307	-1 223
Loan	111 335	108 420	108 439
Average nominal interest rate	1,12%	1,13%	1,13%

Note 7 - Capital adequacy

<i>All amounts in millions of NOK</i>	Q1 2017	Q1 2016	FY 2016
Balance sheet equity			
Paid in equity	9 652	9 652	9 652
Share premium	891	891	891
Retained earnings	5 079	4 240	5 735
Other reserves	-135	-106	-151
Total Equity	15 487	14 678	16 127
Common Equity Tier 1 Capital			
(-) Year to date profit not-eligible (Not audited)	-	-437	-
(-) Profit not eligible as capital	-545	-	-1 200
Cash-flow hedge adjustment	-	-	-
IRB Expected Loss - Reserves	-179	-168	-125
Goodwill	-276	-362	-272
Other intangible assets	-242	-238	-251
Deferred tax assets	-	-106	-
Adjustment Prudent Valuation (AVA)	-8	-	-10
Total common Equity Tier 1 Capital	14 238	13 367	14 269
Tier 1 Capital			
Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital	16 488	15 617	16 519
Total Capital			
Paid up subordinated loans	1 275	1 471	1 291
Subordinated loans not eligible	-80	-244	-80
Total Capital	17 683	16 844	17 730
Risk exposure			
Regional governments or local authorities	64	53	62
Institutions	612	377	789
Corporates	11 097	15 119	11 076
Retail Standard Approach	42 001	41 667	40 731
Retail Internal Rating Based	19 731	17 850	19 156
Exposures in default SA	900	742	863
Covered bonds	631	641	698
Other Exposures	11 347	9 277	8 708
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	86 383	85 726	82 084
Foreign exchange (zero if under threshold)	-	-	-
Risk exposure amount for position, foreign exchange and commodities risks	-	-	-
Basic indicator approach	8 718	5 834	8 741
Risk exposure amount for operational risk	8 718	5 834	8 741
Standardized method	230	370	265
Risk exposure amount for credit valuation adjustment	230	370	265
Allowance which apply on the standardized approach for credit risk	-	-	-
Deductions of risk exposure amount	-	-	-
Total risk exposure amount	95 331	91 930	91 090

	Q1 2017	Q1 2016	FY 2016
Common equity tier 1 capital ratio	14,94%	14,54%	15,67%
Tier 1 capital ratio	17,30%	16,99%	18,14%
Total capital ratio	18,55%	18,32%	19,46%
Leverage ratio	12,26%	11,84%	12,65%

From December 2015 the Group are calculating credit risk capital requirement using advanced internal rating based models (IRB- A models) for part of its exposures

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.

Note 8 - Segment information

Financial management in Santander is oriented towards the various geographical markets. Monitoring of the overall profitability of the geographic areas are important dimensions of the strategic priorities and allocation of resources in SCB AS reported figures for the various segments reflect SCB AS' total sales of products and services in the geographical area.

Segment information is based on the internal financial reporting as it is reported to SCB AS management. SCB AS management uses the segment reporting as an element to assess historical and expected future development and allocation of resources.

Reporting from the segments is based on Santander's governance model and the SCB AS' accounting policies. The figures are based on a number of assumptions and estimates.

The Segments are responsible for profits after tax, with the corresponding return on allocated capital according to SCB AS' governance model. All SCB AS' trade activities are divided into the reported segments with corresponding balances, income and expenses.

Deficit liquidity from the segments are funded by SCB AS' Treasury at market conditions. Surplus liquidity is transferred to SCB AS' Treasury at market conditions.

Internal agreements at market conditions or simulated market conditions are made when segments cooperate on the delivery of financial services to customers.

Services provided by SCB AS' central functions and staff are charged segments based on an allocation agreement.

Product segmentation per country (gross lending before expected losses)

31 March 2017

<i>All amounts in millions of NOK</i>	Unsecure loans	Secured loans	Financial lease	Operational lease	Consignment	Total
Norway	10 853	33 287	9 076	-	-	53 216
Sweden	13 234	12 167	4 400	-	1 152	30 952
Denmark	5 083	18 448	2 162	155	283	26 132
Total	29 170	63 901	15 639	155	1 434	110 300

31 March 2016

<i>All amounts in millions of NOK</i>	Unsecure loans	Secured loans	Financial lease	Operational lease	Consignment	Total
Norway	10 639	30 500	7 991	-	-	49 129
Sweden	12 915	11 044	4 074	-	1 027	29 061
Denmark	4 798	17 100	1 935	-	240	24 073
Total	28 352	58 644	14 000	-	1 267	102 264

