Quarterly Report

Q1 2023

Santander Consumer Bank

Highlights
Q1 2023

As of Q1 2023 the Group's outstanding loans increased with 10,5 BN (5,6%) compared to year end 2022. However, the growth is mainly driven by FX as a result of weaker NOK towards SEK, DKK, and EUR. In local currency the gross outstanding is in line with 2022.

The Group's new lending has decreased with 1 % in Q1 2023 compared to Q1 2022. The decrease in 2023 is driven by Consumer and the Direct (Consumer loans) products where we have experienced reduced sales as a result of price increases to increase the profitability. Auto sales are in line with last year.

Net interest income increased with 3% in Q1 2023 compared to Q1 2022. A significantly weaker NOK and an increased Auto portfolio had a positive impact on the Group's interest income.

The Group's profit before tax was 671 MM NOK in Q1 2023, an increase of 22% compared to the same period last year driven by higher net interest income and other income and costs.

Profit Before Tax, MM NOK

671

+22%

Gross Outstanding Loans, MM NOK

197 681

+5%

Net Interest income, MM NOK

1 778

+3%

Deposits, MM NOK

85 145

+12%

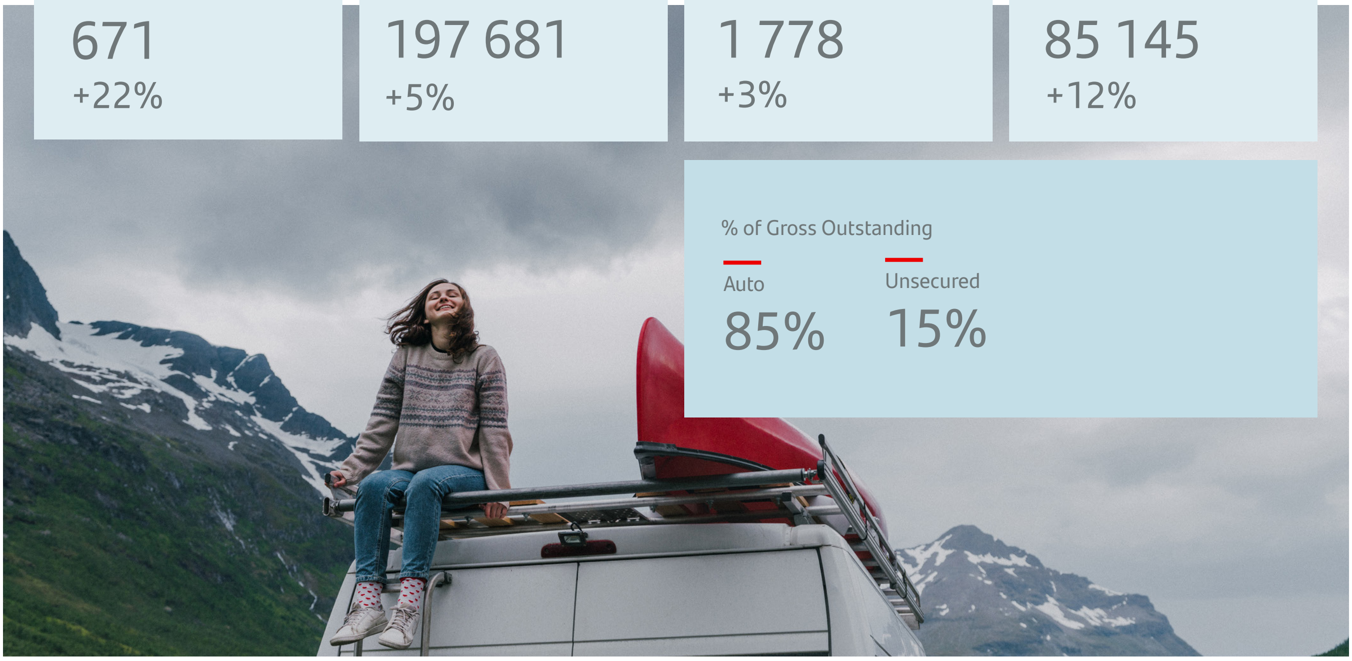
% of Gross Outstanding

Auto

85%

Unsecured

15%



Chief Executive Officer's letter

Making people and businesses prosper

Every day we proudly serve 1.6 million customers and partners 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.

"A total of 30% say they cannot afford unforseen expenses if prices continue to rise"

Michael Hvidsten,

CEO Santander Consumer Bank Nordics

We are living through challenging economic times, affecting many people in our region. With continued high inflation, energy prices and increasing interest rates, many are therefore looking closer at their own personal finances.

In a new survey conducted by Santander in Norway, a total of 30% say they cannot afford unforeseen expenses if prices continue to rise. Younger age groups are even more worried. As we aim to be a responsible bank, this is an important part of the mission: To advice our customers on what choices are available so that they can make a decision that works best for them.

As we close the book on the first quarter of 2023, our results provide insight of the development in the Nordic region:

Total car sales are down, but with major variations between the 4 countries and between the new and used car segments. One reason is the extraordinary new sales at the end of last year. Lower consumer confidence is another. On a positive note, the demand for and transformation to Battery Electric Vehicles continues, despite changes in tax policy in some countries.

Our customers' use of cards is back to normal levels, compared to the dip during the pandemic, as consumers have again resumed travel and social activities and the appetite to prioritize this seems high.

And even though times are financially tighter, our customers' deposits increased with 20% compared to the same period one year ago.

In the first quarter of 2023, we have delivered strong results, though the weak NOK is an important driver. Profit before tax is up 22% compared to Q1 last year, and outstanding loans to customers are up 15% in the same period.

We are fully aware of the important part we play in supporting our partners and customers. Our teams across the Nordic region are working hard every day to deliver on our promise of making people and businesses prosper.

Q1 Financial Report of the Board of Directors 2023

Key figures Santander Consumer Bank Group

All amounts in million NOK

	Q1 2023	Q1 2022	2022
Net interest income	**1 778**	**1 722**	**6 754**
*Growth**	3%	-5%	-5%
Gross margin	**1 887**	**1 782**	**7 056**
*Growth**	6%	-9%	-5%
Profit before tax	**671**	**550**	**3 584**
*Growth**	22%	-32%	7%
Profit after tax	**561**	**461**	**2 707**
*Growth**	22%	-24%	5%
Total assets	**215 132**	**182 793**	**202 894**
*Growth**	18%	-5%	5%
Net Loans to customers	**192 915**	**168 095**	**182 976**
*Growth**	15%	0%	7%
Customer deposits	**85 145**	**70 668**	**75 925**
*Growth**	20%	-12%	4%

** Year on year*

Financial performance

Financial Performance for the first quarter of 2023

As of YTD Q1 2023, profit before tax for the Group amounted to 671 MM NOK, up 22% compared to last year. Higher gross margin compared to the same period last year are offset by higher operating expenses and losses.

In the first quarter of 2023 the Group's financial results showed a net interest income of 1 778 MM NOK, representing an increase of 3% compared to Q1 2022. The change in net interest income was due to higher interest income of 941 MM NOK, offset by higher interest expenses of 885 MM NOK compared to Q1 2022. In 2023, both interest income and the cost of funds has substantially increased following the significant increase in XIBOR rates in all Nordic markets. Of the increase in interest income, approximately 762 MM NOK was due to increased interest income from the Auto business driven by both higher volumes and yields. On the other hand, the Group's interest income from the Unsecured business decreased with approximately 22 MM NOK driven by lower volumes compared to 2022. Other items and positive impact from FX makes up the additional increase in interest income.

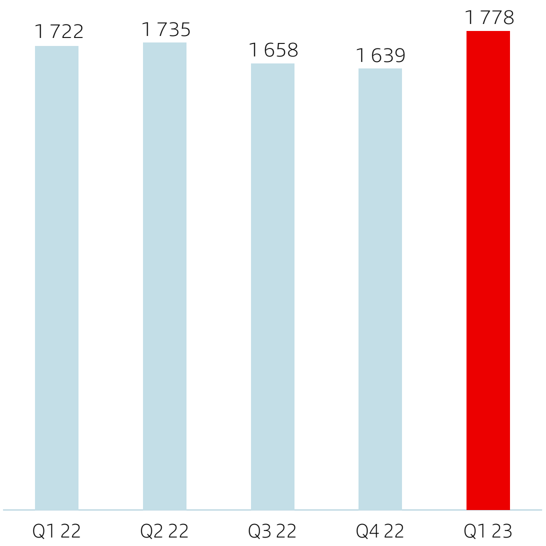
In the first quarter of 2023 the Group had a trading gain of 4 MM NOK compared to a trading loss of 15 MM NOK in Q1 2022. The change in trading gains from Q1 2022 to Q1 2023 is mainly due to higher impact from foreign exchange (FX) effects on open positions in foreign currencies last year.

Operating expenses for Q1 2023 were 782 MM NOK compared to 751 MM NOK in Q1 2022 The increase of 31 MM NOK was mainly driven by negative FX impact.

Other income and costs ended at -6 MM NOK compared to -106 MM NOK in Q1 2022 due a non-recuring cost recognized last year.

Net impairment losses increased by 53 MM NOK in Q1 2023 compared to Q1 2022, driven by higher running average losses due to an adverse macroeconomic situation.

