



Here. Now.

Together,
it's time
to build
a better
future.

Financial Report

Q2 | 2022

Highlights Q2

In the first half of the year, the Group's outstanding loans increased by 3% (5.7 Bn NOK) compared to Q4 2021. The main driver for the increase is strong performance of auto portfolio sales in Sweden and Norway.

The Group's new lending has increased with 5.2% in the first half of the year compared to the first half of 2021. The increase in the first half of 2022 is driven by strong Auto sales (11% increase compared to the first six month of 2021), especially in the used cars and private leasing segment. Unsecured sales in the first half of 2022 were close to the first six month of 2021 in NOK, but slightly lower by -0.2% on a consolidated basis due to a stronger NOK.

Net interest income decreased with 4% in 2022 compared to the same period in 2021. A significantly stronger NOK and a shift from high yield unsecured products to secured products are having a negative impact on interest income.

Impairment losses improved with 230 MM NOK in the first six months of 2022 in comparison with the same period 2021; it's driven by better performance in the Norwegian and Finnish markets and lower unsecured volumes. Bad Debt Sales (BDS) amounted to 196 MM NOK net proceeds.

The Group's profit before tax was 1 490 MM NOK in YTD, a decrease of 2% compared to the same period last year.

Profit Before Tax

1 490

-2%

Gross Outstanding Loans

181 296

3%

Net interest income

3 457

-4%

Deposits

72 513

-1%



Auto
83%



Unsecured
17%

% of Gross Outstanding

A trusted partner in uncertain times

Every day we proudly serve 1.6 million customers across the four Nordic countries. We follow our principles of being Simple, Personal, and Fair, with the purpose of making people and businesses prosper. Our aim is to be the best open financial services platform by acting responsibly and earning the lasting loyalty of our people, customers, shareholders, and communities.



“ To inform and engage with our customers on smart economic choices in their daily lives will be important going forward.

In the second quarter of 2022, Santander in the Nordics increased its outstanding loans. Our auto portfolio delivered strong results, despite global supply constraints, and we are proud to maintain our position as market leader in auto finance, not least due to our strong partnerships.

Within our consumer portfolio things are moving towards a new normal, post COVID-19. Credit card usage is up, and it is encouraging to see increased spending related to travel, dining, and leisure.

While COVID-restrictions are no longer a part of our everyday life, we are living in uncertain and somewhat challenging times. As we enter the second half of 2022, many people and businesses have started to feel the impact of higher interest rates and prices. At Santander we are monitoring the impact on our customers and partners closely.

To inform and engage with our customers on smart economic choices in their daily lives will be important going forward. One example of that is green energy financing, an area of strategic importance to us. As we continue to experience strong growth within this segment, we can both help customers cut their energy bills at the same time as we are contributing to lower energy demands and move towards a zero-emissions society.

Our Nordic teams are dedicated to serve all our customers and partners in the best way possible. We are drawing on the strengths and experiences in the local markets combined with our global presence, to make people and businesses prosper in a responsible way.

A handwritten signature in black ink, appearing to read 'Michael Hvidsten'.

Michael Hvidsten, CEO

Q2 Financial Report of the Board of Directors 2022

Key figures Santander Consumer Bank Group



<i>All amounts in millions of NOK</i>	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	2021
Net interest income	1 735	1 777	3 457	3 593	7 087
<i>Growth*</i>	-2%	-9%	-4%	-7%	-7%
Gross margin	1 727	1 858	3 509	3 807	7 406
<i>Growth*</i>	-7%	-8%	-8%	-2%	-5%
Profit before tax	940	713	1 490	1 527	3 359
<i>Growth*</i>	32%	-17%	-2%	-2%	24%
Profit after tax	736	523	1 197	1 131	2 566
<i>Growth*</i>	41%	-15%	6%	-10%	20%
Total assets	191 531	192 375	191 531	192 375	192 357
<i>Growth*</i>	0%	-5%	0%	-5%	-3%
Net Loans to customers	176 221	172 260	176 221	172 260	170 640
<i>Growth*</i>	2%	-4%	2%	-4%	-3%
Customer deposits	72 513	80 652	72 513	80 652	73 304
<i>Growth*</i>	-10%	7%	-10%	7%	-10%

* Year on year

Financial performance

FINANCIAL PERFORMANCE FOR THE SECOND QUARTER OF 2022

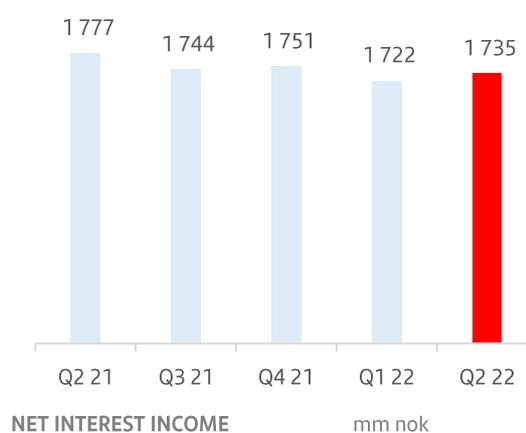
In Q2 2022, profit before tax for the Group amounted to 940 MM NOK, up by 32% compared to same quarter last year. The main drivers of the increase were lower losses due to better performance on the portfolio and trading gains, partly offset by lower interest income.

The Group's financial results for Q2 2022 showed a net interest income of 1 735 MM NOK, representing a decrease of 42 MM NOK from Q2 2021. The change in net interest income was due to a lower interest income of 38 MM NOK, partly offset by lower interest expenses of 4 MM NOK compared to same period last year. Approximately 4 MM NOK of the reduction in loans interest income was due to an increase in outstanding to customers but with lower interest rate. Additionally, approximately 34 MM NOK was due to lower margins resulting from a shift in product mix towards more Auto loans with lower yields than Consumer lending. Although the outstanding loans in Q2 2022 compared to Q4 2021 have increased, the Group has managed to reduce the funding costs and the costs coming from XIBORs (the Interbank Offered Rates in the different countries) by 4 MM NOK in comparing with Q2 2021.

In the second quarter of 2022, the Group had a trading gain of 8 MM NOK compared to a trading loss of 20 MM NOK in Q2 2021. The change in trading gains from Q2 2021 to Q2 2022 is mainly due to foreign exchange (FX) effects on open positions in foreign currencies.

Operating expenses for the second quarter were 620 MM NOK, compared to 730 MM NOK in Q2 2021. The decrease of 110 MM NOK was mainly driven by decrease in administrative expenses from IT license costs and reduction of the Group's personnel expenses due to fewer full-time employees.

Net impairment losses improved by 202 MM NOK, compared to Q2 2021, due to better performance in the Norwegian and Finnish markets and lower unsecured volumes.



Loans and deposits performance

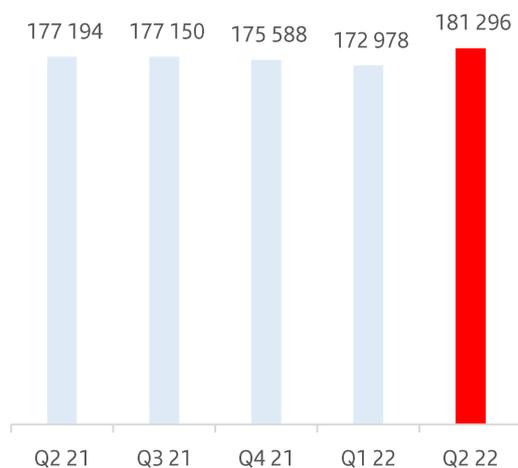
LOANS TO CUSTOMERS

The Group's outstanding loans to customers were 181.3 Bn NOK in Q2 2022, an increase of 3% (5.7 Bn NOK) compared to Q4 2021. This is mainly driven by an increase in the Swedish and Norwegian portfolio.

Loans to customers

3%

Increase



GROSS LOANS TO CUSTOMERS

mm nok

AUTO AND LEISURE FINANCING

The Group maintains its position as market leader in the Nordic auto finance market with a strong focus on partnerships with dealers and importers.

In 2022, sales of new cars have reached 378 594 units (PC and LCV) in the Nordic markets, a decline of 13.9% compared to 2021. Used car sales decreased by 3.2% to 1 403 979 units compared to the previous year. In total, the car sales have decreased 5.7%, but with major variations between the countries as well as between share of new and used cars.

The demand for Hybrid and Electric vehicles (EV) continues to rise. Recently, higher fuel costs, contribute to the trend. However, the increased cost and shortage of raw materials and semiconductors, the war in Ukraine, and the rising inflation all signal uncertainty in the market and postponement of major purchases by consumers.

Financing the green shift

The CAFE regulations (CAFE, Corporate Average Fuel Efficiency) have come into effect in 2021, penalizing manufacturers with a higher average CO2 emission. To meet the requirements, manufacturers increased production and registration of cars with a zero and low CO2

emission, especially in markets with higher demand for EVs (including Norway and Sweden).

Most manufacturers prioritize the vehicles with low emissions to meet requirements and send higher emission vehicles to their most profitable markets therefore reducing supply in low profit markets (such as Denmark). A major push at the end of 2021 decreased the supply in the first months of 2022. Dealer stocks for most brands are at record low levels, also impacting the Wholesale Financing opportunities for the Group.

The acceleration of EV and Hybrid car adoption in the Nordic market will continue. Where the Norwegian market leads with an EV share around 80%, the changes in the other markets are remarkable: In the first half of the year, Sweden's EV share is well over 25%, and the share in Denmark and Finland is between 10-15%. So far in 2022, 41% of all new cars financed by the Group are EVs, 30% are hybrids. Finance penetration is significantly higher for EVs than for non-EVs, helped by the strong partnerships the Group has across the region.

The Nordic market

The Swedish market, which is the largest in the Nordic, has a growing share of EV and Hybrids, both combined making up 60% of the market (EV 25%) in 2022. The total new car sales are down by 17.4%. For used car sales the market is down by 15.9%. The Swedish market is characterized by growing EV and Hybrid sales. On the financing side, the Group is the market leader in Private Lease year to date (YTD).

In the Norwegian market, sales grew strong in 2021 and there has been a significant drop so far in 2022. New car registration is down by 20.1%. The EU regulation caused many manufacturers to increase their efforts in one of Europe's largest EV markets and push sales in December 2021, leading to a further supply constraint in 2022. Used car sales is down by 2.8%, not impacted by the new car sales push. Growth in used car sales has been recorded as recent as May 2022, and at the same time, the Group improved the financing share of used cars.

In the Danish market, sales increased by 11.7% for used vehicles and decreased by 2.6% for new vehicles. Denmark is the only Nordic market where Diesel cars still have a sizeable presence, although rapidly declining as well. The share of EV and Hybrid vehicles combined increased to almost 40%. The profit margins in the Danish market for original equipment manufacturers (OEM) remain low, and other markets continue to be prioritized. The relative share of financing by the Group increased for both new and used vehicles.

The Finnish market saw a decrease in new car sales of 24.8%, declining more rapidly than anywhere, and a decrease of 10.9% in used car registration. Rising costs, high car prices, and uncertainty reduce consumer spending. The EV and Hybrid vehicles make up 68% of car registrations in 2022.

The Nordic market leader

Finance has become a more integrated part of the (online) car sales offer in terms of finance bundled with services such as insurance, maintenance, and other relevant products. This trend is expected to continue with more flexible "mobility" models, including flexible finance periods and the possibility to trade in and exchange cars based on an agreed residual value.

The competition has increased, with parties such as leasing companies entering car financing in different market segments, causing pressure on the margins. The Group has a strong position as market leader in the Nordic auto finance market. The main focus is on partnerships with dealers and importers and OEM-owned national sales companies. Important partnerships have been renewed and the Group's streamlined operations and processes protect margins and increase focus on market developments.

Overall, in the Nordics, the Group is the market leader with top 3 positions in each of the markets.

Total gross outstanding on auto financing is 150 337 MM NOK, an increase of 4.8% compared to December 2021.



#1 market leader
In the Nordic auto
finance market

Future expectations

The impact of the new emission target for car sales in Europe will continue to be significant. To avoid large penalties, the OEMs must reach lower average emission targets each year. The manufacturers continue to invest in new technology, consolidate, and create partnerships between brands.

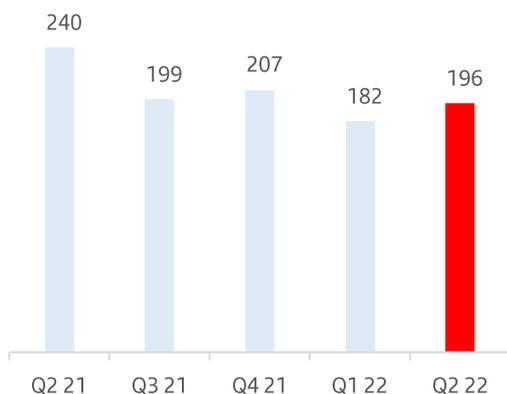
The demand for low emission cars continues to increase in all markets, supported by increased governmental incentives in most, for example revised taxation being more focused towards low emission vehicles. An exception will be Norway, which continues to phase out tax and other incentives on EV cars.

Increased regulations and supply shortages continue to impact car sales. The war in Ukraine has created uncertainty and will impact economic growth. Shortages of raw material and semiconductors as well as the energy transition contribute to rising inflation. Demands for EVs may benefit, but the supply cannot keep up. Some (smaller) manufacturers will choose to exit from certain markets and sell importerships to private importers or exit completely. At the same time there is an opportunity for car brands, such as Chinese brands entering the Nordic market, purely focused on EV cars.

In car finance, demand for bundled products will continue, but the mobility solutions growth is delayed as consumer behavior has changed. In the largest cities, increased focus from the governments on reducing car traffic and providing incentives for other mobility solutions, such as car sharing and public transportation is expected.

OEMs are expected to grow their online presence, enabling customers to order cars and car related services online. Dealer relationships will change when alternative distribution models are implemented (the agent model is gaining traction). The Group will support partners during this transformation and integrate financial solutions into their web platform.

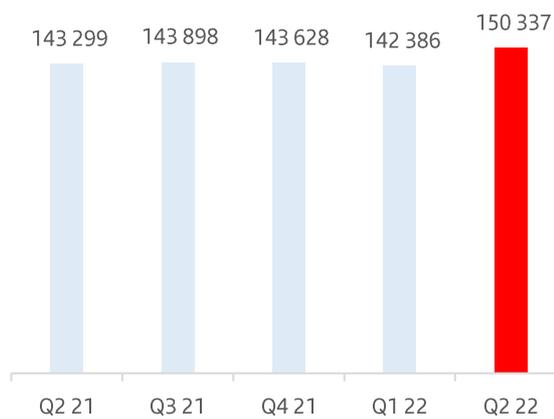
The Group has a strong position in the Nordic market and will further strengthen this position with its existing partnerships. Key Nordic partnerships are being extended throughout 2022, which underlines the Group's strong foundation within car financing.



SALES OF NEW CARS (PC AND LCV*)

*Personal cars and Light commercial vehicles

Units in thousands (Market in total)



GROSS AUTO FINANCING

mm nok

UNSECURED LENDING

The Group's unsecured lending-portfolio consists of Consumer Loans, Sales Finance & Durables and Cards & payment. Consumer Loans remains the main unsecured financing product.

Consumer Loans

The Group's Consumer Loans portfolio in Q2 2022 has decreased by 3.3% in outstanding volumes compared to Q4 2021.

The Swedish market is still the largest of the total Consumer Loans portfolio with 52.3% of the total Nordic market, despite a decrease of -11.4% compared to Q4 2021 (Norway -5.9%, Denmark +2.6%, and Finland +3.2%).

The Group's Consumer Loans sales decreased by -5.2% in Q2 2022 compared to Q4 2021, mainly driven by lower business volumes in Sweden, partly offset by higher business volumes in other markets.

During the first half of 2022, the Group has been focused on adapting to changing market dynamics with the result of strengthening and growing the business volumes in the Danish, Finnish, and Norwegian market.

New business volumes and market share has decreased in Sweden, primarily driven by lack of certain products in the portfolio and a more aggressive competition offering. The Group has, compared to some competitors, a more restrictive loan policy resulting in negative impact on new business volumes. In all markets across the region, debt consolidation is continuing to increase rapidly, and the need for optimized processes and underwriting, together with improved customer journeys, has increased importance.



Focus on reducing time to market

Adjusting to tightening regulations

Tightening of the regulatory landscape with additional focus on AML, compliance, and requirements connected to credit worthiness and affordability tightens the competition in the region.

In Q3, the Group will finalize the last migration of Consumer Loan core systems, and this will strengthen the ability for new commercial initiatives and reduce time to market. Together with new product features and continuous improvements of processes and systems, the Group is well positioned to face challenging market conditions and strengthen the position in the region.

Sales Finance & durables

The Nordic Sales Finance portfolio decreased by -0.5% in Q2 2022 compared to Q4 2021, mainly driven by a reduced Checkout Lending portfolio in the Norwegian and Swedish market (-7.8%). The impact from Checkout Lending is offset by increasing portfolio on Durables in the Danish and Finnish market (+15.5%).

The Group is well positioned to handle challenges related to turmoil in the market with increased living cost for the customer, by the diversity of partners in the portfolio. The Group continues to focus on expanding and leveraging existing deals to a broader Nordic coverage and support partner sales and margins. The Group will continue to focus on signing new strategic partners in the region.

The Group believes the shift in consumer behavior moving towards e-commerce/omni-channel will continue over the coming period despite lower general market sales in e-commerce for some segments in the region.