Balance sheet and P&L per country

31 March 2017

<i>All amounts in millions of NOK</i>	Norway	Sweden	Denmark	Eliminations*	Total Group
Net interest income	659	339	324	-	1 322
Net fees and commissions	72	41	28	-	141
Other product and funding related income and costs	-24	-2	-5	-	-31
Total operating costs	-293	-197	-123	-	-613
Other income and costs	-1	-	-	-	-1
Impairment losses on other assets	-	-	-	-	-
Total losses on loans, guarantees etc	-38	-27	-33	-	-98
Profit before tax	374	155	192	-	720
Income tax	-101	-34	-42	-	-176
Profit after tax	274	121	149	-	545

Cash and receivables on central banks	60	-	-	-	60
Deposits with and loans to financial institutions	296	448	68	-	812
Total gross loans to customers	53 216	29 800	25 694	-	108 710
Write-downs	-1 681	-437	-369	-	-2 488
Commercial papers and bonds	6 563	2 892	1 263	-	10 718
Financial trading derivatives	283	-	-	-	283
Ownership interests in group companies and other entities	1 208	-	-	-	1 208
Other assets	21 091	1 403	1 446	-11 803	12 137
Total assets	81 036	34 106	28 101	-11 803	131 440

Debt to credit institutions	13 813	14 933	15 831	-11 787	32 790
Deposits from customers	19 764	12 658	11 463	-	43 885
Bonded debt	27 918	5 064	-11	-	32 971
Financial derivatives	232	-	-	-	232
Other liabilities	4 053	1 360	676	-15	6 074
Equity	15 256	91	141	-	15 487
Total liabilities and equity	81 036	34 106	28 101	-11 803	131 440

* Eliminations of other assets and debt to credit institutions are mainly intercompany loans between Norway and Denmark

Note 9 – Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 31 March 2017	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Cash and receivables on central banks	-	-	-	60	60
Deposits with and receivables on financial institutions	-	-	-	812	812
Net loans to costumers	-	-	-	106 222	106 222
Commercial papers and bonds	-	7 450	3 268	-	10 718
Financial trading derivatives	283	-	-	-	283
Loans to subsidiaries and SPV's	-	-	-	8 624	8 624
Ownership interest in credit institutions	1 190	-	-	-	1 190
Other ownership interests	-	18	-	-	18
Total financial assets	1 473	7 468	3 268	115 718	127 928

Non financial assets 3 512

Total assets 131 440

Classification of financial liabilities 31 March 2017	Financial liabilities at fair value through P&L	Financial liabilities measured at amortized cost	Booked value
Loans and deposits from credit institutions	-	32 790	32 790
Customer deposits	-	43 885	43 885
Bonded debt	-	32 971	32 971
Financial derivatives	232	-	232
Other financial liabilities	-	89	89
Subordinated loan capital	-	3 583	3 583
Total financial liabilities	232	113 319	113 551

Non financial liabilities and equity 17 889

Total liabilities 131 440

Classification of financial assets 31 December 2016	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Cash and receivables on central banks	-	-	-	60	60
Deposits with and receivables on financial institutions	-	-	-	1 500	1 500
Net loans to costumers	-	-	-	103 733	103 733
Commercial papers and bonds	-	12 552	-	-	12 552
Financial trading derivatives	355	-	-	-	355
Loans to subsidiaries and SPV's	-	-	-	6 494	6 494
Ownership interest in credit institutions	1 180	-	-	-	1 180
Other ownership interests	-	18	-	-	18
Total financial assets	1 534	12 570	-	111 787	125 891

Non financial assets 2 626

Total assets 128 517

Classification of financial liabilities 31 December 2016	Financial liabilities at fair value through P&L	Financial liabilities measured at amortized cost	Booked value
Loans and deposits from credit institutions	-	38 420	38 420
Customer deposits	-	40 971	40 971
Bonded debt	-	26 473	26 473
Financial derivatives	287	-	287
Other financial liabilities	-	161	161
Subordinated loan capital	-	3 576	3 576
Total financial liabilities	287	109 601	109 888

Non financial liabilities and equity 18 629

Total liabilities 128 517

For the financial assets and liabilities above the fair value is a reasonable approximation to the book value.