Net interest income
MM NOK



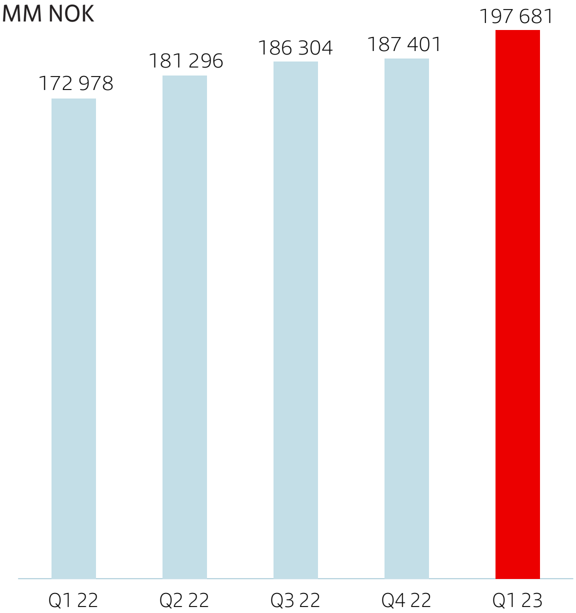
Loans and deposits performance

Loans to Customers

The Group's gross outstanding loans to customers came to 197 681 MM NOK per March 2023. This is an increase of 5% (10 280 MM NOK) compared to December 2022.

Gross loans to customers

MM NOK



Auto financing

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

Sales of new cars in 2023 started with 175 196 units. Personal Cars (PC) and Light Commercial Vehicles (LCV) in the Nordic markets saw a decline of 3.7% versus Q1 2022. Used car sales decreased by 3.3% to 748 921 units compared to the previous year. In total, car sales have decreased (3.4%), but with major variations between the months and countries as well as between the new and used car sales market.

During 2022, the impact of the COVID-19 pandemic and the impact of the war in Ukraine and consequently consumer confidence and rising energy costs were causing ongoing declining sales, 2023 sees different movements in the market. The demands for Battery Electric Vehicles (BEV) continues to rise, whereas new Hybrid vehicles sales decline. Furthermore, the impact of tax changes in Sweden and Norway are having an impact on sales in those markets.

Financing the green shift

The Corporate Average Fuel Economy (CAFE) regulations have come into effect, penalizing manufacturers which have 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 BEVs (including Norway and Sweden). Manufacturers are able to meet demand, supplies are increasing, and delivery times have been reduced. With new orders declining due to the economic situation, the dealer stocks are starting to fill.

The BEV and Hybrid car adoption in the Nordic market is among the highest in the world. Norway and Sweden have led the BEV sales, although the first quarter of 2023 marked a change, as incentives in Sweden were reduced and removed and taxation in Norway updated. Denmark and Finland doubled their new BEV sales despite a declining overall market. During 2023, 46% of all new cars financed by Santander are BEVs, 22% are hybrids. Finance penetration is significantly higher for BEVs than for non-BEVs, helped by the strong partnerships the Group has across the region.

The Nordic market

The Swedish market, which is the largest in the Nordic, experienced a growing share of BEVs with BEV sales increasing by 17% versus Q1 2022 while total new car sales decreased by 7.0% and the used car sales market decreased by 7.1%. The Swedish market is becoming less attractive due to the SEK exchange rate reducing profit margins for most manufacturers. The removal of a government climate bonus, which benefited low emission cars by amounts up to 70 000 SEK, is negatively impacting BEV orders and sales during Q1 2023 after significantly increasing registrations in December 2022.

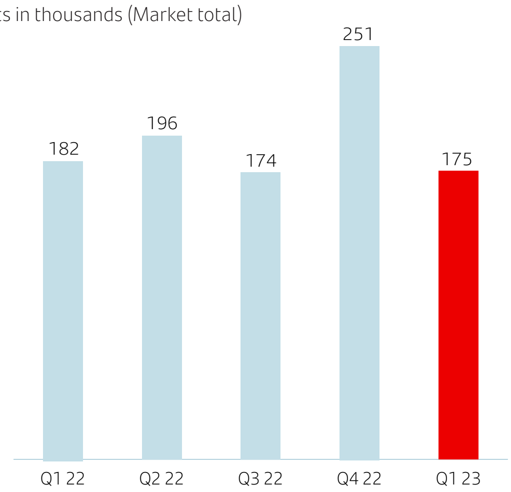
In the Norwegian market, sales have decreased substantially mainly due to tax changes coming into effect in January, and the December 2022 registrations were at record levels (over 20% of the annual registrations in a single month). New car registration decreased by 10.8% during 2023. EU-regulation caused many manufacturers to increase their efforts in one of Europe's largest BEV markets. The Norwegian currency has weakened versus the Euro and other major currencies, causing profits for manufacturers to dwindle and forcing price increases. Used car sales remained flat as supply dries up, and used BEVs can be more easily (and profitably) sold in other European markets, reducing the need to export to Norway.

In the Danish market, sales increased by 9.7% for new vehicles and declined by 2.9% for used vehicles. Denmark is the only Nordic market where Diesel still has a significant market share. With the Danish Krone pegged to the Euro, the profit margins make the market more attractive and deliveries have picked up. The new vehicles sales increased, and BEV sales have doubled.

The Finnish market experienced a decrease in new car sales of 4.7%. A small growth of 1.2% in used car registration resulted in the total car registration being up by 0.4%. The BEV and (mild)-Hybrid vehicles made up 70% of car registrations in 2022. Consumer confidence reached the lowest level ever recorded during the last months of 2022 and customer orders continue to decline.

Sales of new cars (PC and LCV*)

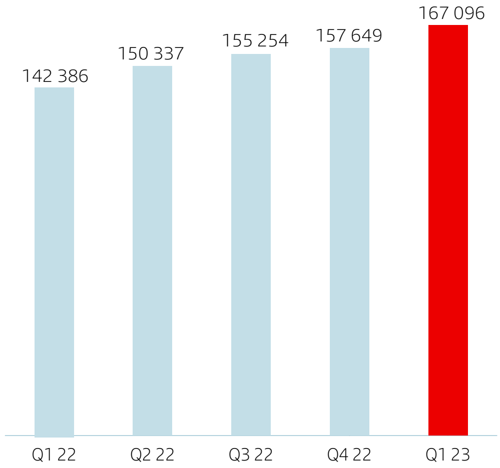
Units in thousands (Market total)



*Personal Cars and Light Commercial Vehical

Gross Auto Financing

MM NOK



Innovation changes the market

In all markets we see increased dealer consolidation where the distribution of a brand is concentrated on fewer owners, often private importers taking over from manufacturers. The Swedish Hedin Group purchasing the major Finnish dealer group Laakkonen is an example of further consolidation across the Nordics.

Sweden has become the testing ground for the Agent Model, where manufacturers sell directly to consumers and the dealerships solely operate as a delivery point. Where BEV manufacturers already operate direct to consumer (e.g., Tesla, Nio, Lynk&Co), for traditional manufacturers this is a major change. Mercedes was the first manufacturer to change, while others recently announced their intentions to change as well (e.g., Stellantis, Nissan Sweden).

Finance has become a more integrated part of the car sales offer in terms of finance bundled with services such as insurance, maintenance, and other relevant products. The Group expects this trend 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.

Nordic market leader

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 maintained its 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 has ensured operations and processes have been optimized to protect margins and increase focus on market developments.

Overall, in the Nordics, the Group is the market leader, but positions vary by month and by market. In the Swedish car finance market, which is dominated by captive lenders for the two largest brands (Volvo and Volkswagen), the Group became the leader in Private Lease financing during 2022.

Total outstanding auto financing is 167 096 MM NOK, an increase of 6% compared the end of 2022.

Future expectations

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

Incentives for low emission cars is being rolled back in some of the markets, such as tax benefits that are significantly reduced in Sweden and Norway. In addition, energy costs have risen. BEV sales will however continue to grow as supply and consumer demand remain high.

Increased regulations and the impacts of the war in Ukraine continue to impact consumer confidence and sales. Built up order banks from manufacturers will soften the sales impact with deliveries continuing while new orders are at lower levels. Some (smaller) manufacturers may choose to exit from certain markets and sell their importerships to private importers or exit completely. At the same time there is an opportunity with regards to car brands, as many new, mostly Chinese brands are entering the Nordic market, exclusively focusing on BEV cars.

In car finance, bundled products will continue, but the growth for mobility solutions is delayed as mobility has reduced since the COVID-19 pandemic changed consumer behavior. In the largest cities, we anticipate increased focus from governments on reducing car traffic and providing incentives for other mobility solutions such as car sharing and public transportation.

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 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 and is well positioned to meet the changes foreseen within the auto area.

Unsecured lending

The Group's unsecured lending portfolio consists of Consumer Loans, Checkout Lending and Cards & Payment. Consumer Loans remains the main unsecured financing product. The Group aspires to be the leading Nordic Consumer Finance platform.

During 2022 the impact of COVID-19 pandemic and increase in energy prices affected consumer confidence, and we see the negative trend continue in 2023 with increased inflations cross the Nordics that have had a negative effect on the sales volumes.

During Q1 2023, Consumer Loans financing remains the main unsecured financing product. The Group's Consumer loans portfolio in Q1 2023 has increased by 3.0% in outstanding volumes compared to Q4 2022. The Swedish Market is still the lead shareholder of the total Consumer loan portfolio with 49% of the total Nordic Market and showed an increase of 2.1% vs Q4 2022 (Norway -7.18%, Denmark +8.2%, and Finland +3.8%).

The Group's Consumer Loans sales decreased by 9.8% in Q1 2023 compared to Q4 2022, mainly driven by lower sales in both Norway and Finland.

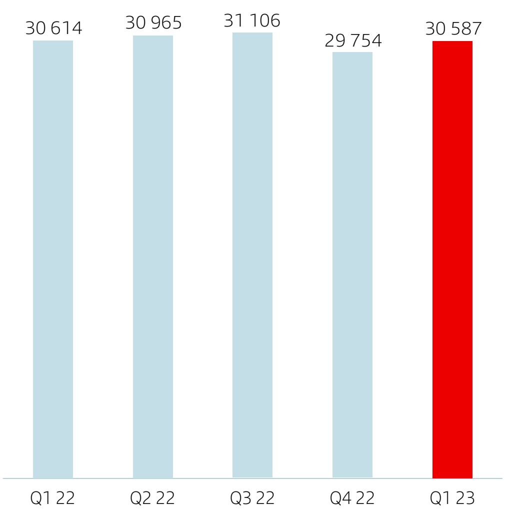
The Group's Credit Card portfolio has decreased by 0.7% in Q1 2023 compared to Q4 2022. Norway decreasing by 2% with 74% of the total Nordic Credit Card portfolio, partly offset by Denmark up with 9.7%.