The focus on growing the green energy financing sector continues. The Group observed a positive trend especially in the Danish and Finnish market during Q2. There is potential to grow in the whole region, especially within the solar panel and heat pump segments to further strengthen the position within the environmental, social, and governance (ESG) areas to deliver on the Group's Responsible banking agenda.

The Group is determined to play an important role as a leading responsible bank and has hence taken relevant actions during the first two quarters. As a result, The Group is experiencing stable but challenging approval rates for the Norwegian, Swedish, and Danish market.



Cards & payments

The Group experienced a strong growth post COVID-19 in all markets. The increased spending is related to traveling, dining, and leisure as COVID-19-restrictions has been lifted in the region.

The Group's Credit Card portfolio has decreased by -5.3% in Q2 2022 compared to Q4 2021. The Norwegian portfolio, which is 75% of the total Nordic Credit Card portfolio, has decreased by -6.8%, while the Swedish portfolio has decreased by -4.2%.

The Group is renewing the Cards value proposition in the region going forward. Improving card payment infrastructure with advanced data analytics is also a focus area to create more tailored customer experiences. A complete roll out of all the Big Pays, such as Apple and Google Pay, is scheduled for remaining countries, and capabilities around these are being enhanced. For the Danish market, new login and signing services are being improved, built, and implemented.

The Group continues the journey of improving capabilities, adjusting value proposition, adding product features, and securing compliance. The Group is well positioned with a strategy for future growth in different segments despite strong competition in the market.

DEPOSITS

As volumes adjusted downwards from the peak reached during the pandemic, the focus going forward is stable growth in deposits in line with asset growth. Strong cost management and improving the customer experience remain high priorities.

1%
Decrease

Managing balances in a changing market

With a changing macroenvironment due to high inflation and increasing interest rates, the Group will look to ensure deposits continue as the primary funding source. As volumes in 2021 adjusted downwards from the peak reached during the pandemic, the focus going forward is stable growth in deposits in line with asset growth. Strong cost management and improving the customer experience remain high priorities.

Total outstanding volumes for the Group is 72 513 MM NOK as of Q2 2022, representing a decrease of 791 MM NOK (-1%) compared to Q4 2021. The Group operates deposit platforms in three of its four home markets: Denmark, Norway, and Sweden.

Volumes in the Danish platform represent the largest share of deposits within the three markets. Outstanding balances as of Q2 2022 were 29 793 MM NOK, ending the quarter 2% higher than Q4 2021. However, this increase is due to the depreciation of the NOK compared to DKK. In 2020, the Group closed the Danish deposit products to new customers to maintain balances at current levels. The high level of balances reflects the dynamics in the Danish deposit market, where the Group has been one of the few banks offering non-negative yields. From Q2 2022, fixed term product and demand product was re-opened for new customers. The demand product has been launched with a tiered structure and negative interest from 200 000 DKK.

In the Danish market, a demand product, a notification product, and a fixed term product are offered. The notification product requires customers to notify any withdrawals 31 days in advance of the actual withdrawal.

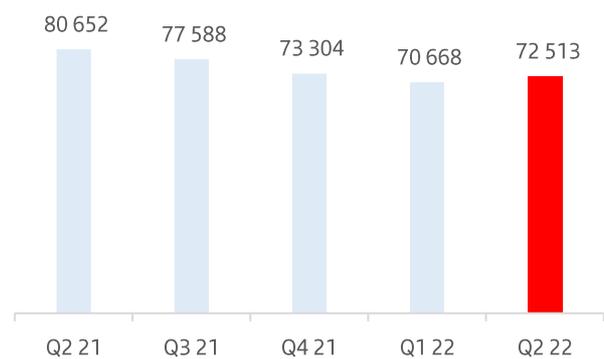
In the Norwegian market, a notification product was launched in Q3 2021 to complement its demand product offering and to align its product offerings with the Swedish and Danish markets. At the same time, Norway also introduced a tiered structure to its pricing model to manage pricing competitively and to reward small savers. In the Norwegian market, there was an outstanding balance of 22 216 MM NOK at the end of Q2 2022, representing a 3% reduction compared to Q4 2021.

In the Swedish market, both a demand product and a notification product is offered. In addition, the market has an ongoing cooperation with a partner. While the Group's strategy is focused on building its in-house products, the cooperation provides additional flexibility for managing the Swedish deposits portfolio. Outstanding volumes in the Swedish market stood at 20 504 MM NOK at the end of Q2 2022, which is approximately 3% lower compared to Q4 2021.

Helping people prosper

The Group continues to focus on improving the customer experience through the optimization of mobile responsive onboarding solutions, net banks, apps, and chat bots. In the Danish market, a new Private Netbank and App were launched in 2020. In addition, new features, such as saving goals and the possibility to view personal balances in third party banks, were introduced in the Danish market through the Group's new financial tool named Prosper. The Group will look to roll out similar customer solutions for the Norwegian and Swedish platforms.

The Bank is a member of the Norwegian Banks' Guarantee Fund. Customer Deposits are covered according to the local guarantee limits, providing our Deposits customers a guaranteed amount per debtor of 100 000 EUR in the Danish and Swedish markets and 2 MM NOK in the Norwegian market.



GROSS CUSTOMER DEPOSITS

mm nok

Insurance

The insured customer base continues to grow to a total of 225,000 insured customers across the Nordic countries. The COVID-19 pandemic has increased the awareness among consumers and partners of the importance of insurance. With insurance income representing 4% of total revenue in 2021, it is firmly positioned as a strategic priority for the Group.

225 000

Insured
customers

Enhancing digital capabilities

The Group continues to focus on improving the customer experience through the optimization of its current and new products. As the market progresses towards a highly digital customer journey, the Group has decided to ramp up the internal IT capabilities over the next 3 years to cater for new digital products as well as to decrease the time to market for the Group's products and services. This is expected to translate into increased sustainable insurance revenue for the Group.

New product for auto leasing in the Swedish market

Looking at the Swedish private leasing market, the Group identified the potential for launching a dedicated collateral protection insurance (CPI) product for leasing, which was launched at the end of 2021. As a result of the CPI for auto leasing, a conversion rate of more than 20% on new contracts is expected, which will greatly impact the Groups insurance profitability.

Point of sale in the Finnish market

Historically, the Group has only sold insurance in the Finnish market through telemarketing. In an effort to give the best possible customer experience and improve customer retention, the Group decided to launch a new point of sale solution for the Finnish dealers. The solution went live in Q4 2021, and it is already achieving a favorable impact with positive feedback from the dealers and with an expectation to reach the Group's 2022 conversion rate targets.

Digital point of sales for the Norwegian market

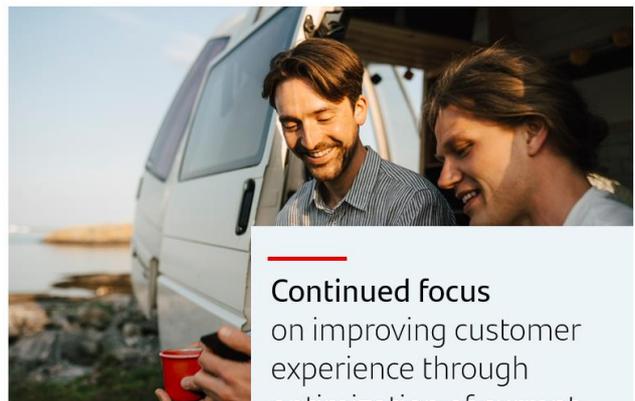
Due to the tighter regulations regarding the implementation of insurance distribution directive, traditional distribution through the Group's dealer network for auto has become increasingly difficult. As a result, the Group launched a new sales channel for non-certified sales agents called Digital POS on April 1, 2022 in the Norwegian market.

With the implementation of a digital point of sale solution, the Group will ensure that 100% of all auto customers are given a new insurance offer, which will decrease the acquisition cost, thereby making the point of sale channel more profitable.

Enhanced regulations

The EU Insurance Distribution Directive regulate how insurance is distributed, with a goal of increasing consumer protection. It has as its main aim to ensure that customers receive clear and adequate information provided by competent sales professionals. The Norwegian market has already responded to this regulation by adopting either free-start models or digital onboarding.

A sales ban was imposed by the N-FSA, upon request from the D-FSA, on all Norwegian distributors with cross-border services in Denmark in the summer of 2021. The Group therefore had to cease all insurance sales activities in the Danish market during Q3 2021. The Group has since then successfully implemented a new lead generation model, ensuring full coverage possibilities for all the Group's customers. As soon as Norway is registered by the N-FSA as a full insurance intermediary, the N-FSA will send a notification to the D-FSA on the Bank's behalf so that the ban can be lifted, and normal sales can resume once again.



Continued focus

on improving customer experience through optimization of current and new products

Risk Management

Our risk management function is underpinned by common principles, a strong risk culture, a solid governance structure, and advanced risk management processes and tools.

Executive Summary Q2 2022

(vs Q1 22)

Credit Risk

Credit quality indicators have maintained the positive trend observed in the previous quarter.

Cost of Credit 0.54% -12 bps	NPL Ratio 2.93% -9 bps	Coverage Ratio 96.5% +160 bps
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Structural and Liquidity risk

Robust liquidity buffer with ratios above regulatory limits.

LCR 164% +12 pp	NSFR 109% +1 pp
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Capital Risk

Capital ratios are above regulatory requirements.

Operational Risk

New internal guidelines for repossession assignments have been implemented causing fraud cases to be written-off faster than previously.

Macro & geopolitical context

The war in Ukraine is expected to have a moderate impact on the Nordic countries, mainly affected by higher prices for energy and other commodities. Rising inflation and material increases in borrowing costs, following interest rates hikes, are expected to have an impact on households' disposable income, weighing on future economic growth and dampening both consumption and investment. The global supply chain remains under pressure and is unlikely to improve in the short term.

The Bank closely monitors the macroeconomic context and the evolution of the geopolitical situation through specialized working groups for a prompt identification of any risk event or threat that could arise in order to define adequate mitigation actions.

Credit Risk

The Group's Credit Risk profile in Q2 2022 remained stable for the total portfolio, in line with business strategy. Cost of Credit (CoC) improvement compared to Q1 is driven by the Bad Debt Sale (BDS) timing positively impacting Q2. The consolidated Non-Performing Loans (NPL) Ratio ended at 2.93% (1.58% for Secured and 9.52% for Unsecured portfolios) in Q2 2022, compared to 3.02% in Q1 2022 (1.60% for Secured and 9.61% for Unsecured). The total loan loss reserves have slightly increased from 4 952 MM NOK per Q1 2022 to 5 144 MM NOK per Q2 2022, which includes increases from the FX-movements. The total reserves as of Q2 2022 of 5 144 MM

NOK include 5 075 MM NOK related to loans to customers and 69 MM NOK connected to off-balance exposures. The group maintains its forward looking "post COVID-19" model adjustments divided between specific customer portfolio behaviors holding payment holidays and macroeconomic forward-looking factors.

The post model adjustments include reserves related to payment holidays (PH) of 110 MM NOK and forward-looking factor reserves of 81 MM NOK. Payment holidays reserves are booked to cover the increased risk of future potential losses for customers that cannot deliver on upcoming payments after the PH expired. The macroeconomic forward-looking factors scenario refers to the overall worsening of the macroeconomic indicators that lead to increased losses.

Liquidity Risk and interest rate risk

Liquidity Risk in the Group is measured using the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Liquidity stress testing. Both LCR and NSFR are regulatory metrics used to measure short and long-term liquidity risk.

The Group has a strong liquidity position, managed at Nordic level to ensure efficient use of liquidity across the Group, and the liquidity risk management continues strong during first half of 2022. As of June 2022, the Group's LCR was 164% and the NSFR was 109% (preliminary figure). Both metrics are comfortably exceeding the regulatory requirements.

As a result of the war in Ukraine, the financial markets have experienced higher volatilities with elevated spread levels. Given the strong liquidity position for the Group, there is no immediate need to access the funding markets in the shorter term. The Group also has a credit line with the parent company and can utilize this to manage short term liquidity needs, also to the extent that external funding might become unavailable or is considered unfavorable for a longer time period.

The Group's balance sheet composition is designed to ensure that interest rate risk is managed at prudent levels and within established limits. The Group's policy is not to actively take on interest rate risk in its operations and continuously monitor the sensitivity of its net interest income (NIM) and equity value (MVE) to changes in interest rates. The exposure to interest changes on both metrics are within defined limits per end of June 2022. As a result of increased inflation globally and across the Nordic geographies, there are expectations for even further central bank hikes in the near to medium term, comparing to expectations only a few months back.

Foreign currency risk

The Group is exposed to currency risks through its activities in the Swedish, Danish, and Finnish markets and from funding activities in the Euro-markets. The main source of currency exposures is retained earnings in EUR, which are accumulated in the Finnish subsidiary to meet its solvency targets.

The Group minimizes currency risk by ensuring assets are funded by liabilities in the similar currency. The risk is measured through an FX exposure report, covering all significant currency for the Group. When raising funds through international debt markets, any net open currency exposure is managed through derivatives.

The total open currency exposure as of June 2022 was 2 983 MM NOK equivalent for consolidated SEK, DKK, and EUR exposures, which is comfortably inside the defined FX exposure limits for the Group in 2022.

Operational risks

The Group defines operational risk as the risk of losses from defects or failures in internal processes, people, systems, or external events. It covers risk categories such as fraud, technological, cyber-risk, legal¹ and conduct risk, however it does not include events arising due to strategic or reputational risk. Operational risk is inherent to all products, activities, processes, and systems. It is generated in all business and support areas. Our operational risk management and control model is based on a continual process of identifying, evaluating, reporting, and mitigating sources of risk, regardless of whether they have materialized or not, ensuring that risk management priorities are established appropriately.

The operational risk focus in 2022 continues to be adequate management of continuity risks due to the situation in Ukraine, as well as bringing attention towards special operational risk areas such as fraud, cyber security, and vendor risk management in relation to monitoring and management of ongoing projects.

As regards to the Group's internal control model, the work to enhance risk and control identification and assessment continues as part of the ongoing Business As Usual (BAU) updates. Overall, the Group's operational risk profile is expected to remain stable throughout 2022.

¹ Legal processes with an operational risk root cause

Funding

The Group continues to pursue a diversified funding strategy. Developments in the markets due to COVID-19 have resulted in a shift towards deposits and some reduction in capital markets funding. Reliance on parent funding remains stable with no increased dependence due to the pandemic.

78%
Self-funding

SELF-FUNDING RATIO

A diversified funding platform

Over the past ten years, the Group has developed multiple funding channels ranging from deposit products across three of its four markets, unsecured bonds in the Norwegian, Danish, Swedish and European bond markets, including green bonds in the Swedish and Norwegian markets, and securitization transactions with assets from all four Nordic countries. Parent funding provides a buffer where needed. The Group aims to maintain a consistent self-funding strategy, with variations due to seasonal fluctuations and timing of transactions.

Self-funding sources totaled 78% per Q2 2022, with parent company loans providing the remaining 22%. Customer deposits is the largest funding source, comprising 47% of total funding at end of Q2 2022, and has a total outstanding volume of 72 513 MM NOK across the three Nordic markets where the Group is present. Conversely, unsecured issuance has been limited to offset the strong amount of deposits funding. Total outstanding bond and certificate issuance decreased in Q2 2022, standing at approx. 35 500 MM NOK or 22% of total funding. Senior unsecured issuance and certificates outstanding end of Q2 2022 include 2 500 MM EUR in the Euro market, 6 250 MM SEK in the Swedish market and 3 600 MM NOK in the Norwegian market. The Group has temporarily scaled back the presence in the certificates of deposits market in Norway and Sweden and currently does not have any outstanding certificates as of end Q2 2022.

The weighted average remaining term to maturity, excluding certificate issuances, is 2.28 years. This number fluctuates somewhat and typically remains around 2 years.

The Green Bond program

The Group launched its inaugural Green Bond issuance in February 2020, following the publication of the Green Bond Framework in December 2019.

Santander Group has published its updated Green, Social and Sustainability Funding Global Framework. This new Framework substitutes and replaces the previous Green Bond framework from the Group, aligning our structure with the best practices of the ESG / sustainable capital markets.

Ratings

The Group is rated by Fitch (A-/F2/Outlook Stable) and Moody's (A3/P2/Outlook Stable).

Securizations

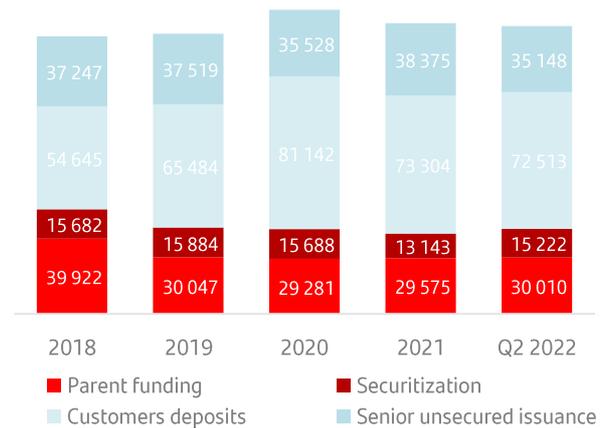
The Group issued its eleventh Auto ABS out of Finland, Kimi 11 on June 1, 2022. The transaction had a total size of 550 MM EUR. Parts of the transaction were retained due to market conditions, but the Group will seek to place the retained tranches in the secondary market at a later point in time.