Note 10 - Valuation Hierarchy

Financial instruments measured at fair value

All amounts in millions of NOK

		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial assets					
<i>Name</i>	<i>Type</i>				
Bilkreditt 4	Fixed amort.profile BK4	-	31	-	31
Bilkreditt 5	Fixed amort.profile BK5	-	46	-	46
Bilkreditt 6	Fixed amort.profile BK6	-	176	-	176
Bilkreditt 7	Pass-through swap BK7	-	30	-	30
Total financial trading derivatives		-	283	-	283

<i>Name</i>	<i>Type</i>				
Government bonds and Treasury Bills	Bonds	1 137	-	-	1 137
Covered Bonds	Bonds	6 312	-	-	6 312
Total commercial papers and bonds *		7 450	-	-	7 450

Total Assets		7 450	283		- 7 733
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Financial liabilities

<i>Name</i>	<i>Type</i>				
Bilkreditt 4	Pass-through swap BK4	-	17	-	17
Bilkreditt 5	Pass-through swap BK5	-	34	-	34
Bilkreditt 6	Pass-through swap BK6	-	150	-	150
Bilkreditt 7	Fixed swap BK7	-	31	-	31
Total financial derivatives		-	232	-	232

Total Liabilities		-	232		- 232
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Derivatives designated for hedge accounting - assets

<i>Name</i>	<i>Type</i>				
EMTN SEK	EMTN SEK FV Hedge	-	3	-	3
EMTN MEUR 350	EMTN FV hedge fixed floating	-	10	-	10
Total derivatives designated for hedging - assets*		-	13	-	13

Derivatives designated for hedge accounting - liabilities

<i>Name</i>	<i>Type</i>				
EMTN MEUR 100	EMTN CF hedge fixed fixed	-	6	-	6
EMTN MEUR 240	EMTN FV hedge fixed floating	-	6	-	6
DK EMTN MEUR 250	DK EMTN FV hedge	-	5	-	5
DK EMTN MEUR 245	DK EMTN FV hedge	-	14	-	14
SW EMTN MEUR 100	SW EMTN FV hedge	-	10	-	10
Total derivatives designated for hedging - liabilities**		-	41	-	41

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access to at that date. When available, the fair value of an instrument is measured using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the instruments fair value is measured using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Level 1:

Instruments at this level obtain fair value from quoted prices in active markets for identical assets or liabilities that the entity has access by the reporting date. Examples of instruments at Level 1 are listed government bonds.

Level 2:

Instruments at this level is not considered to have an active market. Fair value is obtained from relevant observable market data. This includes prices based on identical instruments, as well as prices based on similar assets and price indicators that are observable for the asset or liability. Examples of instruments at Level 2 are securities priced out of interest rate paths. The fair value at level 2 is calculated by discounting future cash flows. The cash flows are known from contractual conditions, in addition to a marked regulated interest rate element (e.g. EURIBOR).

Level 3:

Instruments at Level 3 have no observable market inputs, or they traded on markets that are considered inactive. The price is based mainly on calculations based on internal data and the best information available given the circumstances.

* Government bonds are included in the balance sheet line "commercial papers and bonds". The balance sheet line also include B and C tranche bonds from the SPVs that are not booked at fair value. See note 10

** Derivatives designated for hedge accounting are included in the balance sheet line "Other Assets" for the derivatives that represent an asset and in "Other liabilities" for derivatives that represent a liability for the entity.

Note 11 - Issued securities

<i>All amounts in millions of NOK</i>	Q1 2017	Q1 2016	FY 2016
Senior unsecured issued securities	32 971	24 571	26 473
Asset backed issued securities	-	-	-
Total issued securities	32 971	24 571	26 473

Santander Consumer Bank AS issued bonds on the Irish stock exchange in February to a value of EUR 500 MM (NOK 4 432 MM)

Santander Consumer Bank AS issued bonds on the Irish stock exchange in March to a value of SEK 400 MM (NOK 388 MM)

Santander Consumer Bank AS issued bonds on the Norwegian stock exchange in March to a value of NOK 2 200 MM

The additional change in balance sheet value of senior unsecured issued securities is the reevaluation of the Euro and SEK bonds

Note 12 - Receivables and liabilities to related parties

Debt to related parties:

Amounts in millions of NOK	Accrued interest		Accrued interest		Accrued interest	
	Q1 2017	Q1 2017	Q1 2016	Q1 2016	FY 2016	FY 2016
Balance sheet line: "Loans and deposits from credit institutions with an agreed term"						
<i>Santander Benelux</i>	789	3	3 992	14	2 028	10
<i>Santander Consumer Finance S.A.</i>	20 855	10	18 472	9	24 443	12
<i>Debt to SPV on future cash flow of securitized loans</i>	11 070	-	19 127	-	11 944	-
Total	32 714	12	41 591	24	38 415	22