The Nordic Sales Finance portfolio is up with by 3.6% in Q1 2023 compared to Q4 2022, mainly driven by an increasing portfolio on Durables in Denmark and Finland (+10.9%) offset by a decrease on Checkout Lending in Norway and Sweden (-1%).

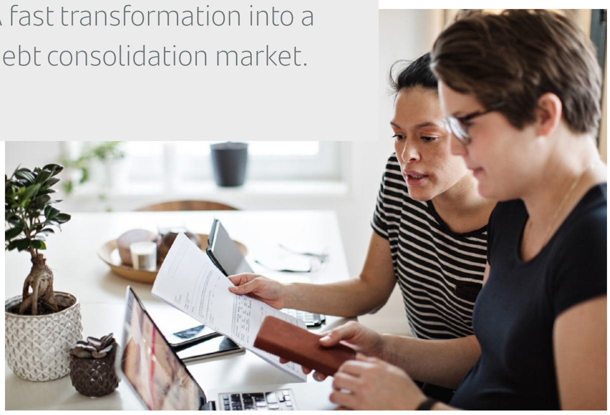
We see an impressive growth within our green energy finance portfolio in Finland and Denmark, and this is in line with Group's Responsible Banking agenda.

Gross Consumer Financing

MM NOK



A fast transformation into a debt consolidation market.



Consumer Loans

The Consumer loans market in the Nordics is primarily driven by legislation aimed at protecting consumers, well in line with the Group's Responsible Banking agenda, and the macroeconomic environment with accelerating inflation and rapid key interest rate hikes have contributed to deterioration in the Nordic economic outlook.

Consequently, the Group observed a fast transformation into a debt consolidation market.

Adapting to new market conditions

The Group has continuous focus on adapting to changing market dynamics, especially regarding increased funding costs and challenging macro-economic factors. With inflation rates continuing at a high level and continuous interest rate increases in all markets, the Group is adapting to a new norm with higher costs of funds. The Group has done several adjustments across the region to secure profitability on both new business and portfolio and has solid plans on how to navigate going forward in an unpredictable macro environment.

Additional tightening in the regulatory landscape related to credit worthiness and affordability will tighten the competition even more going forward.

The Group focuses on optimizing the Nordic capabilities and protecting the portfolio by continuing the work with harmonizing the product offer and optimize digital processes to decrease time-to-market. The Group is convinced this will secure its attractiveness as a large player in the region. The Group's Consumer Loans portfolio in Q1 2023 has increased by 3.0% in outstanding volumes compared to Q4 2022.

Checkout lending

In Q1 2023, the market dynamics continues to be characterized by the turmoil in the economy and aftermath of the COVID-19 pandemic, which becomes evident for a product segment centered in a retail environment. The macro environment has a negative effect on the product segment with increasing inflation and cost of living affecting the conditions for the customers. The Group has continued the positive growth within the green energy sector, and growing this segment is a big focus area for the future to deliver on the Group's Responsible Banking agenda.

Changing consumer behavior

The Group observed a shift in consumer spending where, notably, the Do It Yourself (DIY) and Home Electronics retailers have gained traction. The Group is well positioned with good coverage of retailers in the DIY and Home Electronics segments across the region.

The Group also observed that the significant shift in sales from physical stores to e-commerce continued in 2023. The e-commerce share of the Group's total transactions is now significant. The move to e-commerce will be beneficial for the Group, with solid solutions in place in most of the markets in the region.

A Nordic offering

The Group continues the journey towards becoming a true regional player with the ability to offer the merchants competitive commercial offers for all channels. The Nordic Checkout Lending team have adapted into a Nordic organization and continue to expand and leverage existing deals to a broader Nordic coverage and support partner sales and margins and by that drive growth and revenue for the group by enhancing partner and end-customer value.

The Group has successfully managed to defend and grow the position as a leading player with a positive merchant base growth across markets. In addition, some competitors have changed focus or even pulled out of the market, leading to new market opportunities.

Financing the green shift

The Group has increased the focus on financing of green energy solutions for homeowners, primarily financing of solar panels and ground water heating systems. This is an attractive and growing market segment, which fits well with the Group's Responsible Banking agenda. In the Danish and Finnish markets, the Group has established agreements with a range of merchants. The Group anticipates further business growth in this sector and over the region in the coming years.

Credit cards

The retail volumes continue to grow in Q1 2023, with an approximately 12% increase compared to Q1 2022last year. To a high degree, this is an effect of the removal of the lockdown measures during the COVID-19-pandemic in the Nordics and the rest of Europe, causing an increase in travel related spending. Consumer confidence is growing, and it is again showing in the number of applications, as the focus on travel is increasing again.

Improving product offering

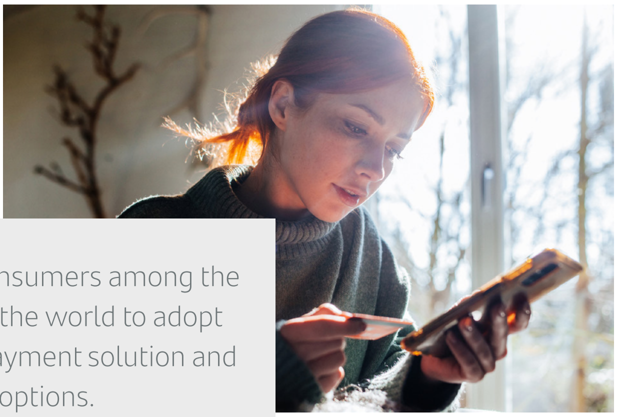
The Group is revisiting the card value proposition to make it even more attractive to segments besides travel. The Group is also improving the product offering through eco cards, biometric features, virtual cards, and optimizing customer journeys with mobile wallet solutions across the region.

The Group has consolidated the card payment infrastructure in the region to minimize costs and streamline products and processes. The old legacy core systems are now decommissioned as planned, providing Nordic consolidated capabilities across the region, which is important for attractiveness and competitiveness. The Group has invested in repositioning the future Cards and Payments offering in the region and has made plans for strong growth and increased profitability in this business area in the years to come.

Nordic consumers are among the fastest in the world in terms of adoption of mobile payment solution and checkout options. The Group has had a high focus on the continued adoption to the payment's ecosystem, ensuring continued secure and fast payment options. The Group has introduced several initiatives to ensure that we continue to meet and go beyond consumer expectations, from a product, platform, and experience point of view.

Digital first

The use of the physical card will continue to be a part of the Payment ecosystem for years to come. But as the adoption of digital payment solutions evolve, so does the possibilities of giving customers more control of their exposure. The Group's My Cards App is being launched in all countries, which gives cardholders the possibility to manage their own risk and exposure, while creating a possibility of safe and instant issuance of a new virtual card, or pushing the Cards to Payment solutions, regardless of where you are in the world.



Nordic consumers among the fastest in the world to adopt mobile payment solution and checkout options.

Deposits

After the peak reached during the pandemic, the focus from 2022 and ongoing has been on creating a loyal customer base, while growing balances.

Managing balances against a changing macroeconomic backdrop

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. Improving the customer experience remains a high priority.

Total outstanding volume for the Group is 85 145 MM NOK as of Q1 2023, representing an increase of 9 221 MM NOK (12%) compared to year Q4 2022. Of this, approximately 5.4 BN NOK represents real growth, while 3.8 BN NOK is due to a weaker Norwegian kroner. The Group operates deposit platforms in three of its four home markets: Denmark, Norway, and Sweden.

Volumes in the Danish platform have grown to represent the largest share of deposits within the three markets. Outstanding balances as of Q1 2023 were 33 181 MM NOK, ending the quarter 3 286 MM NOK (11%) higher compared to year Q4 2022.

Denmark has the most diverse product range by offering a demand product, a notification product, and term deposits. The notification product requires customers to notify any withdrawals 31 days in advance of the actual withdrawal. In the Danish market, the Group also offers a deposit product with fixed interest rates. Two additional term products were launched in March 2023. In total, three term products are now offered customers (6, 12, and 24 months).

In Norway, the Group had an outstanding balance of 28 228 MM NOK as of end Q1 2023, representing a 3 097 MM NOK (12%) increase compared to year Q4 2022. Norway offers both a demand product and a notification product. Both products use a tiered structure in its pricing model to manage pricing competitively and to reward small savers.

Sweden offers both a demand product and a notification product. In addition, the unit has an ongoing cooperation with a broker. While the Group's strategy is focused on maintaining its in-house products, the cooperation provides additional flexibility for managing the Swedish deposits portfolio. Outstanding volumes in Sweden stood at 23 736 MM NOK as of end of Q1 2023, which is 2 838 MM NOK (14%) higher compared to year Q4 2022.

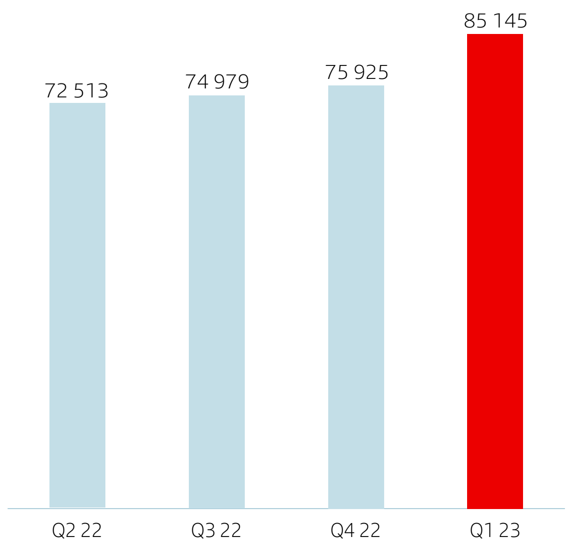
Helping people prosper

The Group continues to focus on improving the customer experience through the optimization of mobile responsive onboarding solutions, net banks, apps, and chat bots.