Securitization issuance in Norway has been paused due to the change in Norwegian law in 2016. Securitizing the Finnish portfolio, however, remains a consistent source of funding, since SCF OY is not impacted by this regulatory change. As a result, the amount of funding received from the securitization markets has remained stable over the past five years, providing approximately 10% of the Group's funding since 2016. The last Finnish transaction closed in June 2022. Total outstanding volumes in securitizations currently equals 15 222 MM NOK.

The Group looks to utilize its securitization capabilities more frequently going forward, once Norwegian legislation is harmonized with the new Securitization Regulation (Regulation (EU) 2017/2402), together with the amendment to the Capital Requirements Regulation (Regulation (EU) 2017/2401). The new Securitization Regulation establishes a standardized framework for securitization and creates a specific framework for simple, transparent, and standardized securitizations. In June 2019, the Norwegian Ministry of Finance (MoF) released a consultation paper on the adoption of the new regulations. In December 2020, the MoF published a proposal to implement the EU Securitization Regulation into Norwegian law, which was approved by the Parliament on March 23, 2021. The legislation awaits the adoption by the EEA, and once incorporated, the Norwegian Securitization legal framework will be aligned with that of other European financial institutions.

Other sources of funding

Loans and drawing rights from the parent bank and companies within Grupo Santander provide any remaining funding needs. These loans are priced at market rates, denominated in the local Nordic currencies and are currently concentrated in the shorter maturities.



FUNDING COMPOSITION

mm nok

Solvency and Capital Adequacy

Capital ratios remained solid and ended the second quarter of 2022 with a good margin above the minimum regulatory capital requirements. In June, the EU Banking Package finally entered into force in Norwegian law, implementing changes to capital requirements and to the Bank Recovery and Resolution Directive through CRR II, CRD V and BRRD II. Nordic regulators continued to communicate their expectations on increasing capital requirements through the countercyclical buffer. The Group is well positioned to meet present and future increases in capital requirements.

Capital position

The Group is jointly supervised by the Norwegian FSA and the European Central Bank (together the Joint Supervisory Team) and must comply with capital requirements for banks in Norway both at consolidated level (the Group) and at stand-alone level (the Bank).

Since December 2018, the Group has elected capital ratios using IFRS9 transitional rules as the official ratios required to meet the minimum capital requirements set forth by regulatory authorities. From Q1 2022 and going forward, the Group is reporting its official capital ratios under the fully loaded approach.

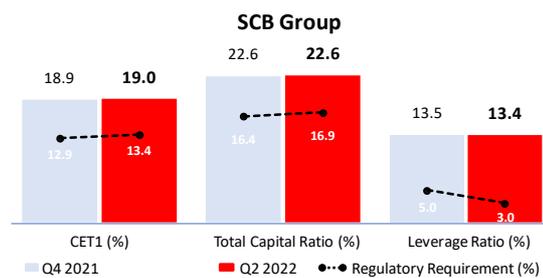
The common equity Tier 1 (CET1) ratio of the Group has remained stable changing from 18.89% per December 31, 2021, to 18.96% per June 30, 2022. The corresponding numbers for the Bank point to a slight increase from 18.34% to 18.51%. The leverage ratio for the Group has slightly decreased from 13.52% per December 31, 2021, to 13.44% per June 30, 2022. The corresponding numbers for the Bank points to a stable evolution from 13.84% to 13.82%.

During the first half of 2022, risk weighted assets (RWAs) have increased driven by portfolio growth and NOK weakening versus DKK and EUR. This has been somewhat mitigated by the implementation of the "Banking Package" in Norway from June 1, 2022, mostly through an extended scope for applying the SME discount factor and changes in intangible assets treatment. Moreover, a data issue in the behavior score for IRB exposures in Finland and Norway has been detected and adjusted, resulting in a reduction in RWAs compared to the position per December 31, 2021.

In March 2022, a dividend distribution of 2.0 Bn NOK took place. The dividend relates to almost 100% of profit after tax for the Bank for the financial year 2021 and followed a dividend payment of 1.7 Bn NOK in Q4 2021. Both dividend payments have impacted Q4 2021 capital ratios.

The Group retains a solid capital position and has a healthy buffer above capital requirements. The CET1 ratio for the Group was 5.52%-points above the regulatory requirements (including Pillar 2 guidance) per June 30, 2022, while the Bank had a CET1 ratio which was 5.06%-points above the regulatory requirement. The leverage ratios are well above the new regulatory requirement of 3% in force with the implementation of the "Banking Package" in Norway.

Capital Adequacy



Capital ratios SCB Group

SCB Group

Actuals	Q4 2021	Q2 2022
CET1 capital ratio	18.9 %	19.0 %
Tier 1 capital ratio	20.6 %	20.7 %
Total capital ratio	22.6 %	22.6 %
Leverage ratio	13.5 %	13.4 %
Capital requirements	Q4 2021	Q2 2022
CET1 capital ratio	12.9 %	13.4 %
Minimum Core Equity	4.5 %	4.5 %
Pillar 2 Requirement	3.3 %	3.3 %
Pillar 2 Guidance	1.0 %	1.5 %
Countercyclical Buffer (combined)	0.3 %	0.4 %
Conservation Buffer	2.5 %	2.5 %
Systemic Risk Buffer (combined)	1.3 %	1.2 %
Tier 1 capital ratio	14.4 %	14.9 %
Total capital ratio	16.4 %	16.9 %
Leverage ratio	5.0 %	3.0 %

Capital ratios SCB AS

SCB AS

Actuals	Q4 2021	Q2 2022
CET1 capital ratio	18.3 %	18.5 %
Tier 1 capital ratio	20.2 %	20.4 %
Total capital ratio	22.2 %	22.4 %
Leverage ratio	13.8 %	13.8 %
Capital requirements	Q4 2021	Q2 2022
CET1 capital ratio	13.0 %	13.5 %
Minimum Core Equity	4.5 %	4.5 %
Pillar 2 Requirement	3.3 %	3.3 %
Pillar 2 Guidance	1.0 %	1.5 %
Countercyclical Buffer (combined)	0.3 %	0.4 %
Conservation Buffer	2.5 %	2.5 %
Systemic Risk Buffer (combined)	1.4 %	1.2 %
Tier 1 capital ratio	14.5 %	15.0 %
Total capital ratio	16.5 %	17.0 %
Leverage ratio	5.0 %	3.0 %

Current and future capital requirements

Following communications from Nordic regulators, countercyclical buffer requirements ("CCyB") will increase and are expected to reach 2.5% in Norway and Denmark and 2% in Sweden in 2023. The Group continuously updates developments on buffer requirements in its capital planning and is well positioned to meet present and future increases in capital requirements.

The Bank received revised Pillar 2 requirements and guidance in February 2022, applicable from end of Q1 2022. The Pillar 2 requirement remained unchanged at 3.30%-points while the Pillar 2 guidance increased from 1.0% to 1.5%-points.

Regulatory

Legislative amendments implementing the EU Banking Package in Norwegian law entered into force in Norway from June 1, 2022. The amendments included changes to EU's capital requirements legislation and the Bank Recovery and Resolution Directive, CRR II, CRD V and BRRD II, which entered into force in the EU from the spring of 2021. The main changes in capital regulation include: extended scope of SME discount factor, intangible assets treatment, quality of capital instruments to cover Pillar 2 Requirement, new method for calculating counterparty risk and changes in calculation of large exposures. The Group uses the advanced IRB-approach for the private auto portfolios in Norway, Sweden, and Finland. In July 2021, the Group submitted updated IRB models to the Joint Supervisory Team incorporating new regulations and guidelines.

The Group received its MREL requirement from the Norwegian FSA on June 2, 2022, which constitute internal MREL requirements and, as such, are to be satisfied within own funds and eligible liabilities issued or owed to or held by the Parent Company, Santander Consumer Finance, S.A., or Banco Santander, S.A. directly. The Group has been requested to satisfy the MREL requirement by January 1, 2024, but has requested the Norwegian FSA to reconsider the deadline given the shorter implementation period compared to other Norwegian banks that have received their MREL requirements.

For further details regarding Capital Adequacy, please see [Note 7] "Capital adequacy".

Regulatory Changes

The regulatory framework for the financial sector is constantly changing and the number of initiatives from regulators continues to be high, both on EU level and nationally. The Group works continuously to ensure compliance and has frameworks to secure monitoring and implementation of new legislation. The Group strives to take on an active role in the public debate and in legislative processes through Finans Norge and other finance associations and networks.

Consumer protection

Consumer protection continues to be an area of high focus from European and Nordic regulators and supervisors.

In Norway, the regulation on sound lending practices is effective until end 2024, however the Ministry of Finance has asked the Financial Supervisory Authority of Norway to assess the need for changes in the regulation and present its assessment by October 3, 2022.

The new Norwegian Financial Agreements Act is expected to enter into force January 1, 2023. During Q2, the Ministry of Finance has issued proposals for new regulations to the Act with a hearing deadline of August 19, 2022.

The new Norwegian Insurance Distribution Act has been adopted and will enter into force on July 1, 2022.

The new Norwegian Credit Information Act will also enter into force July 1, 2022.

On April 5, 2022, a new clause regarding mandatory cash services was adopted in the Norwegian Financial Institutions Regulation. This new clause will enter into force October 1, 2022.

In Sweden, a proposal for the implementation of EU's directive on modernized consumer protection has been issued.

In Finland, there are several proposals for amendments to the consumer protection legislation, including changing the responsibility for supervision of credit institutions from the Regional State Agency (AVI) to the Finnish Supervisory Authority.

The combat against money laundering and terror financing continues

In Denmark, the Financial Supervisory Authority is carrying out a review of their anti-money laundering guidelines.

Data privacy

Looking at Data Privacy, the European Commission and the United States have announced that they have agreed in principle on a new Trans-Atlantic Data Privacy Framework, which will foster trans-Atlantic data flows and address the concerns raised by the Court of Justice of the European Union in the Schrems II decision of July 2020. The wording and timing of the agreement is yet uncertain, and the agreement in principle is to be translated into legal documents.

Implementation of the EU's "Banking Package"

In the spring of 2019, the EU adopted what is collectively called the "Banking Package" or the "Risk Reduction Package", including changes to EU's capital requirements legislation and the Bank Recovery and Resolution Directive, CRR II, CRD V and BRRD II. The Norwegian requirements implementing the "Banking Package" entered into force June 1, 2022.

Increase in countercyclical capital buffer in Norway

The countercyclical capital buffer will gradually increase from 1% to 1.5 % effective from June 30, 2022, to 2.0% effective from December 31, 2022, and to 2.5% with effect from March 31, 2023.

Responsible banking

The new Norwegian Transparency Act will enter into force July 1, 2022.

EU's Taxonomy Regulation was implemented into Norwegian law April 29, 2022 and is expected to enter into force after the summer.

Strategic priorities to stay in the lead

THE BANKING SECTOR LANDSCAPE

As society returns to a new normal, the macroeconomic landscape has shifted. Loose monetary policy, accommodative fiscal policy, and other temporary governmental policies have begun to unwind, impacting core macroeconomic indicators – most notably, inflation. The global economy is experiencing heightened levels of inflation, exacerbated by the significant increase in energy prices. As a counter to inflation, central banks are steadfastly increasing interest rates to levels not seen in more than a decade. For most banks, the increase in interest rates is a welcome relief but comes with increased risk – as household and corporate finances are impacted by the accelerating cost of living, goods, and labor. Household finances are increasingly feeling the strain of increased “costs of living” fueled by inflationary effects.

On a relative basis, the Nordic region has held up well and remains an economically strong and stable region.

The continued trend of new banking sector entrants and other competitors targeting specific parts of the bank value chains is increasing competition and contestability within financial products and services. Whilst a threat, the advancements in technology and regulation does enable banks to develop new business and operational models that can leverage existing strengths to support future growth.

Corporate strategy

The Group's overarching commitment is to do business in a responsible and sustainable way. This is reinforced by the corporate purpose to help people and businesses prosper and underpinned by a value platform that ensures everything the Group does is simple, personal, and fair.

The Group has a clearly defined strategic ambition of being the leading Nordic consumer finance platform. This means striving to meet all customer and partner needs in a seamless and collaborative manner. The aim is to generate long-term, sustainable value creation for the Group's shareholder, Banco Santander. Within this context, the Group also strives to generate value for a broader group of stakeholders including employees, customers, partners, and society at large.

As part of the Group's corporate strategy, four long-term primary measures reflect the commitment to delivering long term stakeholder value.

- No. 1 customer and partner satisfaction in core markets.
- Employee satisfaction greater than 85%.
- Cost to income below 35%.
- RoRWA (Return on Risk Weighted Assets) greater than 2%.

To support and guide strategic execution in pursuit of these measures, the following three strategic pillars have been defined:



Grow selectively – Sustainable profitability at the core of existing and new business propositions.



Operate efficiently – Efficient, robust, and scalable operating model and resource allocation.



Work collaboratively – Organizational model underpinned by collaboration and engagement.

Strategic focus areas

During Q2 2022, the Group continued to operationalize and execute on its corporate strategy. Key areas of progress made include:

Further refinement and communication of product strategies aligned to corporate strategy, that outlines the Group's commercial value propositions and clearly defines how, and where, stakeholder value will be created. Product strategies are a key foundation for the Group's annual medium term financial and investment planning exercise.

As a key objective within the Nordic Responsible Banking agenda, the Group has progressed the development of an inaugural Nordic Sustainability Report. The report will be constructed in line with established international standards including the Task Force on Climate Disclosures (TCFD) and the Global Reporting Initiative (GRI). The Group's intention is to publish the report in Q3 2022.

The Group continued to support mobility electrification, a strategic focus area, by financing 9 231 new electric vehicles (“EVs”), representing 16.8% of all EVs purchased in the Nordic region in Q2 2022.

Maintained good progress (and in certain areas ramped up activities) with respect to digital capability transformation, ensuring that the Group possesses a modern infrastructure that will enable greater connectivity to customers and partners whilst releasing desired efficiencies.

Lysaker, 12th August 2022

The Board of Directors of Santander Consumer Bank

Jørn Borchgrevink
Chair

Federico Ysart
Deputy Chair

Pedro de Elejabeitia
Board Member

Anne Kvam
Board Member

Ramón Billordo
Board Member

Tone Bergsaker Strømsnes
Employee Representative

Sara Norberg
Employee Representative

Michael Hvidsten
Chief Executive Officer

Profit and Loss - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Total interest income*		1 972	2 010	3 897	4 067	7 982
Total interest expenses		-237	-233	-440	-474	-895
Net interest income	9	1 735	1 777	3 457	3 593	7 087
Fee and commission income		144	159	262	295	556
Fee and commission expenses		-58	-56	-109	-119	-238
Value change and gain/loss on foreign exchange and securities		8	-20	-7	49	30
Other operating income		97	83	182	158	317
Other operating expenses		-200	-85	-276	-169	-345
Gross margin	9	1 727	1 858	3 509	3 807	7 406
Salaries and personnel expenses		-310	-352	-641	-724	-1 360
Administrative expenses		-246	-310	-601	-610	-1 265
Depreciation and amortisation		-64	-68	-128	-130	-246
Net operating income**		1 107	1 128	2 138	2 344	4 536
Other income and costs		1	-44	-104	-43	-10
Impairment losses on loan, guarantees etc.	3, 4, 5, 13	-169	-371	-544	-774	-1 166
Profit before tax		940	713	1 490	1 527	3 359
Income tax expense		-204	-191	-293	-396	-793
Profit after tax		736	523	1 197	1 131	2 566
Allocation of profit after tax						
Transferred to other earned equity		704	493	1 132	1 072	2 448
Transferred to additional Tier 1 capital	16	32	30	65	59	118
Total allocations		736	523	1 197	1 131	2 566
Profit after tax		736	523	1 197	1 131	2 566
<i>Items not to be recycled to profit and loss</i>						
Actuarial gain/loss on post-employment benefit obligations		37	62	37	62	58
<i>Items to be recycled to profit and loss</i>						
Net exchange differences on translating foreign operations		268	79	160	-188	-278
Measured at FVTOCI		-0	-	0	-1	-18
Cash flow hedge		29	6	49	17	38
Net investment hedge		-60	-28	-34	130	150
Other comprehensive income for the period net of tax		274	119	212	19	-49
Total comprehensive income for the period		1 011	642	1 409	1 151	2 517

* Total interest income calculated using the effective interest method

** Net operating income before impairment losses on loans

Balance Sheet - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q2 2022	Q2 2021	2021
Assets				
Cash and receivables on central banks	10	1 698	3 093	3 784
Deposits with and receivables on financial institutions	10	4 873	8 566	4 391
Loans to customers	3, 4, 5, 10, 12	176 221	172 260	170 640
Commercial papers and bonds	10	4 593	3 863	9 672
Financial derivatives	10, 11	315	13	59
Reposessed assets		36	82	62
Other ownership interests	10, 11	20	37	20
Intangible assets		1 262	1 285	1 276
Fixed assets		939	1 121	1 014
Other assets		1 574	2 055	1 440
Total assets		191 531	192 375	192 357
Liabilities				
Debt to credit institutions	10, 15	30 143	22 422	30 443
Deposits from customers		72 513	80 652	73 304
Debt established by issuing securities	10, 14	50 370	51 962	51 518
Financial derivatives	10, 11	317	5	53
Tax payable		294	13	192
Other financial liabilities		250	401	402
Deferred tax		1 404	1 138	1 277
Pension liabilities		9	56	49
Other liabilities		3 350	2 966	2 801
Subordinated loan capital	10, 15	2 451	2 512	2 463
Senior non-preferred loans	10, 15	1 232	-	-
Total liabilities		162 332	162 128	162 502
Equity				
Share capital		10 618	10 618	10 618
Share capital premium		1 926	1 926	1 926
Additional Tier 1 capital		2 250	2 250	2 250
Other equity		14 117	15 308	14 985
OCI items		288	145	76
Total equity		29 199	30 246	29 855
Total liabilities and equity		191 531	192 375	192 357