Balance sheet line: "Subordinated loan capital" - Bonds

MNOK 180, maturity September 2016, 3 months NIBOR +0.55% (Banco Santander S.A)	-	-	180	-	-	-
MNOK 80, maturity October 2017, 3 months NIBOR +1.75% (Santander Consumer Finance S.A)	80	-	80	-	80	-
MNOK 250, maturity March 2025, 3 months NIBOR +2.2575% (Santander Consumer Finance S.A)	250	-	250	2	250	-
MEUR 13, maturity December 2020, 12 months EURIBOR +3,20% (Santander Consumer Finance S.A)	-	-	-	-	-	-
Hybrid capital - perpetual bond, 3M NIBOR +6,50% (Santander Consumer Finance S.A)	2 250	29	2 250	30	2 250	29
MNOK 250, maturity July 2025, 3 months NIBOR +3.135% (Santander Consumer Finance S.A)	250	2	250	-	250	2
MSEK 750, maturity December 2024, 3 months STIBOR +2.2825% (Santander Consumer Finance S.A)	721	-	765	-	713	-
Total	3 551	32	3 775	33	3 543	32

Receivables on related parties:

Amounts in millions of NOK	Accrued interest		Accrued interest		Accrued interest	
	Q1 2017	Q1 2017	Q1 2016	Q1 2016	FY 2016	FY 2016
Balance sheet line: "Commercial papers and bonds"						
<i>B and C notes issued by SPVs</i>	3 268	1	6 596	9	3 262	1
Balance sheet line: "Loans to subsidiaries and SPV's"						
<i>Loan to subsidiary (Santander Consumer Bank OY)</i>	8 022	21	6 390	30	5 679	30
<i>Subordinated loan to SPVs</i>	594	-	1 623	-	696	-

The interest rate on intercompany loans are priced in accordance with marked conditions for parties at arm's length. Financial information in accordance with the capital requirement regulation is published at www.santander.no

Note 13 - Transaction with related parties

All amounts in millions of NOK

The group is controlled by Santander Consumer Finance S.A. which owns 100% of the company's shares. The group's ultimate parent is Grupo Santander. All companies within Grupo Santander is considered related parties. In addition, the SPV (securitization of car loans) are also considered as related Parties.

Transactions with related parties are mostly interest on funding from the parent company, ultimate parent or from Santander Benelux. SCB AS has transactions with the SPVs through funding and cash flows as agreed in the securitization process.

The following transactions were carried out with related parties:

	Q1 / YTD 2017	Q1 / YTD 2016	Financial year 2016
Interest income	154	234	862
Interest expenses	-230	-331	-1 248
Fees	23	27	126
Other	1	-	7
Net transactions	-52	-70	-253

Santander Consumer Bank AS had transactions with the following related parties per 31 March 2017:

Banco Santander S.A
Santander Benelux B.V.
Santander Consumer Finance S.A.
Santander Consumer Bank OY
Santander Insurance Europe Ltd.
Santander Insurance Services Ireland Ltd.
Santander Global Facilities S.L
Santander Securities Services, S.A
Abbey National Treasury Services plc
Ingeniería de Software Bancario, S.L.

SPV:

Bilkreditt 3 Ltd.
Bilkreditt 4 Ltd.
Bilkreditt 5 Ltd.
Bilkreditt 6 Ltd.
Bilkreditt 7 Ltd.
Dansk Auto Finansiering 1 Ltd.
SV Autofinans 1 Ltd.
SV Autofinans Warehousing 1 Ltd.
SCF Ajoneuvohallinto Ltd.
SCF Rahoituspalvelut Ltd.
SCF Ajoneuvohallinta Ltd.
SCF Rahoituspalvelut 2013 Ltd.
SCFI Ajoneuvohallinto Ltd.
SCFI Rahoituspalvelut Ltd.
SCF Ajoneuvohallinto I Ltd.
SCF Rahoituspalvelut I DAC

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 117 million customers through a global network of 12,951 branches, the largest in the international banking sector. It has 734 billion euros in customer loans, 3.2 million shareholders, and 185 405 employees.

Santander Consumer Bank Nordic 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 Group has more than 1 300 employees throughout the region and total assets of NOK 144 billions.