The Group 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 debitor of 100 000 EUR in the Danish and Swedish market and 2 MM NOK in the Norwegian market.

Gross customer deposits

MM NOK



Insurance

The insured customer base continued to grow to more than 500 000 insured customers across the Nordic countries. The COVID-19 pandemic and the macro situation in Europe has increased the awareness among consumers and partners of the importance of insurance. With insurance income representing 6.2% of total revenue in 2022, it is firmly positioned as a strategic priority for the Group.

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

In the Swedish private leasing market, the Group identified the potential for launching a dedicated Credit Protection Insurance (CPI) product for leasing, which was launched at the end of 2021. As a result of the CPI for auto leasing, the current conversion rate has increased to more than 35% on new contracts, which greatly impact the Group's insurance profitability.

Digital point of sales for 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 in 2022. But as sales have not proved to be as expected, the Group have decided to implement a digital point of sale solution similar to the one operating in Norway, which will be live during Q2 2023.

Improved digital channels

To ensure the best possible customer journey, the Group has decided to start an optimization project, focusing on our current digital sales channels.

Incorporating behavioral economics into the digital journey is expected not only to increase customer satisfaction, but also the Group's conversion rate. The project will be ongoing for all of 2023.

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 NFSA, upon request from the DFSA, 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. The Bank is now successfully registered by the NFSA as a full insurance intermediary and sales was restarted during Q1 2023.

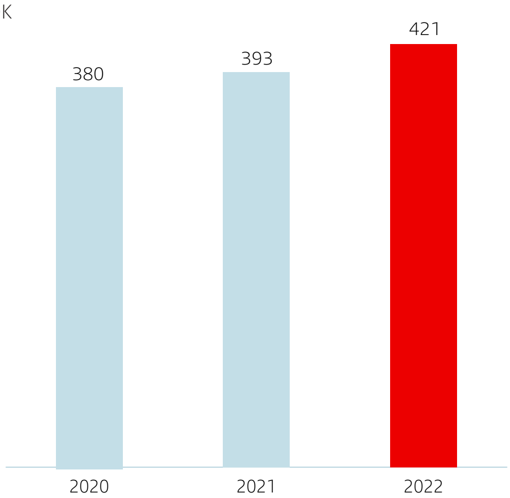
New legislation for telemarketing in the Finnish Market

In 2022, the national telemarketing law in Finland was tightened. The new bill includes a provision requiring companies to provide their offers to customers in writing, which would effectively end the right of telemarketers to "close" offers by phone.

On January 1, 2023, the Bank, together with external partners, implemented the required changes, to ensure a solid and compliant sales process.

Insurance income

MM NOK



Risk Management

The Group's risk management function, underpinned by a strong risk culture and a solid governance structure, is key to making sure we remain a robust safe and sustainable bank that helps people and businesses prosper.

Credit Risk

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

Cost of Credit	NPL Ratio	Coverage Ratio
0.46%	2.70%	90.5%
▲ 2 bps vs. Q4.22	▲ 8 bps vs. Q4.22	▲ 81 bps vs. Q4.22

Structural and Liquidity risk

Robust liquidity buffer with ratios above regulatory limits.

LCR	NSFR
158%	109%
▼ 26 pp vs. Q4.22	▲ 2 pp vs. Q4.22

Operational Risk

Over the past few months, Group's efforts have been focused on addressing the recommendations and deficiencies identified, having responded to the N-FSA in early February with the actions taken and an update on the defined mitigating plan.

Capital Risk

Capital ratios above regulatory requirements.

CET1 %
17.88%
▼ 81 bps vs. Q4.22

Executive summary of Q1 2023

The year 2022 was shaped by the war in Ukraine and its economic consequences, which dashed hopes that the recovery of 2021 would continue, and amplified supply chain problems that emerged during the Covid-19 pandemic.

2023 has already begun, and it will be shaped by the efforts to tackle sharp price increases, the materialization of interest rate hikes already being felt by households and businesses, and the growing uncertainty about the economic outlook.

The Group, aware that household economies are under pressure, closely monitors both its current and new lending portfolio for early identification of any changes in payment behavior from customers who may be experiencing difficulties, while considering customer affordability to ensure responsible lending and that our customers receive the support they need.

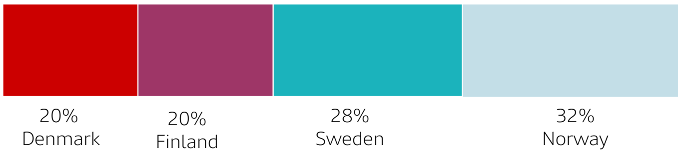
Along with the challenges posed by the macroeconomic and geopolitical environment, the Group has been monitoring the volatility observed in the markets following the collapse of SVB and the bailout of Credit Suisse at the end of the first quarter. The Group has maintained a solid liquidity position all along, supported by a steady and diversified retail deposit base.

The Group has been actively monitoring and managing all risk related to the war in Ukraine, since it broke out, and broader macroeconomic and geopolitical uncertainties through specialized working groups, aiming for prompt identification of potential risk events or threats that could arise and define adequate mitigation actions.

Credit Risk

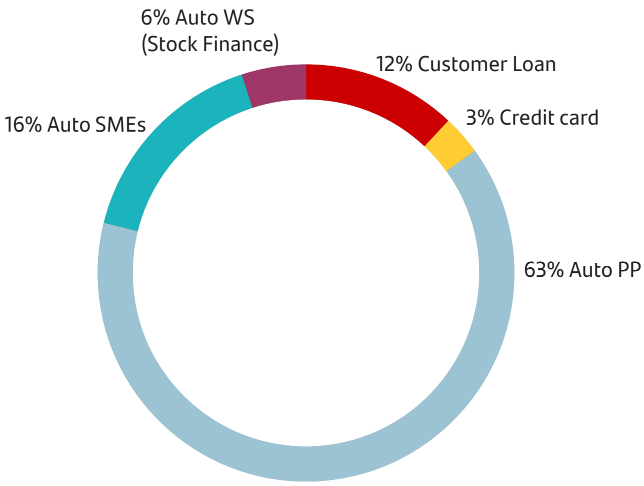
Total risk by country

The group maintains a portfolio with a good diversification across the Nordic countries:



Total risk by product

The group maintains a portfolio with a good diversification across products:across products:



Total Risk 197.7 MM NOK

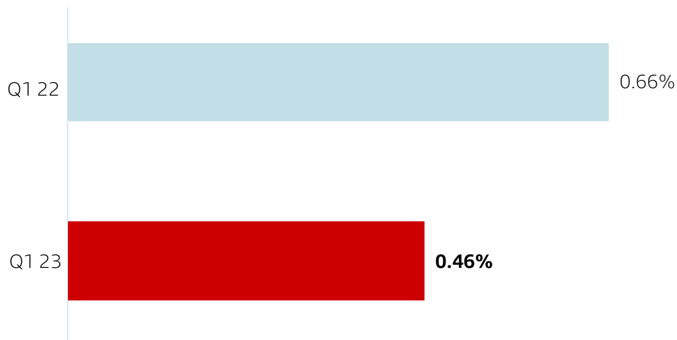
Non-Performing Loans

The Group's Credit Risk profile in Q1 2023 remained stable for the total portfolio, in line with business strategy. The consolidated Non-Performing Loans (NPL) Ratio ended at 2.70 % (1.48% for Secured and 9.34% for Unsecured portfolios) in Q1 2023, compared to 3.00% in Q1 2022 (1.59% for Secured and 9.61% for Unsecured). The NPL ratio has decreased slightly over the course of the year in line with credit risk strategy and was impacted favourably by credit risk performance, most notably in the first three quarters in scope.

Cost of Credit

The Group's strong reserve base at the end of 2022 reflects the changes in portfolio mix and the stable to improved quality of the portfolio, based on its risk appetite and prudent risk management model.

The total loan loss reserves have decreased from 4 952 MM NOK per Q1 2022 to 4 833 MM NOK per Q1 2023. The total reserves as of Q1 2023 of 4 833 MM NOK include 4 767 MM NOK related to loans to customers and 67 MM NOK connected to off-balance exposures. Included in the reserves as at Q1 2023 is a macroeconomic and inflationary forward-looking overlay of 113 MM NOK, compared to 79MM NOK for the same period ended in 2022.



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.

As of March 2023, the Group's LCR was 158.14 % and the NSFR was 108.55%. Both metrics are comfortably exceeding the regulatory requirements. The Group has a credit line with the parent company and can utilize this to manage short term liquidity needs and to the extent external funding might become unavailable or is considered unfavorable.

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 March 2023.

158%

Liquidity Coverage Ratio (LCR) remained above regulatory thresholds in 2023

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 same currency. Accumulated earnings in SEK and DKK are spotted to NOK when needed to minimize the open exposure. The risk is measured through an FX exposure report, covering all significant currencies for the Group.

Operational risk

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, legal 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 Financial Supervisory Authority of Norway (NFSA) published a report on November 2, 2022, from their ICT and AML onsite inspection carried out in September 2021. The scope of the inspection was the Group's Norwegian business and its compliance with certain provisions in the Norwegian ICT Regulation and the Norwegian AML legislation. The report documented their conclusions and their decision to impose an administrative fine of 150 MM NOK towards the Bank for inadequate follow-up of the AML (anti-money laundering) regulations. The report also included 4 corrective orders in terms of mediation of some of the deficiencies. The work to close the deficiencies indicated in the corrective orders has been a main priority for the Group. On February 1, 2023, The Board of Directors sent the NFSA a response to all orders, detailing the progress that has been made in all areas.

Overall, excluding the NFSA's conclusions on AML and the imposed fine, the Group's operational risk profile remained stable during 2022 and is expected to remain stable within medium-low risk profile in 2023.