Cash Flow - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Cash flow from operations						
Profit before tax		940	713	1 490	1 527	3 359
Adjustments for:						
- Depreciation, amortisation and impairment on fixed and intangible assets		64	101	128	202	246
- Net interest income	9	-1 735	-1 777	-3 457	-3 593	-7 087
- Value change and gain/loss on foreign exchange and securities		-8	20	7	-49	-30
- Dividends on financial assets at FVOCI		-	-	-	-	-
Changes in:						
- Loans to customers	12	-2 813	-829	-3 639	503	-840
- Operating lease assets		5	9	40	84	161
- Repossessed assets		15	-33	33	-66	-56
- Other assets		-321	-62	-122	526	1 141
- Deposits from customers		-483	-424	-1 632	1 109	-4 856
- Other liabilities and provisions		564	-91	440	-552	-336
Interests received		1 972	2 008	3 897	4 064	7 982
Dividends received		-0	-	-0	-	-
Interests paid		-237	-222	-440	-451	-895
Net income taxes paid		-136	-189	-292	-251	-361
Net cash flow from operations		-2 174	-776	-3 546	3 053	-1 572
Cash flow from investments						
Purchase of bonds		-12 079	-1 538	-24 602	-2 393	-20 454
Proceeds from matured bonds		12 693	1 846	29 698	4 854	17 077
Purchase of fixed and intangible assets		-39	-60	-57	-91	-233
Proceeds from sale of fixed and intangible assets		0	1	5	-0	19
Net cash flow from investments		576	249	5 044	2 370	-3 591
Cash flow from financing						
Proceeds from issued securities		4 641	6 080	9 660	6 583	12 518
Repayments of issued securities		-3 345	-2 166	-11 593	-4 294	-9 813
Payments related to lease liabilities		-19	-	-44	-	-80
Change in loans and deposits from credit institutions		-964	-6 831	-375	-6 064	2 718
Proceeds from issue of subordinated loans	15	-	-	-	-	-
Repayment of subordinated loans	15	-	-	-	-250	-250
Proceeds from issue of senior non-preferred loans	15	1 229	-	1 229	-	-
Repayment of senior non-preferred loans	15	-	-	-	-	-
Dividend payments		-	-	-2 000	-	-1 700
Interest payments on additional Tier 1 capital	16	-32	-30	-65	-59	-118
Net cash flow from financing		1 509	-2 946	-3 187	-4 084	3 276

	Note	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Exchange gains / (losses) on cash and cash equivalents		270	203	86	-281	-539
Net change in cash and cash equivalents		181	-3 270	-1 604	1 058	-2 426
Cash and cash equivalents at the beginning of the period		6 390	14 929	8 175	10 601	10 601
Cash and cash equivalents at the end of the period		6 571	11 659	6 571	11 659	8 175

Statement of changes in equity - Santander Consumer Bank Nordic Group

Q2 2022

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured at FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 of April 2022	10 618	1 926	2 250	13 413	32	20	47	-18	-68	28 221
Profit for the period	-	-	32	704	-	-	-	-	-	736
OCI movements (net of tax)	-	-	-	-	268	-0	29	-60	37	274
Interest payments additional										
Tier 1 capital	-	-	-32	-	-	-	-	-	-	-32
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 30 of June 2022	10 618	1 926	2 250	14 117	300	20	76	-78	-31	29 199

YTD Q2 2022

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured at FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 of January 2022	10 618	1 926	2 250	14 985	140	20	27	-43	-68	29 855
Profit for the period	-	-	65	1 132	-	-	-	-	-	1 197
OCI movements (net of tax)	-	-	-	-	160	0	49	-34	37	212
Interest payments additional										
Tier 1 capital	-	-	-65	-	-	-	-	-	-	-65
Dividend	-	-	-	-2 000	-	-	-	-	-	-2 000
Balance at 30 of June 2022	10 618	1 926	2 250	14 117	300	20	76	-78	-31	29 199

Total shares registered as at June 30, 2022, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at June 30, 2022, was 10 618 MM NOK. 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, are published on www.santanderconsumer.com.

Financial Year 2021

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured at FVTOCI	Cash flow investment hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 January 2021	10 618	1 926	2 250	14 253	418	38	-11	-193	-126	29 172
Profit for the period	-	-	118	2 448	-	-	-	-	-	2 566
Adjustment of equity from merger with Forso	-	-	-	-17	-	-	-	-	-	-17
OCI movements (net of tax)	-	-	-	-	-278	-18	38	150	58	-49
Interest payments additional Tier 1 capital	-	-	-118	-	-	-	-	-	-	-118
Dividend	-	-	-	-1 700	-	-	-	-	-	-1 700
Balance at 31 December 2021	10 618	1 926	2 250	14 985	140	20	27	-43	-68	29 855

Total shares registered as at December 31, 2021, was 965 241 842, each with a par value of 11 NOK

Restricted capital as at December 31, 2021, was 10 618 MM NOK. 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

<i>All amounts in millions of NOK</i>	Note	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Total interest income*		1 691	1 708	3 340	3 462	6 781
Total interest expenses		-228	-218	-417	-439	-834
Net interest income	9	1 464	1 490	2 923	3 023	5 948
Fee and commission income		129	143	232	262	491
Fee and commission expenses		-52	-51	-99	-109	-217
Value change and gain/loss on foreign exchange and securities		8	-22	-1	29	8
Other operating income		67	52	125	92	191
Other operating expenses		-170	-52	-214	-97	-205
Gross margin		1 446	1 560	2 965	3 201	6 216
Salaries and personnel expenses		-264	-315	-547	-623	-1 180
Administrative expenses		-292	-252	-597	-506	-1 063
Depreciation and amortisation		-58	-58	-117	-111	-210
Net operating income**		832	935	1 703	1 961	3 764
Other income and costs		1	-46	-98	-46	-15
Impairment losses on loan, guarantees etc.	3, 4, 5, 13	-146	-350	-480	-682	-1 039
Profit before tax		687	539	1 126	1 233	2 709
Income tax expense		-146	-145	-250	-326	-690
Profit after tax		541	394	876	907	2 020
Allocation of profit after tax						
Transferred to other earned equity		509	364	811	848	1 902
Transferred to additional Tier 1 capital	16	32	30	65	59	118
Total allocations		541	394	876	907	2 020
Profit after tax		541	394	876	907	2 020
<i>Items not to be recycled to profit and loss</i>						
Actuarial gain/loss on post-employment benefit obligations		37	62	37	62	58
<i>Items to be recycled to profit and loss</i>						
Net exchange differences on translating foreign operations		6	11	6	-73	-74
Measured at FVTOCI		-0	-	0	-1	-18
Cash flow hedge		4	4	-11	18	31
Net investment hedge		-0	-9	-	1	-1
Other comprehensive income for the period net of tax		46	68	32	6	-3
Total comprehensive income for the period		587	462	907	913	2 016

*Total interest income calculated using the effective interest method

**Net operating income before impairment losses on loans

Balance Sheet - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q2 2022	Q2 2021	2021
Assets				
Cash and receivables on central banks	10	1 698	3 093	3 784
Deposits with and receivables on financial institutions	10	2 736	7 251	3 188
Loans to customers	3, 4, 5, 10, 12	141 687	136 002	136 057
Commercial papers and bonds	10	4 422	3 974	8 275
Financial derivatives	10, 11	-	-	-
Reposessed assets		3	15	17
Loans to subsidiaries and SPV's	10, 15	17 027	18 858	18 498
Investments in subsidiaries		1 693	1 676	1 647
Other ownership interests	10, 11	20	37	20
Intangible assets		835	860	863
Fixed assets		502	634	568
Other assets		1 351	2 112	1 378
Total assets		171 974	174 511	174 296
Liabilities				
Debt to credit institutions	10, 15	29 511	19 325	28 400
Deposits from customers		72 513	80 652	73 304
Debt established by issuing securities	10, 14	35 148	39 700	38 375
Financial derivatives	10, 11	-	-	-
Tax payable		224	13	133
Other financial liabilities		246	392	393
Deferred tax		1 682	1 397	1 574
Pension liabilities		9	56	49
Other liabilities		2 733	2 427	2 222
Subordinated loan capital	10, 15	2 451	2 512	2 463
Senior non-preferred loans	10, 15	1 232	-	-
Total liabilities		145 749	146 473	146 914
Equity				
Share capital		10 618	10 618	10 618
Share capital premium		1 926	1 926	1 926
Additional Tier 1 capital		2 250	2 250	2 250
Other equity		11 423	13 258	12 612
OCI items		8	-14	-24
Total equity		26 224	28 038	27 382
Total liabilities and equity		171 974	174 511	174 296

Cash Flow - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Cash flow from operations						
Profit before tax		687	539	1 126	1 233	2 709
Adjustments for:						
- Depreciation, amortisation and impairment on fixed and intangible assets		58	72	117	139	210
- Net interest income	9	-1 464	-1 490	-2 923	-3 023	-5 948
- Value change and gain/loss on foreign exchange and securities		-8	22	1	-29	-8
- Dividends on financial assets at FVOCI		-	-	-	-	-
Changes in:						
- Loans to customers	12	-3 495	-2 027	-5 232	-2 033	-4 661
- Operating lease assets		10	3	34	42	80
- Repossessed assets		10	-2	21	-18	-30
- Other assets		-165	-74	39	420	1 154
- Deposits from customers		-483	-424	-1 632	1 109	-4 856
- Other liabilities and provisions		659	84	408	-674	-362
Interests received		1 691	1 658	3 340	3 406	6 781
Dividends received		-0	-	-0	-	-
Interests paid		-228	-207	-417	-416	-834
Net income taxes paid		-87	-48	-234	-209	-225
Net cash flow from operations		-2 815	-1 893	-5 353	-53	-5 991
Cash flow from investments						
Purchase of bonds		-11 011	-1 181	-23 479	-2 035	-18 275
Proceeds from matured bonds		11 711	1 541	27 156	4 100	15 570
Purchase of fixed and intangible assets		-37	-56	-55	-87	-225
Proceeds from sale of fixed and intangible assets		0	-1	2	-	10
Net cash flow from investments		663	303	3 624	1 977	-2 920
Cash flow from financing						
Proceeds from issued securities		-	5 992	5 019	6 647	8 024
Repayments of issued securities		-1 626	-1 000	-8 591	-1 510	-3 537
Payments related to lease liabilities		-19	-	-44	-	-78
Change in loans and deposits from credit institutions		1 961	-5 550	3 595	-4 781	5 362
Proceeds from issue of subordinated loans	15	-	-	-	-	-
Repayment of subordinated loans	15	-	-	-	-250	-250
Proceeds from issue of senior non-preferred loans	15	1 229	-	1 229	-	-
Repayment of senior non-preferred loans	15	-	-	-	-	-
Dividend payments		-	-	-2 000	-	-1 700
Interest payments on additional Tier 1 capital	16	-32	-30	-65	-59	-118
Net cash flow from financing		1 512	-588	-857	46	7 704

	Note	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Exchange gains / (losses) on cash and cash equivalents		179	182	47	-251	-445
Net change in cash and cash equivalents		-461	-1 996	-2 538	1 720	-1 652
Cash and cash equivalents at the beginning of the period		4 895	12 340	6 972	8 624	8 624
Cash and cash equivalents at the end of the period		4 434	10 344	4 434	10 344	6 972

Statement of changes in equity - Santander Consumer Bank AS

Q2 2022

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 of April 2022	10 618	1 926	2 250	10 914	-12	20	1	21	-68	25 670
Profit for the period	-	-	32	509	-	-	-	-	-	541
OCI movements (net of tax)	-	-	-	-	6	-0	4	-0	37	46
Interest payments additional Tier 1 capital	-	-	-32	-	-	-	-	-	-	-32
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 30 of June 2022	10 618	1 926	2 250	11 423	-6	20	4	21	-31	26 224

YTD Q2 2022

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 of January 2022	10 618	1 926	2 250	12 612	-12	20	15	21	-68	27 382
Profit for the period	-	-	65	811	-	-	-	-	-	876
OCI movements (net of tax)	-	-	-	-	6	0	-11	-	37	32
Interest payments additional Tier 1 capital	-	-	-65	-	-	-	-	-	-	-65
Dividend	-	-	-	-2 000	-	-	-	-	-	-2 000
Balance at 30 of June 2022	10 618	1 926	2 250	11 423	-6	20	4	21	-31	26 224

Total shares registered as at June 30, 2022, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at June 30, 2022, was 10 618 MM NOK. 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.

Financial Year 2021

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 January 2021	10 618	1 926	2 250	12 364	62	38	-16	22	-126	27 138
Profit for the period	-	-	118	1 902	-	-	-	-	-	2 020
Adjustment of equity from merger with Forso	-	-	-	46	-	-	-	-	-	46
OCI movements (net of tax)	-	-	-	-	-74	-18	31	-1	58	-3
Interest payments additional Tier 1 capital	-	-	-118	-	-	-	-	-	-	-118
Dividend	-	-	-	-1 700	-	-	-	-	-	-1 700
Balance at 31 December 2021	10 618	1 926	2 250	12 612	-12	20	15	21	-68	27 382

Total shares registered as at December 31, 2021, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at December 31, 2021, was 10 618 MM NOK. 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.

Lysaker, 12th August 2022

The Board of Directors of Santander Consumer Bank

Jørn Borchgrevink
Chair

Federico Ysart
Deputy Chair

Pedro de Elejabeitia
Board Member

Anne Kvam
Board Member

Ramón Billordo
Board Member

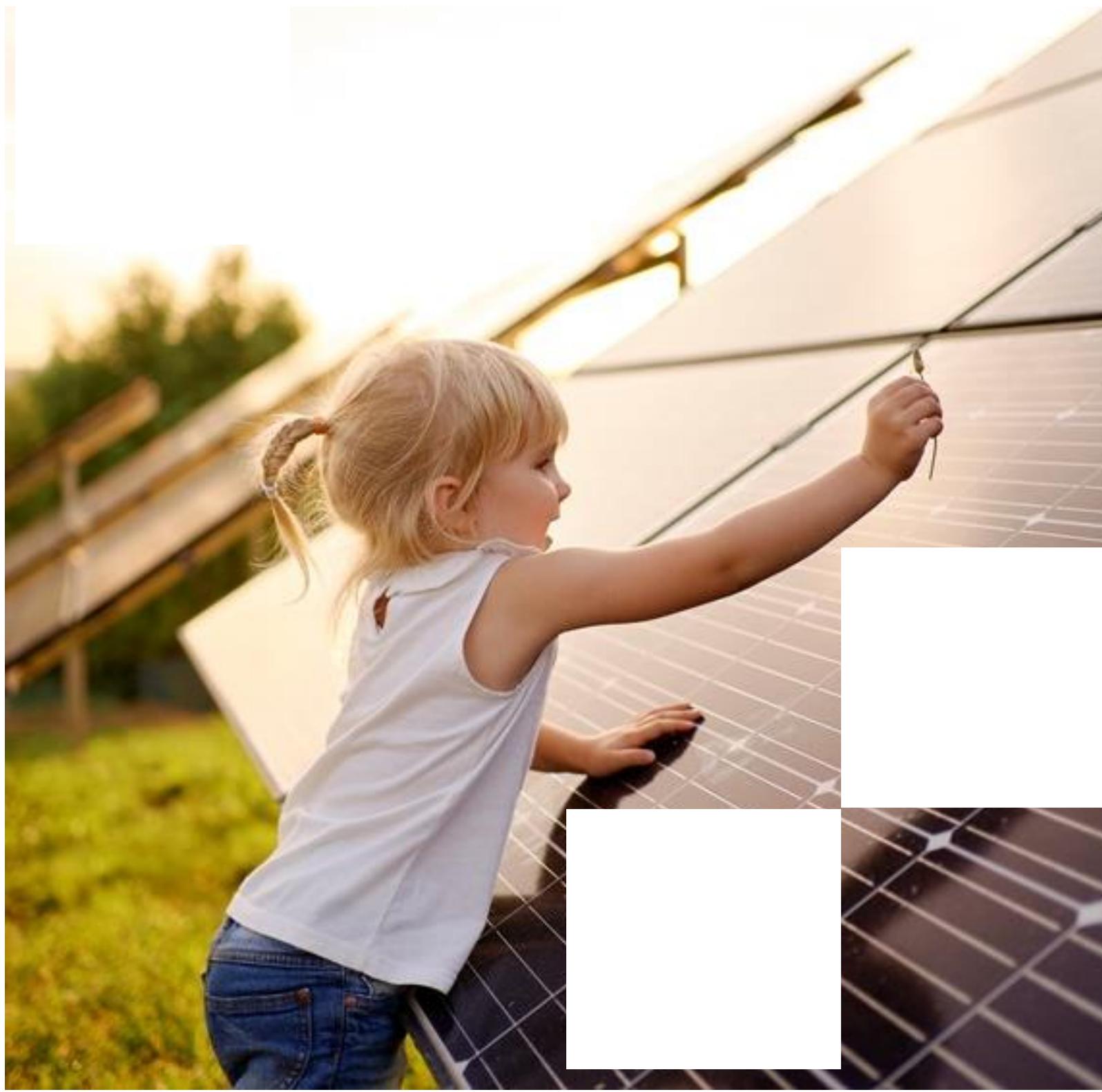
Tone Bergsaker Strømsnes
Employee Representative

Sara Norberg
Employee Representative

Michael Hvidsten
Chief Executive Officer

1 | Notes

Santander Consumer Bank Nordic Group



Note 1 - Basis of preparation

The Group accounts include Santander Consumer Bank AS (the Bank), the Finnish subsidiary Santander Consumer Finance OY (SCF OY) and Special Purpose Vehicles ("SPV").