Funding

The Group continues to pursue a diversified funding strategy. Diversification has during the last years benefited the Group both during the COVID-19 pandemic and the ongoing war in Ukraine with the Group's deposit base and access to parent liquidity remaining consistent throughout the year.

Self-funding strategy

A solid funding platform

Over the past decade, the Group has developed multiple funding channels ranging from deposit products across three of its four markets to unsecured bonds in the Norwegian, Danish, Swedish, and European bond markets, including Swedish and Norwegian green bonds, and securitization transactions with assets from Finland. 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.

Total outstanding bond and certificate issuance decreased in Q1 2023, standing at 34 599 MM NOK or 22% of total funding per Q1 2023. Senior unsecured issuance and certificates outstanding Q1 2023 include 2 000 MM EUR in the Euro market, 4 750 MM SEK in the Swedish market, and 3 800 MM NOK in the Norwegian market. Given strong deposits liquidity, we have temporarily scaled back our presence in the certificates of deposits market in Norway and Sweden and currently do not have any outstanding certificates as of Q1 2023.

The weighted average remaining term to maturity, excluding certificate issuances, is approximately 2.0 years. This number fluctuates somewhat and typically remains around 2 years.

The Green Bond program

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).

Asset-Backed Securities (ABS)

The Group accessed the asset-backed securities market in Q2 2022 with a 550 MM EUR transaction backed by Finnish assets. Securitizing the Finnish portfolio has been a consistent source of funding. While the Group's overall funding from securitizations has decreased since 2016 due to the change in securitization law in Norway, which has prevented us from issuing ABS backed by Scandinavian assets, the Finnish program has provided approximately 10% of the Group's funding since 2016. Total outstanding volumes in securitizations currently equals 11 926 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. The proposal was adopted by the Norwegian Parliament on April 23, 2021, and is expected to enter into force once the relevant EU regulations have been implemented in the EEA Agreement. The exact timing of the latter is currently unknown but is likely to occur during 2023.

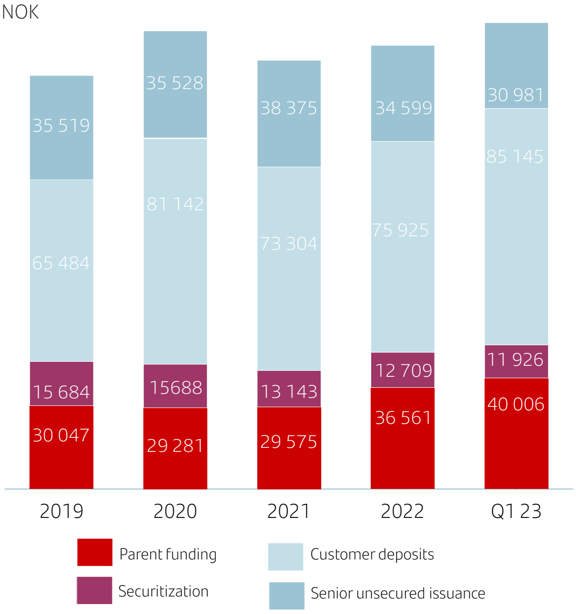
Once adopted, the legislation will align the Norwegian securitization legal framework with that under which European financial institutions currently operate.

Intragroup Funding

Loans and drawing rights from the parent bank and companies within Banco 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-end maturities.

Funding composition

MM NOK



Solvency and capital adequacy

Capital ratios closed the first quarter of 2023 with a good margin above the minimum capital regulatory requirements. Nordic regulators continued to communicate their expectations on increasing capital requirements through the countercyclical buffer which is now at 2.5% in both Norway and Denmark. The Group is well positioned to meet present and future changes 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 (SCB AS).

The Group closed Q1 2023 with a common equity Tier 1 (CET1) ratio of 17.88%, down from 18.69% in Q4 2022. The corresponding number for SCB AS was a ratio of 17.02%, down from 17.92%. The total risk weighted assets have increased during Q1 2023 leading to lower CET1 ratios. This is mainly explained by NOK weakening versus SEK, DKK, and EUR.

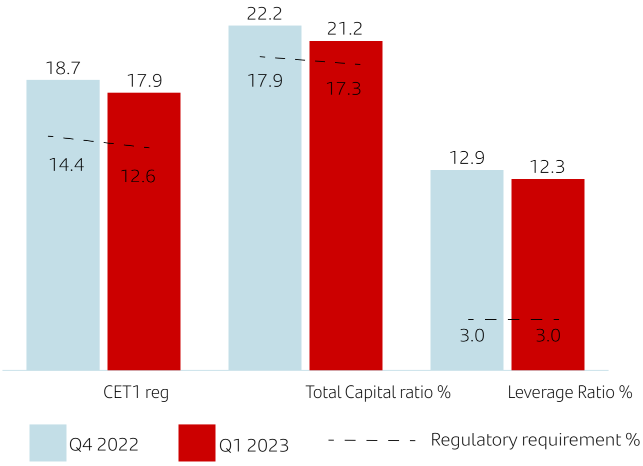
Despite this decrease, the Group remains in a solid capital position with increased CET1 ratios buffer towards the minimum capital requirements (including Pillar 2 Guidance). This is driven by the reduction in CET1 minimum requirement as Pillar 2 Requirement does not need to be entirely met by CET1 capital from January 1, 2023.

The leverage ratios for the Group and SCB AS closed Q1 2023 at 12.31% and 12.17%, respectively and are well above the regulatory requirement of 3% in force with the implementation of the "Banking Package" in Norway.

During Q1 2023, the General Meeting has approved a dividend distribution of 2.2 Bn NOK corresponding to 100% of profit after tax for SCB AS for the financial year 2022. The dividend payment was already considered in Q4 2022 capital ratios.

Capital adequacy

SCB Group



The Group remains in a solid capital position with increased CET1 ratios buffer towards the minimum capital requirements.

SCB Group

Actuals	Q4 2022	Q1 2023
CET1 capital ratio	18,69%	17,88%
Tier 1 capital ratio	20,39%	19,48%
Total capital ratio	22,19%	21,23%
Leverage ratio	12,94%	12,31%
Capital requirements	**Q4 2022**	**Q1 2023**
CET1 capital ratio	14,35%	12,61%
Minimum Core Equity	4,50%	4,50%
Pillar 2 Requirement	3,30%	1,52%
Pillar 2 Guidance	1,50%	1,50%
Countercyclical Buffer (combined)	1,32%	1,53%
Conservation Buffer	2,50%	2,50%
Systemic Risk Buffer (combined)	1,23%	1,06%
Tier 1 capital ratio	15,85%	14,62%
Total capital ratio	17,85%	17,30%
Leverage ratio	3,00%	3,00%

SCB AS

Actuals	Q4 2022	Q1 2023
CET1 capital ratio	17,92%	17,02%
Tier 1 capital ratio	19,73%	18,74%
Total capital ratio	21,66%	20,62%
Leverage ratio	12,98%	12,17%
Capital requirements	**Q4 2022**	**Q1 2023**
CET1 capital ratio	14,41%	12,70%
Minimum Core Equity	4,50%	4,50%
Pillar 2 Requirement	3,30%	1,52%
Pillar 2 Guidance	1,50%	1,50%
Countercyclical Buffer (combined)	1,35%	1,58%
Conservation Buffer	2,50%	2,50%
Systemic Risk Buffer (combined)	1,25%	1,10%
Tier 1 capital ratio	15,91%	14,71%
Total capital ratio	17,91%	17,39%
Leverage ratio	3,00%	3,00%

Current and future capital requirements

From January 1, 2023, the Group is subject to the revised Pillar 2 requirement of 2.7% of RWAs which can now be covered by a minimum of 56.25% of CET1 capital and a minimum of 75% of Tier 1 capital. The Pillar 2 Guidance remained unchanged at 1.5% and still needs to be entirely covered by CET1 capital.

Following communications from Nordic regulators, countercyclical buffer requirements ("CCyB") have increased during Q1 2023. The CCyB is now at 2.5% in both Denmark and Norway, and will increase to 2% in Sweden by Q2 2023. CCyB in Finland is expected to remain unchanged at 0%. Systemic Risk Buffer ("SyRB") requirement remains at 4.5% in Norway and 0% in Sweden, Denmark, and Finland. However, the Finnish FSA has announced that SyRB in Finland will increase to 1% as of April 1, 2024. The CCyB and SyRB are calculated based on a weighted average of the requirement in each country based on share of total risk weighted assets. The Group continuously updates developments on buffer requirements in its capital planning and is well positioned to meet present and future changes in capital requirements.

Regulatory

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 submitted models have not yet been approved by the regulators.

The Group received its MREL requirement from the Norwegian FSA in June 2022, which constitute internal MREL requirements and, as such, are to be satisfied within own funds and eligible liabilities issued directly or indirectly to the ultimate Parent Company, Banco Santander, S.A. The Group has started to build its MREL debt last year and expects to be fully compliant with the MREL requirement by the deadline of January 1, 2024.

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 legislative processes through Finans Norge and other finance associations and networks.

Consumer protection

Consumer protection is an area of focus from European and Nordic regulators and supervisors.

The new Norwegian Financial Agreements Act entered into force January 1, 2023. The Act will considerably impact financial institutions in Norway, including the Group, and further enhance consumer protection. The Act implements provisions from several EU legislative acts such as directives on mortgages, payment services, and payment accounts. During the Q3 2022, the Ministry of Finance also adopted several new regulations to the Act. Certain transitional rules have also been adopted, on amongst others the new Act's provisions on changes to interest rate terms in credit agreements.

A proposal to expand the debt register to include secured debt, such as car loans and mortgages, was issued for public consultation during the summer of 2022. This consultation was due October 14, 2022, and the proposal is currently being reviewed by the Ministry of Children and Families. If adopted, it will provide financial institutions with a better tool when performing credit worthiness assessments of its customers.

In Denmark, the Consumer Ombudsman and the Danish Financial Supervisory Authority published updated guidelines in relation to creditworthiness assessments in April 2021. Although creditworthiness assessments have been and continues to be a focus area for all Nordic and European supervisors and regulators, the Danish market still somewhat stands out with the high number of Consumer Ombudsman cases related to the topic. In mass communication as well as direct communication to the Bank from the DFSA sent out shortly before Christmas 2022, the DFSA highlights that a strong focus on creditworthiness is going to be maintained in 2023 and the years to come.

In Finland, the proposals from 2022 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 Financial Supervisory Authority, was approved during Q1 2023 and will enter into effect Q2 2023. With this, the supervision of the Bank's subsidiary in Finland, Santander Consumer Finance Oy, will change from AVI to the Finnish FSA. In June 2021, the European Commission issued a proposal for a new directive on consumer credits, repealing and replacing the Consumer Credit Directive 2008/48/EC. The proposed directive applies to credit agreements with consumers, although with a number of listed exceptions. The general aim of the new directive is to reduce the consumer detriment and risks in taking out loans in a changing market and to facilitate a cross-border provision of consumer credits and the competitiveness of the internal market. The proposal entails, inter alias, more detailed regulation regarding credit assessments, regulation on fees and charges, and caps on interest rate. In December 2022, the European Council and the European Parliament reached a provisional agreement on the directive, and the next step is their approval before going through the formal steps of the adoption procedure.

The combat against money laundering and terror financing continues

The combat against money laundering and terror financing continues to be an area of high focus from European and Nordic regulators and supervisors.

In Norway, the Financial Supervisory Authority carried out several onsite inspections within the area during 2022 and issued decisions on administrative fines and corrective orders to a number of financial institutions. On November 15, 2022, the NFSA also issued new guidelines to the Norwegian AML Act.

On November 22, 2022, EBA published its final guidelines on remote customer onboarding. The guidelines will apply six months after its publication in the EU official journal.

In July 2021, the European Commission presented an ambitious package of legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules. The aim is to improve the detection of suspicious transactions and activities, and close loopholes used by criminals to launder illicit proceeds or finance terrorist activities through the financial system. The package also includes the proposal for the creation of a new EU authority to fight money laundering. The legislative package will be discussed by the European Parliament and Council. The Commission has stated that it is hopeful for a speedy legislative process and that the AML authority should be operational in 2024 and will start the work of direct supervision slightly later, once the directive has been transposed and the new rules start to apply.

Data Privacy and protection

Data privacy and data protection also continues to be an area of high focus from European and Nordic regulators and supervisors.

During the spring of 2022, the European Commission and the United States announced that they have agreed in principle on a new EU-US 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. In December 2022, the European Commission published a draft Adequacy decision for the EU-US Data Privacy Framework. The draft decision reflects the Commission's assessment that, following the signature of the Executive Order by President Biden in October 2022, the US legal framework provides comparable safeguards for personal data. The draft decision was in December 2022 sent to the European Data Protection Board for its opinion.

EU's Digital Operational Resilience Act ("DORA") was adopted November 28, 2022, and must be implemented within January 2025. DORA comprises both a directive and a regulation and is part of a larger digital finance regulatory initiative, which aims to 'develop a European approach that fosters technological development and ensures financial stability and consumer protection'. The package also includes a digital finance strategy, a proposal for distributed ledger technology and a proposal on markets for crypto assets. The most important aim of DORA is to prevent and mitigate the impact of cyber threats on financial entities. The EU acknowledges that financial institutions and payment systems provide essential services in the European society. Thus, Europe risks being severely impacted by a disruption of the technological services on which financial institutions and payment systems rely, regardless of whether those disruptions are the result of natural disasters or actions by hostile powers. DORA aims to enhance and streamline the financial entities' conduct of ICT risk management, establish a thorough testing of ICT systems, increase supervisors' awareness of cyber risks and ICT-related incidents faced by financial entities, as well as introduce powers for financial supervisors to oversee risks stemming from financial entities' dependency on ICT third-party service providers.

Sustainable finance

The European Commission has adopted a series of legislative proposals to achieve the goal of climate neutrality in the EU by 2050 and the intermediate target of an at least 55% net reduction in greenhouse gas emissions by 2030.

The act, which implements the EU Taxonomy Regulation, entered into force in Norway January 1, 2023. The EU Taxonomy is the first step of the EU Commission Action Plan on Financing Sustainable Growth and is a framework to facilitate environmentally and socially sustainable investments. Sustainable finance has an important role in mobilizing the necessary capital to deliver on the policy objectives under the European Green Deal as well as the EU's international commitments on climate and sustainability objectives.

On December 20, 2022, The Norwegian Ministry of Finance confirmed that the Law on Sustainable Finance (Lov om bærekraftig finans) will enter into force on January 1, 2023, and where the requirements of Article 8 shall be applied in relation to financial reporting as of December 31, 2023.

The EU Council gave its final approval to the Corporate Sustainability Reporting Directive (CSRD) on November 10, 2022. The CSRD amend the existing ESG-reporting requirements under the NFRD. It is expected that the directive will enter into force in the EU during 2023, and it is announced that Norway aims at following the implementation timeline set out by the EU.

In Norway, the Transparency Act entered into force on July 1, 2022. The act is a result of increased expectations among authorities, civil society, and consumers that companies act with increased responsibility in their value chains. Similar legislative initiatives are under development in the EU and several European countries. All enterprises within the scope of the act must carry out due diligence assessments of fundamental human rights and decent working conditions, in line with the OECD's guidelines for multinational companies. The duty to carry out due diligence is an essential obligation pursuant to the act. This must be conducted regularly and be in proportion to the size of the business, the nature of the business, the context in which the business takes place, and the severity and likelihood of negative consequences for human rights and decent working conditions.

In Denmark, the Consumer Ombudsman issued a "quick guide" on how to market products in a manner that does not conflict with the Danish Marketing Act's ban on greenwashing. A more extensive guide is expected in 2023.

Capital and Funding

Implementation of EU's securitization legislation

Another regulatory development, which is key for the Group and its self-funding, is the implementation of EU's securitization legislation that was presented by the Ministry of Finance in 2020. Once the regulation is adopted, it will enable the Group to carry out securitizations once again in Norway, Denmark, and Sweden.

Countercyclical capital buffer

Following communications from Nordic regulators, countercyclical buffer requirements ("CCyB") increased during 2022. In Norway, the CCyB was set to 2.0 % applicable from December 31, 2022, and increased to 2.5 % applicable from March 31, 2023. In Denmark the CCyB is at 2.5 %, and in Sweden, the CCyB is at 1% and is expected to reach 2% by Q2 2023. CCyB in Finland is expected to remain unchanged at 0%.

Strategic priorities to stay in the lead

Economic and banking sector landscape

According to the European Central Bank (ECB), the Euro area economic growth slowed markedly during the second half of 2022, eventually stalling in the fourth quarter. However, with energy supplies becoming more secure, energy prices have eased significantly, confidence has improved, and economic activity is expected to pick-up somewhat in the short-term. With foreign demand also strengthening, and provided current financial market tensions subside, output growth is expected to rebound as of mid-2023, underpinned by a robust labor market. Nevertheless, the ECB's ongoing policy normalization and further rate hikes expected by markets will increasingly feed through to the real economy, with additional dampening effects stemming from a recent tightening in credit supply conditions. This, together with the gradual withdrawal of fiscal support and some remaining concerns about risks to the energy supply next winter, will weigh on economic growth in the medium term. Overall, annual average real GDP growth is expected to slow to 1.0% in 2023 (from 3.6% in 2022), before rebounding to 1.6% in 2024 and 2025[1] .

In 2023, European banks will need to adapt to the emerging economic realities of potentially higher-for-longer inflation, tighter funding conditions and lower economic growth. This will likely mark a significant shift from widespread profitable growth in 2022, resulting from rising net interest margins off the back of increased policy rates, whilst inflation demonstrated only a marginal effect on banks' cost bases. In 2023, S&P Global Ratings expects that weaker credit markets will act as a drag on European banks profitability, but that continued policy rate levels will enable banks to absorb higher operating costs.

Thus far the Nordic economies have demonstrated relative resilience, albeit less so in Sweden, which is experiencing depressed real household incomes, rising mortgage rates, and a weaker property market.

The trend of new banking sector entrants and other competitors targeting specific parts of the bank value chains continues to fuel competition and contestability within financial products and services. Whilst a threat, advancements in technology and regulatory barriers to entrants continue to insulate banks from much of these competitive pressures and which can also serve as enablers of 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 & partner satisfaction in core markets
- Employee satisfaction greater than 8.5%
- 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	Modern organisational model underpinned by collaboration and engagement.

[1] ECB staff macroeconomic projections for the euro area, March 2023 (ecb.europa.eu)

Strategic focus areas

During Q1 2023, the Group continued to operationalize and execute on its corporate strategy.

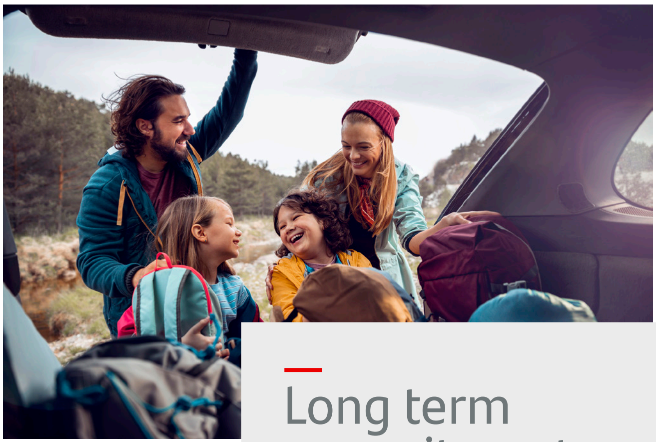
The Group continuously exercised considerable focus upon interest rate management and the pricing of its commercial offerings, balancing fair and affordable product pricing with delivering stakeholder's value under challenging market conditions.