All figures and notes were prepared under the assumption that the business is a going concern.

The Groups interim accounts for the second quarter of 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Groups last annual report as at and for the year ended December 31, 2021.

The annual report for 2021 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting www.santanderconsumer.no.

These interim financial statements were authorised by the Board of Directors on Aug 12, 2022.

Note 2 - Accounting principles

The accounting policies of the Group are consistent with those applied in the 2021 annual financial statements.

Note 3 - Credit risk exposure

All amounts in millions of NOK

Maximum exposure to credit risk - Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

Loans not past due date includes exposures that are not in arrears and not in default. Standard monitoring includes exposures in early arrears.

	Q2 2022				Q2 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Unsecured loans								
Credit grade								
Loans not past due date	25 162	1 595	-	26 757	27 698	1 275	-	28 973
Standard monitoring	452	583	-	1 035	688	796	-	1 484
Special monitoring	-	221	-	221	-	300	-	300
Default	-	-	2 947	2 947	-	-	3 138	3 138
Gross carrying amount	25 613	2 399	2 947	30 959	28 386	2 371	3 138	33 895
Loss allowance	-631	-400	-1 895	-2 925	-649	-391	-1 961	-3 001
Carrying amount	24 982	1 999	1 052	28 034	27 737	1 980	1 177	30 894
Loss allowance (off balance exposures)	-32	-8	-29	-69	-21	-8	-18	-47
Loss allowance (%)				9,45%				8,85%

	Q2 2022				Q2 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Secured loans								
Credit grade								
Loans not past due date	142 054	2 241	18	144 314	134 631	1 842	-	136 473
Standard monitoring	2 210	1 239	-	3 449	3 302	1 258	-	4 560
Special monitoring	-	208	-	208	-	462	-	462
Default	-	-	2 366	2 366	-	-	1 805	1 805
Gross carrying amount	144 264	3 688	2 385	150 337	137 933	3 562	1 805	143 300
Loss allowance	-725	-260	-1 165	-2 150	-766	-207	-961	-1 934
Carrying amount	143 539	3 429	1 220	148 187	137 167	3 355	844	141 366
Loss allowance (%)				1,43%				1,35%

* Secured loans include secured auto loans and finance leases where the underlying assets serve as collateral.

	Q2 2022				Q2 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Commercial papers and bonds								
Credit grade								
Investment grade	4 593	-	-	4 593	3 864	-	-	3 864
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	4 593	-	-	4 593	3 864	-	-	3 864
Loss allowance	-0	-	-	-0	-	-	-	-
Carrying amount	4 593	-	-	4 593	3 864	-	-	3 864
Loss allowance (%)				0,01%				0,00%

Maximum exposure to credit risk - Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets and liabilities not subject to impairment (i.e. FVTPL):

Maximum exposure to credit risk	Q2 2022	Q2 2021
Financial derivatives Assets	315	13
Financial derivatives Liabilities	317	5

Note 4 - Risk classification

All amounts in millions of NOK

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

	Gross outstanding			Loss reserves		
	Q2 2022	Q2 2021	FY 2021	Q2 2022	Q2 2021	FY 2021
Current - not past due date	171 483	166 206	165 910	-1 693	-1 659	-1 880
Current - past due date	4 484	6 045	4 276	-323	-334	-313
Total impaired loans	5 329	4 943	5 402	-3 059	-2 940	-2 756
Total gross loans to customers	181 296	177 194	175 588	-5 075	-4 934	-4 949

<i>Ageing of past due but not impaired loans</i>	Gross outstanding			Loss reserves		
	Q2 2022	Q2 2021	FY 2021	Q2 2022	Q2 2021	FY 2021
1 - 29 days	3 313	4 711	3 168	-121	-116	-120
30 - 59 days	757	953	738	-130	-145	-125
60 - 89 days	414	382	370	-72	-73	-68
Total loans due but not impaired	4 484	6 046	4 276	-323	-334	-313

<i>Ageing of impaired loans</i>	Gross outstanding			Loss reserves		
	Q2 2022	Q2 2021	FY 2021	Q2 2022	Q2 2021	FY 2021
90 - 119 days	324	279	318	-130	-136	-125
120 - 149 days	248	195	204	-113	-101	-84
150 - 179 days	190	177	123	-87	-93	-50
180 + days	1 780	2 350	1 852	-1 148	-1 505	-1 137
Economic doubtful*	2 788	1 941	2 905	-1 580	-1 105	-1 360
Total impaired loans	5 329	4 942	5 402	-3 059	-2 940	-2 756

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

Note 5 - Loss allowance

All amounts in millions of NOK

The following tables explain the changes in the loss allowance between the beginning and the end of the reporting period due to these factors:

	Q2 2022				Q2 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Unsecured loans								
Loss allowance at 1 January	622	388	1 874	2 884	712	452	1 838	3 002
Transfers:								
Transfer from Stage 1 to Stage 2	-86	491	-	405	-75	531	-	456
Transfer from Stage 1 to Stage 3	-4	-	45	42	-6	-	77	71
Transfer from Stage 2 to Stage 3	-	-208	367	159	-	-269	467	198
Transfer from Stage 2 to Stage 1	56	-275	-	-218	46	-347	-	-301
Transfer from Stage 3 to Stage 2	-	44	-102	-58	-	46	-124	-78
Transfer from Stage 3 to Stage 1	0	-	-2	-2	-	-	-1	-1
Assets remaining in same Stage	-181	-18	107	-92	-60	6	165	111
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-44	-11	-35	-90	-55	-21	-73	-149
of which 'accounts that have closed in the period'	-44	-11	-35	-90	-55	-21	-73	-149
of which 'foreclosed'	-	-	-	-	-	-	-	-
of which 'sold'	-	-	-	-	-	-	-	-
of which 'change of perimeter'	-	-	-	-	-	-	-	-
Write-offs	-	-	-400	-400	-	-	-315	-315
New financial assets originated or purchased	202	-	-	202	76	-	-	76
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	65	-13	42	94	11	-7	-73	-69
Loss allowance at 30 June	631	400	1 895	2 925	649	391	1 961	3 001

	Q2 2022				Q2 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Secured loans								
Loss allowance at 1 January	822	247	995	2 064	794	240	968	2 002
Transfers:								
Transfer from Stage 1 to Stage 2	-55	393	-	338	-47	325	-	278
Transfer from Stage 1 to Stage 3	-17	-	117	100	-11	-	146	135
Transfer from Stage 2 to Stage 3	-	-188	407	219	-	-119	357	238
Transfer from Stage 2 to Stage 1	36	-201	-	-165	36	-237	-	-201
Transfer from Stage 3 to Stage 2	-	110	-276	-166	-	54	-253	-199
Transfer from Stage 3 to Stage 1	0	-	-1	-1	-	-	-3	-3
Assets remaining in same Stage	-236	-68	200	-105	-102	-10	221	109
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-96	-33	-103	-232	-123	-42	-232	-397
<i>of which 'accounts that have closed in the period'</i>	-96	-33	-103	-232	-123	-42	-232	-397
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-152	-152	-	-	-270	-270
New financial assets originated or purchased	311	-	-	311	235	-	-	235
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-39	-2	-22	-63	-16	-4	27	7
Loss allowance at 30 June	725	260	1 165	2 150	766	207	961	1 934

	Q2 2022				Q2 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Commercial papers and bonds								
Loss allowance at 1 January	-	-	-	-	-	-	-	-
Transfers:								
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Assets remaining in same Stage	0	-	-	0	-	-	-	-
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-	-	-	-	-	-	-	-
<i>of which 'accounts that have closed in the period'</i>	-	-	-	-	-	-	-	-
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-
New financial assets originated or purchased	0	-	-	0	-	-	-	-
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	0	-	-	0	-	-	-	-
Loss allowance at 30 June	0	-	-	0	-	-	-	-

	Q2 2022				Q2 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Off balance exposure*	ECL	ECL	ECL		ECL	ECL	ECL	
Loss allowance at 1 January	29	9	29	66	21	7	18	46
Transfers:								
Transfer from Stage 1 to Stage 2	-1	5	-	5	-1	11	-	10
Transfer from Stage 1 to Stage 3	-0	-	10	10	-	-	5	5
Transfer from Stage 2 to Stage 3	-	-1	4	3	-	-1	6	5
Transfer from Stage 2 to Stage 1	1	-8	-	-7	2	-11	-	-9
Transfer from Stage 3 to Stage 2	-	4	-7	-3	-	3	-9	-6
Transfer from Stage 3 to Stage 1	0	-	-1	-1	-	-	-	-
Assets remaining in same Stage	-7	1	10	4	1	-	5	6
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-2	-2	-13	-18	-3	-1	-6	-10
<i>of which 'accounts that have closed in the period'</i>	-2	-2	-13	-18	-3	-1	-6	-10
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-2	-2	-	-	-1	-1
New financial assets originated or purchased	12	-	-	12	1	-	-	1
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	0	-0	0	0	-	-0	-0	-0
Loss allowance at 30 June	32	8	29	69	21	8	18	47

* Provisions related to off-balance credit exposures are recognized in the financial statement line other income and costs.

The Group does not have any engagements where no ECL provision has been made due to the value of the collateral.

Note 6 - 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 $LCR = \text{liquid assets} / \text{net liquidity outflows}$. The minimum LCR level (CRD IV) is 100% for SEK, DKK and EUR, and 50% for NOK. With a stable basis of High Quality Liquid Assets, the Group fulfills the minimum LCR requirements.

Liquidity Coverage Ratio (LCR) %	Q2 2022	Q2 2021	Q4 2021
Liquidity Coverage Ratio (LCR) Total	164%	267%	144%
Liquidity Coverage Ratio (LCR) NOK	86%	198%	77%
Liquidity Coverage Ratio (LCR) SEK	240%	158%	208%
Liquidity Coverage Ratio (LCR) DKK	185%	1458%	201%
Liquidity Coverage Ratio (LCR) EUR	362%	244%	124%

Note 7 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	Q2 2022	Q2 2021	FY 2021
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	14 117	15 308	14 985
Tier 1 Capital	2 250	2 250	2 250
Other reserves	288	145	76
Total Equity	29 199	30 246	29 855

Common Equity Tier 1 Capital

(-) Profit not eligible as capital	-1 197	-1 131	-2 000
Cash-flow hedge adjustment	-	-	-
IRB Expected Loss - Reserves	-397	-437	-392
Goodwill	-821	-812	-795
Other intangible assets	-90	-472	-482
Deferred tax assets	-	-	-
Adjustment Prudent Valuation (AVA)	-5	-3	-8
Tier 1 Capital	-2 250	-2 250	-2 250
Total common Equity Tier 1 Capital	24 439	25 141	23 929

Tier 1 Capital

Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital	26 689	27 391	26 179

Total Capital

Paid up subordinated loans	2 448	2 510	2 461
Subordinated loans not eligible	-	-	-
Total Capital	29 137	29 901	28 639

Risk exposure on Standard Approach

Regional governments or local authorities	64	64	66
Institutions	768	608	700
Corporates	8 598	9 741	7 899
Retail Standard Approach	53 786	56 132	54 105
Exposures in default SA	3 639	3 537	3 229
Covered bonds	147	88	64
Other Exposures	3 728	4 250	3 512
Total Risk exposure amount on Standard Approach	70 729	74 420	69 574

Risk exposure on Internal Rating Based Approach	Q2 2022	Q2 2021	FY 2021
Retail Other	40 889	38 231	41 141
Total Risk exposure amount on Internal Rating Based Approach	40 889	38 231	41 141
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	111 619	112 651	110 716
Foreign exchange (zero if under threshold)	2 983	2 480	2 684
Risk exposure amount for position, foreign exchange and commodities risks	2 983	2 480	2 684
Basic indicator approach	14 261	14 247	14 261
Risk exposure amount for operational risk	14 261	14 247	14 261
Standardized method	4	36	30
Risk exposure amount for credit valuation adjustment	4	36	30
Total risk exposure amount	128 867	129 415	127 690
Total exposure for Leverage Ratio			
Derivatives: Add-on under market-to-market method	633	419	467
Off-balance sheet items with 10% CCF	3 141	3 029	3 033
Off-balance sheet items with 20% CCF	936	483	740
Off-balance sheet items with 50% CCF	38	38	37
Adjusted On balance sheet exposure	193 896	190 650	190 681
Total exposure for Leverage Ratio	198 644	194 619	194 959
Minimum Regulatory Capital			
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	3,30%	3,30%	3,30%
Pillar 2 Guidance	1,50%	1,00%	1,00%
Countercyclical Buffer (combined)	0,41%	0,28%	0,29%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	1,23%	1,26%	1,30%
Minimum Regulatory Capital ratio (CET1)	13,44%	12,84%	12,89%
Minimum Regulatory Capital			
Minimum Core Equity	5 799	5 824	5 746
Pillar 2 Requirement	4 253	4 271	4 214
Pillar 2 Guidance	1 933	1 294	1 277
Countercyclical Buffer (combined)	529	362	370
Conservation Buffer	3 222	3 235	3 192
Systemic Risk Buffer (combined)	1 586	1 630	1 665
Minimum Regulatory Capital amount	17 321	16 616	16 464

	Q2 2022	Q2 2021	FY 2021
Surplus of Core Equity Tier 1 capital	7 118	8 525	7 464
Common equity tier 1 capital ratio	18,96%	19,43%	18,74%
Common equity tier 1 capital ratio (with IFRS9 transitional rules)		19,57%	18,89%
CET1 regulatory requirements	13,44%	12,84%	12,89%
Tier 1 capital ratio	20,71%	21,17%	20,50%
Tier 1 capital ratio (with IFRS9 transitional rules)		21,31%	20,65%
Tier 1 regulatory requirements	14,94%	14,34%	14,39%
Total capital ratio	22,61%	23,10%	22,43%
Total capital ratio (with IFRS9 transitional rules)		23,25%	22,57%
Total capital regulatory requirements	16,94%	16,34%	16,39%
Leverage ratio	13,44%	14,07%	13,43%
Leverage ratio (with IFRS9 transitional rules)		14,17%	13,52%
LR regulatory requirements	3,00%	5,00%	5,00%

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

Since December 2018, the bank has reported capital ratios using IFRS9 transitional rules. From Q1 2022 and going forward, the bank will only report capital ratios under the fully loaded approach.

Financial information in accordance with the capital requirement regulation is published at www.santanderconsumer.no. The Pillar 3 Disclosure report is published at www.santanderconsumer.no.