The Group is progressing a number of cost rationalization initiatives to improve its efficiency as well as progressing its activities to standardize and simplify its operating model and product offerings.

Acting responsibly and sustainably lies at the heart of the Group's corporate strategy. The Group's inaugural Nordic Sustainability Report 2022 is planned to be published during H2 2023, outlining how the Group is supporting Grupo Santander's Responsible Banking ambitions and targets. The report will be developed in alignment with the established international standards - Task Force on Climate Disclosures (TCFD) and updated Global Reporting Initiative (GRI). The report will be available on the Group's webpages.

Sustainable Finance was identified as a key material topic within the Sustainability Report and a key strategic focus area for the Group. In Q1, the Group financed the purchase of 7 890 BEVs, representing 11.3% of all BEVs purchased in the Nordic region during the quarter.

Capitalizing on data is viewed as a key enabler for future growth. In this regard, the Group was proud to hold its first Santander Nordic Data Conference with keynote speakers from global tech companies and universities, who led a variety of technical workshops and hands-on sessions.



Long term commitment

No. 1 customer & partner satisfaction in core markets

Lysaker, 19th May 2023

The Board of Directors of Santander Consumer Bank

Jørn Olav Borchgrevink
Chair

Federico Ysart
Deputy Chair

Pedro de Elejabeitia
Board member

Anne Karin Kvam
Board member

Rámon Billordo
Board member

Tone Bergsaker Strømsnes
Employee Representantive

Rolf Larsen
Employee Representantive

Michael Hvidsten
Chief Executive Officer

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Profit and Loss - Santander Consumer Bank Nordic Group

All amounts in millions of NOK	Note	Q1 2023	Q1 2022	FY 2022
Total interest income*		2 866	1 925	8 410
Total interest expenses		-1 088	-203	-1 656
Net interest income	9	**1 778**	**1 722**	**6 754**
Fee and commission income		133	118	617
Fee and commission expenses		-71	-52	-250
Value change and gain/loss on foreign exchange and securities		4	-15	-45
Other operating income		124	85	388
Other operating expenses		-81	-77	-407
Gross margin	9	**1 887**	**1 782**	**7 056**
Salaries and personnel expenses		-347	-331	-1 295
Administrative expenses		-364	-355	-1 072
Depreciation and amortisation		-71	-65	-255
Net operating income before impairment losses on loans		**1 105**	**1 031**	**4 434**
Other income and costs		-6	-106	-58
Impairment losses on loan, guarantees etc.	3, 4, 5, 13	-428	-375	-792
Profit before tax		**671**	**550**	**3 584**
Income tax expense		-110	-89	-877
Profit after tax		**561**	**461**	**2 707**
Allocation of profit after tax				
Transferred to other earned equity		515	428	2 567
Transferred to additional Tier 1 capital	16	46	32	140
Total allocations		**561**	**461**	**2 707**
Profit after tax		**561**	**461**	**2 707**
Items not to be recycled to profit and loss				
Actuarial gain/loss on post-employment benefit obligations		-	-	49
Items to be recycled to profit and loss				
Net exchange differences on translating foreign operations		395	-108	247
Measured at FVTOCI		2	0	-0
Cash flow hedge		-24	20	72
Net investment hedge		-84	25	-52
Other comprehensive income for the period net of tax		**289**	**-62**	**315**
Total comprehensive income for the period		**849**	**399**	**3 022**

** Total interest income calculated using the effective interest method*

Balance Sheet - Santander Consumer Bank Nordic Group

All amounts in millions of NOK	Note	Q1 2023	Q1 2022	2022
Assets				
Cash and receivables on central banks	10	1 854	2 656	5 680
Deposits with and receivables on financial institutions	10	7 103	3 733	3 663
Loans to customers	3, 4, 5, 10, 12	192 915	168 095	182 976
Commercial papers and bonds	10	6 812	4 649	5 177
Financial derivatives	10, 11	520	173	586
Other ownership interests	10, 11	14	20	12
Other financial assets	10	802	-	811
Intangible assets		1 329	1 222	1 280
Fixed assets		1 178	954	918
Repossessed assets		31	49	27
Other assets		2 575	1 240	1 762
Total assets		**215 132**	**182 793**	**202 894**
Liabilities				
Debt to credit institutions	10, 15	40 006	30 207	36 561
Deposits from customers		85 145	70 668	75 925
Debt established by issuing securities	10, 14	42 817	46 667	47 308
Financial derivatives	10, 11	633	172	586
Tax payable		140	166	126
Other financial liabilities		399	342	546
Deferred tax		1 646	1 174	1 490
Pension liabilities		5	48	5
Other liabilities		2 462	2 713	3 122
Subordinated loan capital	10, 15	2 525	2 414	2 422
Senior non-preferred loans	10, 15	10 031	-	4 067
Total liabilities		**185 809**	**154 572**	**172 157**
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		13 850	13 413	15 551
OCI items		680	14	391
Total equity		**29 323**	**28 221**	**30 736**
Total liabilities and equity		**215 132**	**182 793**	**202 894**

Cash Flow - Santander Consumer Bank Nordic Group

All amounts in millions of NOK	Note	Q1 2023	Q1 2022	FY 2022
Cash flow from operations				
Profit before tax		671	550	3 584
Adjustments for:				
- Depreciation, amortisation and impairment on fixed and intangible assets		71	65	255
- Net interest income	9	-1 778	-1 722	-6 754
- Value change and gain/loss on foreign exchange and securities		-4	15	45
- Dividends on financial assets at FVOCI		-	-	8
Changes in:				
- Loans to customers	12	-786	-843	-10 137
- Operating lease assets		-207	35	79
- Repossessed assets		-2	18	36
- Other assets		1 802	200	527
- Deposits from customers		5 345	-1 114	1 722
- Other liabilities and provisions		-3 184	-124	-926
Interests received		2 820	1 925	8 344
Dividends received		-	-	-0
Interests paid		-1 088	-203	-1 656
Net income taxes paid		-93	-155	-788
Net cash flow from operations		**3 568**	**-1 354**	**-5 660**
Cash flow from investments				
Purchase of bonds		-28 030	-11 662	-46 123
Proceeds from matured bonds		26 696	16 801	50 743
Purchase of fixed and intangible assets		-30	-19	-171
Proceeds from sale of fixed and intangible assets		7	23	6
Net cash flow from investments		**-1 358**	**5 144**	**4 455**
Cash flow from financing				
Proceeds from issued securities		-	5 019	11 060
Repayments of issued securities		-7 801	-8 988	-16 648
Payments related to lease liabilities		-24	-25	-65
Change in loans and deposits from credit institutions		1 159	688	6 314
Proceeds from issue of subordinated loans	15	4	-	2
Repayment of subordinated loans	15	-	-	-
Proceeds from issue of senior non-preferred loans	15	5 579	-	4 082
Repayment of senior non-preferred loans	15	-	-	-
Dividend payments		-2 216	-2 000	-2 000
Interest payments on additional Tier 1 capital	16	-46	-32	-140
Net cash flow from financing		**-3 345**	**-5 338**	**2 605**

	Note	Q1 2023	Q1 2022	FY 2022
Exchange gains / (losses) on cash and cash equivalents		749	-237	-230
Net change in cash and cash equivalents		-387	-1 785	1 169
Cash and cash equivalents at the beginning of the period		9 344	8 175	8 175
Cash and cash equivalents at the end of the period		**8 957**	**6 390**	**9 344**

Statement of changes in equity - Santander Consumer Bank Nordic Group

Q1 2023

All amounts in millions of NOK	**Share Capital**	**Share Capital Premium**	**Additional Tier 1 Capital**	**Other Equity**	**Translation differences from foreign currencies**	**Measured at FVTOCI**	**Cash flow hedge**	**Net investment hedge**	**Actuarial gain/loss**	**Total**
Balance at 1 January 2023	**10 618**	**1 926**	**2 250**	**15 551**	**387**	**20**	**99**	**-96**	**-19**	**30 736**
Profit for the period	-	-	46	515	-	-	-	-	-	561
OCI movements (net of tax)	-	-	-	-	395	2	-24	-84	-	289
Interest payments additional Tier 1 capital	-	-	-46	-	-	-	-	-	-	-46
Dividend	-	-	-	-2 216	-	-	-	-	-	-2 216
Balance at 31 March 2023	**10 618**	**1 926**	**2 250**	**13 850**	**782**	**21**	**75**	**-179**	**-19**	**29 323**

Total shares registered as at March 31, 2023, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at March 31, 2023, 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 2022

All amounts in millions of NOK	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences from foreign currencies	Measured at FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
Balance at 1 January 2022	**10 618**	**1 926**	**2 250**	**14 985**	**140**	**20**	**27**	**-43**	**-68**	**29 855**
Profit for the period	-	-	140	2 567	-	-	-	-	-	2 707
OCI movements (net of tax)	-	-	-	-	247	-0	72	-53	49	315
Interest payments additional Tier 1 capital	-	-	-140	-	-	-	-	-	-	-140
Dividend	-	-	-	-2 000	-	-	-	-	-	-2 000
Balance at 31 December 2022	**10 618**	**1 926**	**2 250**	**15 551**	**387**	**20**	**99**	**-96**	**-19**	**30 736**

Total shares registered as at December 31, 2022, was 965 241 842, each with a par value of 11 NOK

Restricted capital as at December 31, 2022, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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Profit and Loss - Santander Consumer Bank AS