Note 8 - Segment information

All amounts in millions of NOK

Financial management in the Group 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 Group. Reported figures for the various segments reflect the 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 the Group management. The 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 the Group's governance model and the 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 Group's governance model. All the 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 Group treasury at market conditions. Surplus liquidity is transferred to the 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)

Q2 2022

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	5 694	42 479	12 073	-	60 246
Sweden	14 209	20 186	16 523	-	50 918
Denmark	6 218	25 511	3 149	331	35 209
Finland	4 838	27 688	2 727	442	35 695
Total	30 959	115 864	34 472	773	182 069

Q2 2021

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	6 941	40 119	11 977	-	59 036
Sweden	16 079	20 031	10 565	-	46 675
Denmark	6 260	25 203	3 081	416	34 961
Finland	4 614	29 446	2 877	488	37 426
Total	33 894	114 800	28 500	904	178 098

Profit and Loss per Country	Q2 2022					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	783	493	424	599	-326	1 972
Total interest expenses	-149	-79	-7	-330	327	-237
Net interest income	633	414	417	269	1	1 735
Fee and commission income	43	56	31	29	-14	144
Fee and commission expenses	-34	-15	-3	-18	14	-58
Value change and gain/loss on foreign exchange and securities	8	-0	0	-1	1	8
Other operating income	10	8	49	30	-	97
Other operating expenses	-138	-12	-20	-30	-	-200
Gross margin	521	452	474	279	2	1 727
Salaries and personnel expenses	-111	-90	-62	-46	-	-310
Administrative expenses	-141	-97	-54	47	-1	-246
Depreciation and amortisation	-29	-19	-10	-5	-	-64
Net operating income	240	246	347	274	1	1 107
Other income and costs	1	-1	1	1	-	1
Impairment losses on loan, guarantees etc.	25	-81	-89	-23	-	-169
Profit before taxes	265	164	258	252	1	940
Income tax expense	-53	-36	-57	-58	-	-204
Profit after tax	212	128	201	194	1	736

Profit and Loss per Country	Q2 2021					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	786	505	436	454	-172	2 009
Total interest expenses	-140	-81	-15	-170	173	-233
Net interest income	647	424	421	284	1	1 777
Fee and commission income	65	44	34	30	-16	158
Fee and commission expenses	-29	-19	-5	-20	16	-56
Value change and gain/loss on foreign exchange and securities	-13	-5	-5	3	1	-20
Other operating income	17	7	30	30	-	83
Other operating expenses	-22	-9	-22	-33	-	-86
Gross margin	665	441	454	294	3	1 856
Salaries and personnel expenses	-121	-116	-78	-37	0	-352
Administration expenses	-115	-68	-69	-56	-1	-309
Depreciation and amortisation	-21	-20	-17	-10	-	-67
Net operating income	407	238	289	191	2	1 128
Other income and costs	-44	-2	0	3	-	-43
Impairment losses on loan, guarantees etc.	-220	-100	-30	-22	-	-373
Profit before taxes	143	135	259	172	2	712
Income tax expense	-60	-28	-57	-44	-	-189
Profit after tax	84	107	202	128	2	523

Profit and Loss per Country	YTD Q2 2022					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	1 545	969	845	1 228	-689	3 897
Total interest expenses	-275	-142	-16	-699	692	-440
Net interest income	1 270	827	829	529	3	3 457
Fee and commission income	81	103	48	59	-29	262
Fee and commission expenses	-62	-29	-10	-37	29	-109
Value change and gain/loss on foreign exchange and securities	5	-4	-2	-6	0	-7
Other operating income	23	14	88	57	-	182
Other operating expenses	-155	-19	-41	-62	-	-276
Gross margin	1 161	893	911	540	3	3 509
Salaries and personnel expenses	-230	-178	-139	-94	-	-641
Administrative expenses	-267	-207	-123	-1	-3	-601
Depreciation and amortisation	-57	-39	-21	-11	-	-128
Net operating income	607	469	628	434	0	2 138
Other income and costs	-52	-27	-19	-6	-	-104
Impairment losses on loan, guarantees etc.	-91	-229	-160	-64	-	-544
Profit before taxes	463	213	449	364	0	1 490
Income tax expense	-119	19	-151	-43	-	-293
Profit after tax	345	233	298	321	0	1 197

Profit and Loss per Country	YTD Q2 2021					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	1 591	1 024	889	976	-414	4 067
Total interest expenses	-277	-165	-34	-412	414	-474
Net interest income	1 314	858	856	564	0	3 593
Fee and commission income	109	90	64	69	-37	295
Fee and commission expenses	-58	-44	-12	-42	37	-119
Value change and gain/loss on foreign exchange and securities	40	-5	-6	20	-0	49
Other operating income	26	10	57	66	-	158
Other operating expenses	-34	-17	-47	-71	-	-169
Gross margin	1 398	891	913	606	0	3 807
Salaries and personnel expenses	-259	-211	-153	-101	0	-724
Administration expenses	-217	-155	-134	-103	-1	-610
Depreciation and amortisation	-48	-38	-25	-19	-	-130
Net operating income	874	488	600	383	-0	2 344
Other income and costs	-45	-2	1	3	-	-43
Impairment losses on loan, guarantees etc.	-373	-210	-100	-91	-	-774
Profit before taxes	456	277	501	294	-0	1 527
Income tax expense	-158	-58	-110	-70	-	-396
Profit after tax	298	218	391	224	-0	1 131

Balance Sheet per Country
Q2 2022

	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Cash and receivables on central banks	65	1 632	-	-	-	1 698
Deposits with and receivables on financial institutions	1 206	720	867	2 079	-	4 873
Total gross loans to customers	60 246	50 918	34 879	35 253	-	181 296
Write-downs	-1 755	-1 425	-1 176	-719	-	-5 075
Commercial papers and bonds	2 257	1 330	835	1 687	-1 515	4 593
Financial derivatives	-	-	-	315	-	315
Investments in subsidiaries	1 693	-	-	-	-1 693	-0
Other assets	27 170	736	1 428	31 166	-56 668	3 832
Total assets	90 882	53 912	36 832	69 780	-59 876	191 531
Debt to credit institutions	8 890	23 751	5 859	18 194	-26 551	30 143
Deposits from customers	22 216	20 504	29 793	-	-	72 513
Debt established by issuing securities	29 266	6 458	-0	16 160	-1 514	50 370
Financial derivatives	-	-	-	317	-	317
Other liabilities	4 560	3 084	1 021	30 877	-30 554	8 989
Equity	25 951	115	159	4 232	-1 258	29 199
Total liabilities and equity	90 882	53 912	36 832	69 780	-59 876	191 531

Balance Sheet per Country
Q2 2021

	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Cash and receivables on central banks	65	3 028	-	-	-	3 093
Deposits with and receivables on financial institutions	2 385	906	4 085	1 190	-	8 566
Total gross loans to customers	59 036	46 675	34 545	36 938	-	177 194
Write-downs	-1 692	-1 305	-1 257	-680	-	-4 934
Commercial papers and bonds	1 969	975	1 031	379	-489	3 863
Financial derivatives	-	-	-	13	-	13
Investments in subsidiaries	1 676	-	-	-	-1 676	-0
Other assets	27 292	566	1 541	22 502	-47 321	4 580
Total assets	90 730	50 846	39 944	60 341	-49 487	192 375
Debt to credit institutions	3 280	14 697	6 631	23 307	-25 492	22 422
Deposits from customers	25 858	24 331	30 463	-	-	80 652
Debt established by issuing securities	30 803	8 606	1 741	11 301	-489	51 962
Financial derivatives	0	-	-	5	-	5
Other liabilities	3 129	3 076	866	22 292	-22 278	7 086
Equity	27 659	136	243	3 436	-1 227	30 246
Total liabilities and equity	90 730	50 846	39 944	60 341	-49 487	192 375

Note 9 - Net interest income

All amounts in millions of NOK

	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Interest and similar income on loans to and receivables from credit institutions	2	19	5	25	32
Interest and similar income on loans to and receivables from customers	1 954	1 977	3 860	4 009	7 881
Interest and similar income on comm. paper, bonds and other securities	3	-2	5	2	6
Interest and similar income on loans to subsidiaries, branches and SPVs	14	15	27	31	63
Other interest income and similar income	-	-	-	-	-
Total interest income	1 972	2 010	3 897	4 067	7 982
Interest and similar expenses on debt to credit institutions	-35	-26	-52	-41	-59
Interest and similar expenses on deposits from and debt to customers	-105	-108	-201	-235	-438
Interest and similar expenses on issued securities	-73	-79	-143	-158	-315
Interest on subordinated loan capital	-15	-14	-29	-28	-56
Interest on senior non-preferred loans	-3	-	-3	-	-
Other interest expenses and similar expenses	-4	-5	-11	-12	-26
Total interest expense	-237	-233	-440	-474	-895
Net interest income	1 735	1 777	3 457	3 593	7 087

The tables 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.

	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
To credit institutions					
Interest expenses	-35	-26	-52	-41	-59
Average loan over the period	30 293	25 893	30 293	25 893	29 903
Average nominal interest rate	0,47%	0,41%	0,35%	0,32%	0,20%

	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
To customers					
Interest expenses	-105	-108	-201	-235	-438
Average deposit over the period	72 909	80 897	72 909	80 897	77 223
Average nominal interest rate	0,58%	0,54%	0,55%	0,58%	0,57%

	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
To bondholders					
Interest expenses	-73	-79	-143	-158	-315
Average issued notes and bonds	50 944	51 589	50 944	51 589	51 367
Average nominal interest rate	0,58%	0,61%	0,56%	0,61%	0,61%

Subordinated loan capital	Q2 2022	Q2 2021	YTD	YTD	FY 2021
			Q2 2022	Q2 2021	
Interest expenses	-15	-14	-29	-28	-56
Average subordinated loan capital	2 457	2 667	2 457	2 667	2 642
Average nominal interest rate	2,49%	2,10%	2,37%	2,10%	2,14%

Senior non-preferred loans	Q2 2022	Q2 2021	YTD	YTD	FY 2021
			Q2 2022	Q2 2021	
Interest expenses	-3	-	-3	-	-
Average subordinated loan capital	616	-	616	-	-
Average nominal interest rate	2,12%	0,00%	1,06%	0,00%	0,00%

Total of tables above	Q2 2022	Q2 2021	YTD	YTD	FY 2021
			Q2 2022	Q2 2021	
Interest expenses	-233	-228	-429	-462	-869
Average loan	157 219	161 045	157 219	161 045	161 134
Average nominal interest rate	0,59%	0,57%	0,55%	0,57%	0,54%

Note 10 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 30 June 2022	Financial assets at fair value through P&L	Financial assets at fair value through OCI	Amortized cost	Book value
Cash and receivables on central banks	-	-	1 698	1 698
Deposits with and receivables on financial institutions	-	-	4 873	4 873
Loans to customers	-	-	176 221	176 221
Commercial papers and bonds	-	-	4 593	4 593
Financial derivatives	315	-	-	315
Other ownership interests	-	20	-	20
Total financial assets	315	20	187 385	187 720
				Non financial assets
				3 811
				Total assets
				191 531

Classification of financial liabilities 30 June 2022	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	30 143	30 143
Deposits from customers	-	-	72 513	72 513
Debt established by issuing securities	-	-	50 370	50 370
Financial derivatives	317	-	-	317
Other financial liabilities	-	-	250	250
Subordinated loan capital	-	-	2 451	2 451
Senior non-preferred loans	-	-	1 232	1 232
Total financial liabilities	317	-	156 959	157 276
				Non financial liabilities and equity
				34 255
				Total liabilities and equity
				191 531

Classification of financial assets 30 June 2021	Financial assets at fair value through P&L	Financial assets at fair value through OCI	Amortized cost	Book value
Cash and receivables on central banks	-	-	3 093	3 093
Deposits with and receivables on financial institutions	-	-	8 566	8 566
Loans to customers	-	-	172 260	172 260
Commercial papers and bonds	-	-	3 863	3 863
Financial derivatives	13	-	-	13
Other ownership interests	-	37	-	37
Total financial assets	13	37	187 782	187 832

Non financial assets	4 543
Total assets	192 375

Classification of financial liabilities 30 June 2021	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	22 422	22 422
Deposits from customers	-	-	80 652	80 652
Debt established by issuing securities	-	-	51 962	51 962
Financial derivatives	5	-	-	5
Other financial liabilities	-	-	401	401
Subordinated loan capital	-	-	2 512	2 512
Total financial liabilities	5	-	157 950	157 956

Non financial liabilities and equity	34 419
Total liabilities and equity	192 375

Note 11 - Valuation Hierarchy

All amounts in millions of NOK

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.

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Q2 2022						
Financial instruments measured at fair value						
Financial assets						
Name	Type	Notional				
KIMI7 Pass Through	Interest Rate Swap	MM EUR 47	-	0	-	0
KIMI8A Fixed	Interest Rate Swap	MM EUR 153	-	15	-	15
KIMI8B Fixed	Interest Rate Swap	MM EUR 17	-	2	-	2
KIMI9A Fixed	Interest Rate Swap	MM EUR 309	-	65	-	65
KIMI9B Fixed	Interest Rate Swap	MM EUR 31	-	7	-	7
KIMI10	Interest Rate Cap	MM EUR 435	-	180	-	180
KIMI11	Interest Rate Swap	MM EUR 550	-	46	-	46
Total financial trading derivatives			-	315	-	315
Name	Type					
VN Norge	Equity		-	20	-	20
Total other ownership interests			-	20	-	20
Total Assets			-	335	-	335

			Quoted	Using	With	
			market	observable	significant	
			price	inputs	unobservable	
			Level 1	Level 2	Level 3	Total
Financial liabilities						
Name	Type	Notional				
KIMI8A Pass Through	Interest Rate Swap	MM EUR 148	-	16	-	16
KIMI8B Pass Through	Interest Rate Swap	MM EUR 16	-	2	-	2
KIMI9A Pass Through	Interest Rate Swap	MM EUR 305	-	64	-	64
KIMI9B Pass Through	Interest Rate Swap	MM EUR 31	-	7	-	7
KIMI10 Pass Through	Interest Rate Cap	MM EUR 435	-	180	-	180
KIMI11 Pass Through	Interest Rate Swap	MM EUR 550	-	48	-	48
Total financial derivatives			-	317	-	317
Total Liabilities			-	317	-	317

Derivatives designated for hedge accounting - assets

Name	Type	Notional				
Kimi8A	Interest Rate Swap	MM EUR 148	-	16	-	16
Kimi8B	Interest Rate Swap	MM EUR 16	-	2	-	2
Kimi9A	Interest Rate Swap	MM EUR 305	-	66	-	66
Kimi9B	Interest Rate Swap	MM EUR 31	-	7	-	7
Total derivatives designated for hedging - assets*			-	91	-	91

Derivatives designated for hedge accounting - liabilities

Name	Type	Notional				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	1	-	1
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	73	-	73
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	82	-	82
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	42	-	42
KIMI7	Interest Rate Swap	MM EUR 47	-	0	-	0
Total derivatives designated for hedging - liabilities*			-	197	-	197

* 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.

Q2 2021

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial instruments measured at fair value						
Financial assets						
<i>Name</i>	<i>Type</i>	<i>Notional</i>				
KIMI7 Pass Through	Interest Rate Swap	MM EUR 116	-	2	-	2
KIMI8A Pass Through	Interest Rate Swap	MM EUR 285	-	2	-	2
KIMI8B Pass Through	Interest Rate Swap	MM EUR 31	-	0	-	0
KIMI9A Pass Through	Interest Rate Swap	MM EUR 566	-	3	-	3
KIMI9A Fixed	Interest Rate Swap	MM EUR 564	-	4	-	4
KIMI9B Fixed	Interest Rate Swap	MM EUR 31	-	1	-	1
KIMI8A Fixed	Interest Rate Swap	MM EUR 279	-	0	-	0
KIMI8B Fixed	Interest Rate Swap	MM EUR 31	-	0	-	0
Total financial trading derivatives			-	13	-	13
<i>Name</i>	<i>Type</i>					
VN Norge	Equity		-	37		37
Total other ownership interests			-	37		37
Total Assets			-	50	-	50
Financial liabilities						
<i>Name</i>	<i>Type</i>	<i>Notional</i>				
KIMI7 Fixed	Interest Rate Swap	MM EUR 117	-	3	-	3
KIMI9A Pass Through	Interest Rate Swap	MM EUR 31	-	0	-	0
KIMI9B Pass Through	Interest Rate Swap	MM EUR 566	-	2	-	2
Total financial derivatives			-	5	-	5
Total Liabilities			-	5	-	5

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Derivatives designated for hedge accounting - assets						
Name	Type	Notional				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	34	-	34
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	2	-	2
Kimi9B	Cross Currency Swap	MM EUR 31	-	1	-	1
Total derivatives designated for hedging - assets*			-	37	-	37

Derivatives designated for hedge accounting - liabilities

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Name	Type	Notional				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	1	-	1
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	11	-	11
KIMI7	Interest Rate Swap	MM EUR 203	-	3	-	3
KIMI8A	Interest Rate Swap	MM EUR 446	-	2	-	2
KIMI8B	Interest Rate Swap	MM EUR 42	-	0	-	0
KIMI9A	Interest Rate Swap	MM EUR 42	-	1	-	1
Total derivatives designated for hedging - liabilities*			-	18	-	18

* 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 12 - Loans to customers

All amounts in millions of NOK

	Q2 2022	Q2 2021	FY 2021
Credit Card	4 928	5 446	5 274
Unsecured loans	26 031	28 448	26 686
Auto loans	150 337	143 299	143 628
- <i>Installment loans</i>	115 864	114 799	112 060
- <i>Finance leases</i>	34 472	28 500	31 568
Total gross loans to customers	181 296	177 194	175 588
- Loan loss allowance - Stage 1	-1 356	-1 415	-1 444
- Loan loss allowance - Stage 2	-659	-598	-636
- Loan loss allowance - Stage 3	-3 060	-2 922	-2 869
Total net loans to customers	176 221	172 260	170 640

Note 13 - Impairment losses on loan, guarantees etc.

All amounts in millions of NOK

The following table explains the changes in the loan loss provisions between the beginning and the end of the reporting period due to these factors:

	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021
Change in loss allowance - Unsecured loans	-25	-17	-16	-67
Change in loss allowance - Secured loans	-19	150	-57	46
Change in loss allowance - Commercial papers and bonds	-0	-	-0	-
+ Total realized losses	-405	-578	-798	-879
- Recoveries on previously realized losses	85	74	132	126
- Gain on sold portfolios	195	-	195	-
Impairment losses on loan, guarantees etc.	-169	-371	-544	-774

Note 14 - Issued securities

All amounts in millions of NOK

	Q2 2022	Q2 2021	FY 2021
Senior unsecured issued securities	35 148	39 700	38 375
Asset backed issued securities	15 222	12 262	13 143
Total issued securities	50 370	51 962	51 518

Issued securities by currency in NOK	Q2 2022	Q2 2021	FY 2021
DKK	-	1 717	1 008
EUR	40 605	36 314	37 658
NOK	3 606	5 326	5 711
SEK	6 159	8 606	7 141
Total issued securities	50 370	51 962	51 518

Note 15 - Receivables and liabilities to related parties

All amounts in millions of NOK

		Accrued Interest		Accrued Interest		
	Q2 2022	Q2 2022	Q2 2021	Q2 2021	FY 2021	FY 2021
Debt to related parties:						
Santander Consumer Finance S.A.	29 991	20	22 384	1	29 573	2
Total	29 991	20	22 384	1	29 573	2

		Accrued Interest		Accrued Interest		
	Q2 2022	Q2 2022	Q2 2021	Q2 2021	FY 2021	FY 2021
Balance sheet line: "Subordinated loan capital" - Bonds						
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	1	500	1	500	1
MSEK 750, maturity December 2029, 3 months STIBOR + 2.08% (Santander Consumer Finance S.A)	724	1	755	1	730	1
MSEK 750, maturity December 2030, 3 months STIBOR + 2.29% (Santander Consumer Finance S.A)	724	1	755	-	730	0
MNOK 500, maturity June 2031, 3 months NIBOR + 2.62% (Santander Consumer Finance S.A)	500	0	500	-	500	1
Total	2 448	3	2 510	2	2 461	3

		Accrued Interest		Accrued Interest		
	Q2 2022	Q2 2022	Q2 2021	Q2 2021	FY 2021	FY 2021
Balance sheet line: "Senior non-preferred loans"						
MSEK 600, maturity April 2026, 3 months STIBOR + 1.04% (Santander Consumer Finance S.A)	579	1	-	-	-	-
MNOK 650, maturity May 2026, 3 months NIBOR + 1.37% (Santander Consumer Finance S.A)	650	2	-	-	-	-
Total	1 229	3	-	-	-	-

The interest rate on intercompany loans are carried out on market terms.

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

Note 16 - Transactions 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 are considered to be related parties.

Transactions with related parties are mostly interest expenses on funding from the parent company and the ultimate parent company.

The following transactions were carried out with related parties:

	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Interest income	0	1	2	3	6
Interest expenses	-53	-19	-81	-40	-79
Interest payments additional Tier 1 capital	-32	-30	-65	-59	-118
Fees	-	-	-	-	-
Other	-174	-11	-355	-16	-80
Net transactions	-259	-59	-499	-112	-271

The Group had transactions with the following related parties as at 30 June 2022:

Banco Santander S.A.

Santander Consumer Finance Global Services S.L.

Santander Consumer Finance S.A.

Santander Global Technology and Operations, S.L. Unipersonal

Santander Seguros Y Reaseguros S.A.

Santander Totta Seguros, Companhia de Seguros de Vida, S.A

2 | Notes

Santander Consumer Bank AS



Note 1 - Basis of preparation

Santander Consumer Bank AS (the Bank) is a limited liability company incorporated in Norway. The interim financial statements show the activities of the Bank in Norway, Sweden and Denmark.

All figures and notes were prepared under the assumption that the business is a going concern.

The Banks interim accounts for the second quarter of 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Banks last annual report as at and for the year ended December 31, 2021.

The annual report for 2021 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting www.santanderconsumer.no.

These interim financial statements were authorised by the Board of Directors on Aug 12, 2022.

Note 2 - Accounting principles

The accounting policies of the Bank are consistent with those applied in the 2021 annual financial statements.

Note 3 - Credit risk exposure

All amounts in millions of NOK

Maximum exposure to credit risk - Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

Loans not past due date includes exposures that are not in arrears and not in default. Standard monitoring includes exposures in early arrears.

	Q2 2022				Q2 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Unsecured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Credit grade								
Loans not past due date	20 998	1 548	-	22 546	23 782	1 229	-	25 011
Standard monitoring	279	501	-	780	465	695	-	1 160
Special monitoring	-	218	-	218	-	291	-	291
Default	-	-	2 577	2 577	-	-	2 818	2 818
Gross carrying amount	21 277	2 267	2 577	26 121	24 247	2 215	2 818	29 280
Loss allowance	-511	-372	-1 634	-2 517	-547	-359	-1 796	-2 702
Carrying amount	20 766	1 894	943	23 604	23 700	1 856	1 022	26 578
Loss allowance (off balance exposures)	-32	-8	-29	-69	-21	-8	-18	-47
Loss allowance (%)				9,64%				9,23%

	Q2 2022				Q2 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Credit grade								
Loans not past due date	113 958	1 841	18	115 817	105 282	1 274	-	106 556
Standard monitoring	1 257	890	-	2 148	1 789	784	-	2 573
Special monitoring	-	167	-	167	-	432	-	432
Default	-	-	1 790	1 790	-	-	1 415	1 415
Gross carrying amount	115 215	2 898	1 808	119 922	107 071	2 490	1 415	110 976
Loss allowance	-600	-221	-1 017	-1 838	-600	-167	-785	-1 552
Carrying amount	114 615	2 678	791	118 084	106 471	2 323	630	109 424
Loss allowance (%)				1,53%				1,40%

* Secured loans include secured auto loans and finance leases where the underlying assets serve as collateral.

	Q2 2022				Q2 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Commercial papers and bonds								
Credit grade								
Investment grade	4 422	-	-	4 422	3 974	-	-	3 974
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	4 422	-	-	4 422	3 974	-	-	3 974
Loss allowance	-0	-	-	-0	-	-	-	-
Carrying amount	4 422	-	-	4 422	3 974	-	-	3 974
Loss allowance (%)				0,01%				0,00%

Maximum exposure to credit risk - Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets and liabilities not subject to impairment (i.e. FVTPL):

Maximum exposure to credit risk	Q2 2022	Q2 2021
Financial derivatives Assets	-	-
Financial derivatives Liabilities	-	-

Note 4 - Risk classification

All amounts in millions of NOK

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

	Gross outstanding			Loss reserves		
	Q2 2022	Q2 2021	FY 2021	Q2 2022	Q2 2021	FY 2021
Current - not past due date	138 731	132 289	133 035	-1 442	-1 387	-1 595
Current - past due date	2 928	3 734	2 802	-262	-268	-254
Total impaired loans	4 383	4 233	4 466	-2 651	-2 599	-2 398
Total gross loans to customers	146 042	140 256	140 303	-4 356	-4 254	-4 246

<i>Ageing of past due but not impaired loans</i>	Gross outstanding			Loss reserves		
	Q2 2022	Q2 2021	FY 2021	Q2 2022	Q2 2021	FY 2021
1 - 29 days	2 062	2 798	1 978	-97	-89	-95
30 - 59 days	557	665	536	-107	-117	-102
60 - 89 days	308	271	287	-59	-62	-58
Total loans due but not impaired	2 928	3 734	2 802	-262	-268	-254

<i>Ageing of impaired loans</i>	Gross outstanding			Loss reserves		
	Q2 2022	Q2 2021	FY 2021	Q2 2022	Q2 2021	FY 2021
90 - 119 days	250	227	241	-118	-118	-109
120 - 149 days	193	168	153	-99	-90	-71
150 - 179 days	142	155	92	-73	-85	-42
180 + days	1 408	2 110	1 490	-940	-1 378	-949
Economic doubtful*	2 390	1 572	2 489	-1 421	-928	-1 227
Total impaired loans	4 383	4 232	4 466	-2 651	-2 599	-2 398

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

Note 5 - Loss allowance

All amounts in millions of NOK

The following tables explain the changes in the loss allowance between the beginning and the end of the reporting period due to these factors:

	Q2 2022				Q2 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
Unsecured loans								
Loss allowance at 1 January	510	365	1 657	2 532	608	421	1 687	2 716
Transfers:								
Transfer from Stage 1 to Stage 2	-75	440	-	365	-63	481	-	418
Transfer from Stage 1 to Stage 3	-3	-	38	35	-6	-	66	60
Transfer from Stage 2 to Stage 3	-	-178	319	141	-	-245	426	181
Transfer from Stage 2 to Stage 1	52	-251	-	-199	41	-320	-	-279
Transfer from Stage 3 to Stage 2	-	22	-74	-52	-	40	-113	-73
Transfer from Stage 3 to Stage 1	0	-	-2	-2	-	-	-1	-1
Assets remaining in same Stage	-109	-8	94	-22	-37	8	130	101
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-31	-10	-33	-73	-47	-20	-69	-136
<i>of which 'accounts that have closed in the period'</i>	-31	-10	-33	-73	-47	-20	-69	-136
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-368	-368	-	-	-297	-297
New financial assets originated or purchased	158	-	-	158	67	-	-	67
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	8	-8	4	3	-16	-6	-33	-55
Loss allowance at 30 June	511	372	1 634	2 517	547	359	1 796	2 702

	Q2 2022				Q2 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Loss allowance at 1 January	651	210	853	1 714	599	197	817	1 613
Transfers:								
Transfer from Stage 1 to Stage 2	-46	330	-	284	-37	252	-	215
Transfer from Stage 1 to Stage 3	-16	-	107	92	-9	-	136	127
Transfer from Stage 2 to Stage 3	-	-155	346	191	-	-100	281	181
Transfer from Stage 2 to Stage 1	28	-170	-	-142	27	-190	-	-163
Transfer from Stage 3 to Stage 2	-	96	-227	-131	-	48	-210	-162
Transfer from Stage 3 to Stage 1	0	-	-1	-1	-	-	-3	-3
Assets remaining in same Stage	-209	-62	139	-132	-90	-5	204	109
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-69	-26	-82	-176	-74	-35	-205	-314
<i>of which 'accounts that have closed in the period'</i>	-69	-26	-82	-176	-74	-35	-205	-314
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-125	-125	-	-	-229	-229
New financial assets originated or purchased	254	-	-	254	190	-	-	190
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	7	-3	6	10	-6	-0	-6	-12
Loss allowance at 30 June	600	221	1 017	1 838	600	167	785	1 552

	Q2 2022				Q2 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Commercial papers and bonds	ECL	ECL	ECL		ECL	ECL	ECL	
Loss allowance at 1 January	-	-	-	-	-	-	-	-
Transfers:								
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Assets remaining in same Stage	0	-	-	0	-	-	-	-
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-	-	-	-	-	-	-	-
<i>of which 'accounts that have closed in the period'</i>	-	-	-	-	-	-	-	-
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-
New financial assets originated or purchased	0	-	-	0	-	-	-	-
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	0	-	-	0	-	-	-	-
Loss allowance at 30 June	0	-	-	0	-	-	-	-

	Q2 2022				Q2 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Off balance exposure*								
Loss allowance at 1 January	29	9	29	66	21	7	18	46
Transfers:								
Transfer from Stage 1 to Stage 2	-1	5	-	5	-1	11	-	10
Transfer from Stage 1 to Stage 3	-0	-	10	10	-	-	5	5
Transfer from Stage 2 to Stage 3	-	-1	4	3	-	-1	6	5
Transfer from Stage 2 to Stage 1	1	-8	-	-7	2	-11	-	-9
Transfer from Stage 3 to Stage 2	-	4	-7	-3	-	3	-9	-6
Transfer from Stage 3 to Stage 1	0	-	-1	-1	-	-	-	-
Assets remaining in same Stage	-7	1	10	4	1	-	5	6
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-2	-2	-13	-18	-3	-1	-6	-10
<i>of which 'accounts that have closed in the period'</i>	-2	-2	-13	-18	-3	-1	-6	-10
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-2	-2	-	-	-1	-1
New financial assets originated or purchased	12	-	-	12	1	-	-	1
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	0	-0	0	0	-	-	-	-
Loss allowance at 30 June	32	8	29	69	21	8	18	47

* Provisions related to off-balance credit exposures are recognized in the financial statement line other income and costs.

The Bank does not have any engagements where no ECL provision has been made due to the value of the collateral.

Note 6 - 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 $LCR = \text{liquid assets} / \text{net liquidity outflows}$. The minimum LCR level (CRD IV) is 100% for SEK, DKK and EUR, and 50% for NOK. With a stable basis of High Quality Liquid Assets, the Bank fulfills the minimum LCR requirements.

Liquidity Coverage Ratio (LCR) %	Q2 2022	Q2 2021	Q4 2021
Liquidity Coverage Ratio (LCR) Total	143%	268%	189%
Liquidity Coverage Ratio (LCR) NOK	86%	194%	77%
Liquidity Coverage Ratio (LCR) SEK	251%	163%	212%
Liquidity Coverage Ratio (LCR) DKK	185%	1449%	201%
Liquidity Coverage Ratio (LCR) EUR	151%	223%	169%

Note 7 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	Q2 2022	Q2 2021	FY 2021
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	11 423	13 258	12 612
Tier 1 Capital	2 250	2 250	2 250
Other reserves	8	-14	-24
Total Equity	26 224	28 038	27 382

Common Equity Tier 1 Capital			
(-) Profit not eligible as capital	-876	-907	-2 000
Cash-flow hedge adjustment	-25	-25	-36
IRB Expected Loss - Reserves	-93	-167	-110
Goodwill	-394	-391	-382
Other intangible assets	-89	-469	-481
Deferred tax assets	-	-	-
Adjustment Prudent Valuation (AVA)	-4	-3	-6
Tier 1 Capital	-2 250	-2 250	-2 250
Total common Equity Tier 1 Capital	22 493	23 826	22 117

Tier 1 Capital			
Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital	24 743	26 076	24 367

Total Capital			
Paid up subordinated loans	2 448	2 510	2 461
Subordinated loans not eligible	-	-	-
Total Capital	27 191	28 586	26 828

Risk exposure on Standard Approach			
Regional governments or local authorities	58	57	59
Institutions	403	348	409
Corporates	7 814	8 244	6 808
Retail Standard Approach	46 412	48 518	46 764
Exposures in default SA	3 171	3 109	2 760
Covered bonds	147	88	64
Other Exposures	21 186	26 302	22 482
Total Risk exposure amount on Standard Approach	79 190	86 666	79 346

Risk exposure on Internal Rating Based Approach	Q2 2022	Q2 2021	FY 2021
Retail Other	29 354	26 220	29 084
Total Risk exposure amount on Internal Rating Based Approach	29 354	26 220	29 084
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	108 545	112 886	108 430
Foreign exchange (zero if under threshold)	654	730	620
Risk exposure amount for position, foreign exchange and commodities risks	654	730	620
Basic indicator approach	12 314	12 354	12 314
Risk exposure amount for operational risk	12 314	12 354	12 314
Standardized method	4	37	30
Risk exposure amount for credit valuation adjustment	4	37	30
Total risk exposure amount	121 517	126 007	121 395
Total exposure for Leverage Ratio			
Derivatives: Add-on under market-to-market method	254	278	300
Off-balance sheet items with 10% CCF	2 899	2 854	2 823
Off-balance sheet items with 20% CCF	923	469	731
Off-balance sheet items with 50% CCF	38	38	37
Adjusted On balance sheet exposure	174 914	173 508	173 317
Total exposure for Leverage Ratio	179 028	177 146	177 209
Minimum Regulatory Capital			
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	3,30%	3,30%	3,30%
Pillar 2 Guidance	1,50%	1,00%	1,00%
Countercyclical Buffer (combined)	0,41%	0,49%	0,31%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	1,24%	2,20%	1,40%
Minimum Regulatory Capital ratio (CET1)	13,45%	13,98%	13,01%
Minimum Regulatory Capital			
Minimum Core Equity	5 468	5 670	5 463
Pillar 2 Requirement	4 010	4 158	4 006
Pillar 2 Guidance	1 823	1 260	1 214
Countercyclical Buffer (combined)	501	615	377
Conservation Buffer	3 038	3 150	3 035
Systemic Risk Buffer (combined)	1 504	2 767	1 696
Minimum Regulatory Capital amount	16 344	17 620	15 791

	Q2 2022	Q2 2021	FY 2021
Surplus of Core Equity Tier 1 capital	6 149	6 206	6 326
Common equity tier 1 capital ratio	18,51%	18,91%	18,22%
Common equity tier 1 capital ratio (with IFRS9 transitional rules)		19,03%	18,34%
CET1 regulatory requirements	13,45%	13,98%	13,01%
Tier 1 capital ratio	20,36%	20,69%	20,07%
Tier 1 capital ratio (with IFRS9 transitional rules)		20,81%	20,20%
Tire 1 regulatory requirements	14,95%	15,48%	14,51%
Total capital ratio	22,38%	22,69%	22,10%
Total capital ratio (with IFRS9 transitional rules)		22,80%	22,22%
Total capital regulatory requirements	16,95%	17,48%	16,51%
Leverage ratio	13,82%	14,72%	13,75%
Leverage ratio (with IFRS9 transitional rules)		14,80%	13,84%
LR regulatory requirements	3,00%	5,00%	5,00%

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

Since December 2018, the bank has reported capital ratios using IFRS9 transitional rules. From Q1 2022 and going forward, the bank will only report capital ratios under the fully loaded approach.

Financial information in accordance with the capital requirement regulation is published at www.santanderconsumer.no. The Pillar 3 Disclosure report is published at www.santanderconsumer.no.

Note 8 - Segment information

All amounts in millions of NOK

Financial management in the Bank 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 Bank. Reported figures for the various segments reflect the Bank'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 the Bank management. The Bank 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 the Bank's governance model and the Bank'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 Bank's governance model. All the Bank's trade activities are divided into the reported segments with corresponding balances, income and expenses. Deficit liquidity from the segments are funded by the Bank treasury at market conditions. Surplus liquidity is transferred to the Bank 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 Bank's central functions and staff are charged segments based on an allocation agreement.

Product segmentation per country (gross lending before expected losses)

Q2 2022

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	5 694	42 479	12 073	-	60 246
Sweden	14 209	20 186	16 523	-	50 918
Denmark	6 218	25 511	3 149	331	35 209
Total	26 121	88 176	31 746	331	146 374

Q2 2021

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	6 941	40 119	11 977	-	59 036
Sweden	16 079	20 031	10 565	-	46 675
Denmark	6 260	25 203	3 081	416	34 961
Total	29 280	85 353	25 623	416	140 672

Profit and Loss per Country	Q2 2022				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Total interest income	783	485	424	-	1 691
Total interest expenses	-149	-71	-7	-	-228
Net interest income	633	413	417	-	1 464
Fee and commission income	43	56	31	-	129
Fee and commission expenses	-34	-14	-3	-	-52
Value change and gain/loss on foreign exchange and securities	8	-0	0	-	8
Other operating income	10	8	49	-	67
Other operating expenses	-138	-11	-20	-	-170
Gross margin	521	451	474	-	1 446
Salaries and personnel expenses	-111	-90	-62	-	-264
Administrative expenses	-141	-97	-54	-	-292
Depreciation and amortisation	-29	-19	-10	-	-58
Net operating income	240	246	347	-	832
Other income and costs	1	-1	1	-	1
Impairment losses on loan, guarantees etc.	25	-81	-89	-	-146
Profit before taxes	265	164	258	-	687
Income tax expense	-53	-36	-57	-	-146
Profit after tax	212	128	201	-	541

Profit and Loss per Country	Q2 2021				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Total interest income	786	486	436	-	1 708
Total interest expenses	-140	-63	-16	1	-218
Net interest income	646	422	421	1	1 490
Fee and commission income	65	44	34	-	143
Fee and commission expenses	-29	-17	-5	-	-50
Value change and gain/loss on foreign exchange and securities	-13	-5	-5	-	-23
Other operating income	17	7	30	-1	52
Other operating expenses	-22	-9	-22	-	-53
Gross margin	665	442	454	-	1 560
Salaries and personnel expenses	-121	-116	-78	-	-315
Administration expenses	-115	-68	-69	-	-252
Depreciation and amortisation	-21	-20	-17	-	-58
Net operating income	408	239	289	-	935
Other income and costs	-44	-2	0	-	-46
Impairment losses on loan, guarantees etc.	-220	-101	-30	1	-350
Profit before taxes	144	136	259	1	539
Income tax expense	-60	-28	-57	-	-145
Profit after tax	84	108	201	1	394

Profit and Loss per Country	YTD Q2 2022				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Total interest income	1 545	950	845	-	3 340
Total interest expenses	-275	-126	-16	-	-417
Net interest income	1 270	824	829	-	2 923
Fee and commission income	81	103	48	-	232
Fee and commission expenses	-62	-27	-10	-	-99
Value change and gain/loss on foreign exchange and securities	5	-4	-2	-	-1
Other operating income	23	14	88	-	125
Other operating expenses	-155	-19	-41	-	-214
Gross margin	1 161	892	911	-	2 965
Salaries and personnel expenses	-230	-178	-139	-	-547
Administrative expenses	-267	-207	-123	-	-597
Depreciation and amortisation	-57	-39	-21	-	-117
Net operating income	607	469	628	-	1 703
Other income and costs	-52	-27	-19	-	-98
Impairment losses on loan, guarantees etc.	-91	-228	-160	-	-480
Profit before taxes	463	213	449	-	1 126
Income tax expense	-119	19	-151	-	-250
Profit after tax	345	233	298	-	876

Profit and Loss per Country	YTD Q2 2021				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Total interest income	1 591	982	889	-	3 462
Total interest expenses	-277	-128	-34	-	-439
Net interest income	1 314	853	856	-	3 023
Fee and commission income	109	89	64	-	262
Fee and commission expenses	-58	-39	-12	-	-109
Value change and gain/loss on foreign exchange and securities	40	-5	-6	-	29
Other operating income	26	10	57	-	92
Other operating expenses	-34	-17	-47	-	-97
Gross margin	1 398	890	913	-	3 201
Salaries and personnel expenses	-259	-211	-153	-	-623
Administration expenses	-217	-155	-134	-	-506
Depreciation and amortisation	-48	-38	-25	-	-111
Net operating income	874	487	600	-	1 961
Other income and costs	-45	-2	1	-	-46
Impairment losses on loan, guarantees etc.	-373	-209	-100	-	-682
Profit before taxes	456	277	501	-	1 233
Income tax expense	-158	-58	-110	-	-326
Profit after tax	298	218	391	-	907

Balance Sheet per Country	Q2 2022				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Cash and receivables on central banks	65	1 632	-	-	1 698
Deposits with and receivables on financial institutions	1 206	663	867	-	2 736
Total gross loans to customers	60 246	50 388	34 879	530	146 043
Write-downs	-1 755	-1 425	-1 176	-	-4 356
Commercial papers and bonds	2 257	1 330	835	-	4 422
Financial derivatives	-	-	-	-	-
Investments in subsidiaries	1 693	-	-	-	1 693
Other assets	27 170	736	1 428	-9 595	19 738
Total assets	90 882	53 324	36 832	-9 065	171 974
Debt to credit institutions	8 890	23 751	5 859	-8 989	29 511
Deposits from customers	22 216	20 504	29 793	-	72 513
Debt established by issuing securities	29 266	5 882	-0	-	35 148
Financial derivatives	-	-	-	-	-
Other liabilities	4 560	3 073	1 021	-76	8 578
Equity	25 951	115	159	-	26 224
Total liabilities and equity	90 882	53 324	36 832	-9 065	171 974

Balance Sheet per Country	Q2 2021				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Cash and receivables on central banks	65	3 028	-	-	3 093
Deposits with and receivables on financial institutions	2 384	782	4 085	-	7 251
Total gross loans to customers	59 036	45 323	34 545	1 352	140 256
Write-downs	-1 692	-1 305	-1 257	-	-4 254
Commercial papers and bonds	1 969	975	1 031	-	3 974
Financial derivatives	-	-	-	-	-
Investments in subsidiaries	1 676	-	-	-	1 676
Other assets	27 292	566	1 541	-6 884	22 514
Total assets	90 730	49 369	39 944	-5 533	174 511
Debt to credit institutions	3 280	14 697	6 631	-5 283	19 325
Deposits from customers	25 858	24 331	30 463	-	80 652
Debt established by issuing securities	30 803	7 156	1 741	-	39 700
Financial derivatives	0	-	-	-	-
Other liabilities	3 129	3 050	866	-249	6 796
Equity	27 659	136	243	-	28 038
Total liabilities and equity	90 730	49 370	39 944	-5 532	174 511

Note 9 - Net interest income

All amounts in millions of NOK

			YTD		FY 2021
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	
Interest and similar income on loans to and receivables from credit institutions	2	18	5	22	25
Interest and similar income on loans to and receivables from customers	1 651	1 654	3 262	3 364	6 596
Interest and similar income on comm. paper, bonds and other securities	4	-1	7	4	10
Interest and similar income on loans to subsidiaries, branches and SPVs	34	38	66	72	150
Other interest income and similar income	-	-	-	-	-
Total interest income	1 691	1 708	3 340	3 462	6 781
Interest and similar expenses on debt to credit institutions	-47	-34	-73	-53	-90
Interest and similar expenses on deposits from and debt to customers	-102	-106	-194	-231	-427
Interest and similar expenses on issued securities	-59	-63	-114	-124	-251
Interest on subordinated loan capital	-15	-14	-29	-28	-56
Interest on senior non-preferred loans	-3	-	-3	-	-
Other interest expenses and similar expenses	-1	-1	-4	-3	-8
Total interest expense	-228	-218	-417	-439	-834
Net interest income	1 464	1 490	2 923	3 023	5 948

The tables 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.

To credit institutions			YTD		FY 2021
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	
Interest expenses	-47	-34	-73	-53	-90
Average loan over the period	28 956	19 876	28 956	19 876	24 414
Average nominal interest rate	0,65%	0,67%	0,51%	0,54%	0,37%

To customers			YTD		FY 2021
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	
Interest expenses	-102	-106	-194	-231	-427
Average deposit over the period	72 909	80 897	72 909	80 897	77 223
Average nominal interest rate	0,56%	0,53%	0,53%	0,57%	0,55%

To bondholders			YTD		FY 2021
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	
Interest expenses	-59	-63	-114	-124	-251
Average issued notes and bonds	36 761	37 614	36 761	37 614	36 951
Average nominal interest rate	0,64%	0,67%	0,62%	0,66%	0,68%

Subordinated loan capital	Q2 2022	Q2 2021	YTD	YTD	FY 2021
			Q2 2022	Q2 2021	
Interest expenses	-15	-14	-29	-28	-56
Average subordinated loan capital	2 457	2 667	2 457	2 667	2 642
Average nominal interest rate	2,49%	2,10%	2,37%	2,10%	2,14%

Senior non-preferred loans	Q2 2022	Q2 2021	YTD	YTD	FY 2021
			Q2 2022	Q2 2021	
Interest expenses	-3	-	-3	-	-
Average subordinated loan capital	616	-	616	-	-
Average nominal interest rate	2,12%	0,00%	1,06%	0,00%	0,00%

Total of tables above	Q2 2022	Q2 2021	YTD	YTD	FY 2021
			Q2 2022	Q2 2021	
Interest expenses	-226	-217	-413	-436	-825
Average loan	141 699	141 054	141 699	141 054	141 230
Average nominal interest rate	0,64%	0,62%	0,58%	0,62%	0,58%

Note 10 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 30 June 2022	Financial assets	Financial assets	Amortized cost	Book value
	at fair value through P&L	at fair value through OCI		
Cash and receivables on central banks	-	-	1 698	1 698
Deposits with and receivables on financial institutions	-	-	2 736	2 736
Loans to customers	-	-	141 687	141 687
Commercial papers and bonds	-	-	4 422	4 422
Financial derivatives	-	-	-	-
Loans to subsidiaries and SPV's	-	-	17 027	17 027
Other ownership interests	-	20	-	20
Total financial assets	-	20	167 570	167 590
			Non financial assets	4 384
			Total assets	171 974

Classification of financial liabilities 30 June 2022	Financial liabilities	Financial liabilities	Amortized cost	Book value
	at fair value through P&L	at fair value through OCI		
Debt to credit institutions	-	-	29 511	29 511
Deposits from customers	-	-	72 513	72 513
Debt established by issuing securities	-	-	35 148	35 148
Financial derivatives	-	-	-	-
Other financial liabilities	-	-	246	246
Subordinated loan capital	-	-	2 451	2 451
Senior non-preferred loans	-	-	1 232	1 232
Total financial liabilities	-	-	141 101	141 101
			Non financial liabilities and equity	30 873
			Total liabilities and equity	171 974

Classification of financial assets 30 June 2021	Financial assets at fair value through P&L	Financial assets at fair value through OCI	Amortized cost	Book value
Cash and receivables on central banks	-	-	3 093	3 093
Deposits with and receivables on financial institutions	-	-	7 251	7 251
Loans to customers	-	-	136 002	136 002
Commercial papers and bonds	-	-	3 974	3 974
Financial derivatives	-	-	-	-
Loans to subsidiaries and SPV's	-	-	18 858	18 858
Other ownership interests	-	37	-	37
Total financial assets	-	37	169 178	169 215

Non financial assets 5 296

Total assets 174 511

Classification of financial liabilities 30 June 2021	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	19 325	19 325
Deposits from customers	-	-	80 652	80 652
Debt established by issuing securities	-	-	39 700	39 700
Financial derivatives	-	-	-	-
Other financial liabilities	-	-	392	392
Subordinated loan capital	-	-	2 512	2 512
Total financial liabilities	-	-	142 581	142 581

Non financial liabilities and equity 31 930

Total liabilities and equity 174 511

Note 11 - Valuation Hierarchy

All amounts in millions of NOK

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.

Q2 2022

		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial instruments measured at fair value					
Financial assets					
Name	Type				
VN Norge	Equity	-	20	-	20
Total other ownership interests		-	20	-	20
Total Assets		-	20	-	20
Financial liabilities					
Total Liabilities		-	-	-	-
Derivatives designated for hedge accounting - assets					
Total derivatives designated for hedging - assets*		-	-	-	-

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Derivatives designated for hedge accounting - liabilities						
<i>Name</i>	<i>Type</i>	<i>Notional</i>				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	1	-	1
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 150	-	73	-	73
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	82	-	82
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	42	-	42
Total derivatives designated for hedging - liabilities*			-	197	-	197

* 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.

Q2 2021

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial instruments measured at fair value						
Financial assets						
<i>Name</i>	<i>Type</i>					
VN Norge	Equity		-	37	-	37
Total other ownership interests			-	37	-	37
Total Assets			-	37	-	37
Financial liabilities						
Total Liabilities			-	-	-	-
Derivatives designated for hedge accounting - assets						
<i>Name</i>	<i>Type</i>	<i>Notional</i>				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	34	-	34
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	2	-	2
Total derivatives designated for hedging - assets*			-	36	-	36

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Derivatives designated for hedge accounting - liabilities						
Name	Type	Notional				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	1	-	1
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	11	-	11
Total derivatives designated for hedging - liabilities*			-	12	-	12

* 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 12 - Loans to customers

All amounts in millions of NOK

	Q2 2022	Q2 2021	FY 2021
Credit Card	4 928	5 446	5 274
Unsecured loans	21 193	23 834	22 099
Auto loans	119 922	110 976	112 929
- <i>Installment loans</i>	88 176	85 353	84 154
- <i>Finance leases</i>	31 746	25 623	28 775
Total gross loans to customers	146 043	140 256	140 303
- Loan loss allowance - Stage 1	-1 111	-1 147	-1 161
- Loan loss allowance - Stage 2	-593	-525	-575
- Loan loss allowance - Stage 3	-2 652	-2 581	-2 510
Total net loans to customers	141 687	136 002	136 057

Note 13 - Impairment losses on loan, guarantees etc.

All amounts in millions of NOK

The following table explains the changes in the loan loss provisions between the beginning and the end of the reporting period due to these factors:

	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021
Change in loss allowance - Unsecured loans	15	-17	26	-48
Change in loss allowance - Secured loans	-66	133	-106	45
Change in loss allowance - Commercial papers and bonds	-0	-	-0	-
+ Total realized losses	-367	-533	-714	-792
- Recoveries on previously realized losses	77	67	121	113
- Gain on sold portfolios	195	-	195	-
Impairment losses on loan, guarantees etc.	-146	-350	-480	-682

Note 14 - Issued securities

All amounts in millions of NOK

	Q2 2022	Q2 2021	FY 2021
Senior unsecured issued securities	35 148	39 700	38 375
Total issued securities	35 148	39 700	38 375

Issued securities by currency in NOK	Q2 2022	Q2 2021	FY 2021
DKK	-	1 717	1 008
EUR	25 502	25 502	24 977
NOK	3 606	5 326	5 711
SEK	6 039	7 156	6 679
Total issued securities	35 148	39 700	38 375

Note 15 - Receivables and liabilities to related parties

All amounts in millions of NOK

	Q2 2022	Accrued Interest Q2 2022	Q2 2021	Accrued Interest Q2 2021	FY 2021	Accrued Interest FY 2021
Debt to related parties:						
Santander Consumer Finance S.A.	28 957	20	17 944	1	26 677	2
Debt to SPV on future cash flow of securitized loans	530	-	1 352	-	870	-
Total	29 488	20	19 296	1	27 547	2

	Q2 2022	Accrued Interest Q2 2022	Q2 2021	Accrued Interest Q2 2021	FY 2021	Accrued Interest FY 2021
Balance sheet line: "Subordinated loan capital" - Bonds						
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	1	500	1	500	1
MSEK 750, maturity December 2029, 3 months STIBOR +2.08% (Santander Consumer Finance S.A)	724	1	755	1	730	1
MSEK 750, maturity December 2030, 3 months STIBOR +2.29% (Santander Consumer Finance S.A)	724	1	755	-	730	0
MNOK 500, maturity June 2031, 3 months NIBOR + 2.62% (Santander Consumer Finance S.A)	500	0	500	-	500	1
Total	2 448	3	2 510	2	2 461	3

	Q2 2022	Accrued Interest Q2 2022	Q2 2021	Accrued Interest Q2 2021	FY 2021	Accrued Interest FY 2021
Balance sheet line: "Senior non-preferred loans"						
MSEK 600, maturity April 2026, 3 months STIBOR + 1.04% (Santander Consumer Finance S.A)	579	1	-	-	-	-
MNOK 650, maturity May 2026, 3 months NIBOR + 1.37% (Santander Consumer Finance S.A)	650	2	-	-	-	-
Total	1 229	3	-	-	-	-

	Q2 2022	Accrued Interest Q2 2022	Q2 2021	Accrued Interest Q2 2021	FY 2021	Accrued Interest FY 2021
Receivables on related parties:						
Balance sheet line: "Commercial papers and bonds" <i>B and C notes issued by SPVs</i>	449	0	469	-	453	-
Balance sheet line: "Loans to subsidiaries and SPV's" <i>Loan to subsidiary (Santander Consumer Bank OY)</i>	16 998	29	18 818	40	18 419	79

The interest rate on intercompany loans are carried out on market terms.

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

Note 16 - Transactions with related parties

All amounts in millions of NOK

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

Transactions with related parties are mostly interest expenses on funding from the parent company and the ultimate parent company. The Bank 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:

	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Interest income	29	45	61	88	176
Interest expenses	-53	-19	-81	-38	-77
Interest payments additional Tier 1 capital	-32	-30	-65	-59	-118
Fees	1	2	2	5	7
Other	-85	-12	-195	-16	-58
Net transactions	-141	-13	-279	-21	-69

The Bank had transactions with the following related parties as at 30 June 2022:

Banco Santander S.A.

Santander Consumer Finance Global Services S.L.

Santander Consumer Finance OY

Santander Consumer Finance S.A.

Santander Global Technology and Operations, S.L. Unipersonal

Santander Seguros Y Reaseguros S.A.

Santander Totta Seguros, Companhia de Seguros de Vida, S.A

SPV:

Svensk Autofinans WH 1 Ltd



Strandveien 18, 1325 Lysaker, Norway