All amounts in millions of NOK	Note	Q1 2023	Q1 2022	FY 2022
Total interest income*		2 577	1 649	7 277
Total interest expenses		-1 055	-190	-1 544
Net interest income	9	**1 522**	**1 459**	**5 733**
Fee and commission income		108	102	520
Fee and commission expenses		-66	-47	-229
Value change and gain/loss on foreign exchange and securities		26	-9	-29
Other operating income		96	58	274
Other operating expenses		-51	-45	-292
Gross margin		**1 635**	**1 519**	**5 977**
Salaries and personnel expenses		-295	-283	-1 118
Administrative expenses		-320	-305	-977
Depreciation and amortisation		-65	-59	-233
Net operating income before impairment losses on loans		**955**	**871**	**3 649**
Other income and costs		-9	-99	-60
Impairment losses on loan, guarantees etc.	3, 4, 5, 13	-366	-334	-659
Profit before tax		**580**	**438**	**2 929**
Income tax expense		-92	-104	-713
Profit after tax		**488**	**334**	**2 216**

Allocation of profit after tax				
Transferred to other earned equity		441	302	2 076
Transferred to additional Tier 1 capital	16	46	32	140
Total allocations		**488**	**334**	**2 216**

Profit after tax		**488**	**334**	**2 216**
Items not to be recycled to profit and loss				
Actuarial gain/loss on post-employment benefit obligations		-	-	49
Items to be recycled to profit and loss				
Net exchange differences on translating foreign operations		2	-0	9
Measured at FVTOCI		2	0	-0
Cash flow hedge		-15	-14	-18
Net investment hedge		-	0	-
Other comprehensive income for the period net of tax		**-11**	**-14**	**39**
Total comprehensive income for the period		**477**	**320**	**2 255**

** Total interest income calculated using the effective interest method*

Balance Sheet - Santander Consumer Bank AS

All amounts in millions of NOK	**Note**	**Q1 2023**	**Q1 2022**	**2022**
Assets				
Cash and receivables on central banks	10	1 854	2 656	5 680
Deposits with and receivables on financial institutions	10	5 790	2 238	2 276
Loans to customers	3, 4, 5, 10, 12	155 088	135 087	147 337
Commercial papers and bonds	10	6 812	4 696	4 704
Financial derivatives	10, 11	-	-	-
Loans to subsidiaries and SPV's	10, 15	18 779	16 023	17 728
Investments in subsidiaries		1 827	1 614	1 717
Other ownership interests	10, 11	14	20	12
Other financial assets	10	305	-	311
Intangible assets		859	820	845
Fixed assets		760	525	517
Repossessed assets		5	10	5
Other assets		2 055	1 174	1 317
Total assets		**194 147**	**164 864**	**182 448**
Liabilities				
Debt to credit institutions	10, 15	35 483	27 016	33 078
Deposits from customers		85 145	70 668	75 925
Debt established by issuing securities	10, 14	30 891	35 133	34 599
Financial derivatives	10, 11	102	-	0
Tax payable		140	145	126
Other financial liabilities		235	339	374
Deferred tax		1 930	1 431	1 721
Pension liabilities		5	48	5
Other liabilities		1 948	2 000	2 636
Subordinated loan capital	10, 15	2 525	2 414	2 422
Senior non-preferred loans	10, 15	10 031	-	4 067
Total liabilities		**168 436**	**139 194**	**154 952**
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		10 913	10 914	12 687
OCI items		4	-38	15
Total equity		**25 711**	**25 670**	**27 496**
Total liabilities and equity		**194 147**	**164 864**	**182 448**

Cash Flow - Santander Consumer Bank AS

All amounts in millions of NOK	**Note**	**Q1 2023**	**Q1 2022**	**FY 2022**
Cash flow from operations				
Profit before tax		580	438	2 929
Adjustments for:				
- Depreciation, amortisation and impairment on fixed and intangible assets		65	59	233
- Net interest income	9	-1 522	-1 459	-5 733
- Value change and gain/loss on foreign exchange and securities		-26	9	29
- Dividends on financial assets at FVOCI		-	-	8
Changes in:				
- Loans to customers	12	-1 467	-1 706	-11 745
- Operating lease assets		-220	24	18
- Repossessed assets		0	11	12
- Other assets		-494	204	-95
- Deposits from customers		5 345	-1 114	1 722
- Other liabilities and provisions		-808	-251	489
Interests received		2 535	1 649	7 250
Dividends received		-	-	-0
Interests paid		-1 055	-190	-1 544
Net income taxes paid		-93	-147	-597
Net cash flow from operations		**2 840**	**-2 472**	**-7 023**
Cash flow from investments				
Purchase of bonds		-28 030	-11 372	-44 352
Proceeds from matured bonds		26 199	15 242	47 552
Purchase of fixed and intangible assets		-30	-18	-168
Proceeds from sale of fixed and intangible assets		2	12	3
Net cash flow from investments		**-1 859**	**3 864**	**3 035**
Cash flow from financing				
Proceeds from issued securities		-	5 019	6 041
Repayments of issued securities		-6 038	-7 963	-10 487
Payments related to lease liabilities		-24	-25	-65
Change in loans and deposits from credit institutions		797	1 738	7 603
Proceeds from issue of subordinated loans	15	4	-	2
Repayment of subordinated loans	15	-	-	-
Proceeds from issue of senior non-preferred loans	15	5 579	-	4 082
Repayment of senior non-preferred loans	15	-	-	-
Dividend payments		-2 216	-2 000	-2 000
Interest payments on additional Tier 1 capital	16	-46	-32	-140
Net cash flow from financing		**-1 945**	**-3 264**	**5 035**

	Note	Q1 2023	YTD Q1 2021	FY 2022
Exchange gains / (losses) on cash and cash equivalents		651	-205	-62
Net change in cash and cash equivalents		-313	-2 077	985
Cash and cash equivalents at the beginning of the period		7 957	6 972	6 972
Cash and cash equivalents at the end of the period		**7 644**	**4 895**	**7 957**

Statement of changes in equity - Santander Consumer Bank AS

Q1 2023

All amounts in millions of NOK	**Share Capital**	**Share Capital Premium**	**Additional Tier 1 Capital**	**Other Equity**	**Translation differences from foreign currencies**	**Measured FVTOCI**	**Cash flow hedge**	**Net investment hedge**	**Actuarial gain/loss**	**Total**
Balance at 1 of January 2023	**10 618**	**1 926**	**2 250**	**12 687**	**-3**	**20**	**-3**	**21**	**-19**	**27 496**
Profit for the period	-	-	46	441	-	-	-	-	-	488
OCI movements (net of tax)	-	-	-	-	2	2	-15	-	-	-11
Interest payments additional Tier 1 capital	-	-	-46	-	-	-	-	-	-	-46
Dividend	-	-	-	-2 216	-	-	-	-	-	-2 216
Balance at 31 of March 2023	**10 618**	**1 926**	**2 250**	**10 913**	**-2**	**21**	**-18**	**21**	**-19**	**25 711**

Total shares registered as at March 31, 2023, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at March 31, 2023, 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 2022

All amounts in millions of NOK	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences from foreign currencies	Measured FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
Balance at 1 January 2022	**10 618**	**1 926**	**2 250**	**12 612**	**-12**	**20**	**15**	**21**	**-68**	**27 382**
Profit for the period	-	-	140	2 076	-	-	-	-	-	2 216
OCI movements (net of tax)	-	-	-	-	9	-0	-18	-	49	39
Interest payments additional Tier 1 capital	-	-	-140	-	-	-	-	-	-	-140
Dividend	-	-	-	-2 000	-	-	-	-	-	-2 000
Balance at 31 December 2022	**10 618**	**1 926**	**2 250**	**12 687**	**-3**	**20**	**-3**	**21**	**-19**	**27 496**

Total shares registered as at December 31, 2022, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at December 31, 2022, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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Lysaker, 19th May 2023

The Board of Directors of Santander Consumer Bank

Jørn Olav Borchgrevink
Chair

Federico Ysart
Deputy Chair

Pedro de Elejabeitia
Board member

Anne Karin Kvam
Board member

Rámon Billordo
Board member

Tone Bergsaker Strømsnes
Employee Representantive

Sara Kristina Norberg
Employee Representantive

Michael Hvidsten
Chief Executive Officer

Notes and financial statements

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 first quarter of 2023 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, 2022.

The annual report for 2022 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 May 19, 2023.

Note 2 - Accounting principles

The accounting policies of the Group are consistent with those applied in the 2022 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.

	Q1 2023				Q1 2022			
Unsecured loans	**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**
Credit grade								
Loans not past due date	25 193	1 218	-	**26 411**	24 718	1 643	-	**26 361**
Standard monitoring	419	735	-	**1 154**	429	618	-	**1 046**
Special monitoring	-	164	-	**164**	-	244	-	**244**
Default	-	-	2 856	**2 856**	-	-	2 941	**2 941**
Gross carrying amount	**25 613**	**2 117**	**2 856**	**30 586**	**25 147**	**2 504**	**2 941**	**30 592**
Loss allowance	-488	-421	-1 811	**-2 720**	-596	-401	-1 809	**-2 806**
Carrying amount	**25 125**	**1 696**	**1 045**	**27 866**	**24 551**	**2 103**	**1 132**	**27 786**
Loss allowance (off balance exposures)	-34	-6	-26	**-67**	-30	-9	-30	**-69**
Loss allowance (%)				**8,89%**				**9,17%**

	Q1 2023				Q1 2022			
Secured loans	**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**
Credit grade								
Loans not past due date	157 090	3 657	6	**160 752**	134 551	2 080	21	**136 652**
Standard monitoring	2 035	1 660	-	**3 696**	2 080	1 117	-	**3 196**
Special monitoring	-	169	-	**169**	-	283	-	**283**
Default	-	-	2 478	**2 478**	-	-	2 255	**2 255**
Gross carrying amount	**159 125**	**5 486**	**2 485**	**167 096**	**136 631**	**3 479**	**2 275**	**142 386**
Loss allowance	-547	-340	-1 160	**-2 046**	-828	-251	-998	**-2 077**
Carrying amount	**158 578**	**5 146**	**1 325**	**165 050**	**135 803**	**3 228**	**1 277**	**140 308**
Loss allowance (%)				**1,22%**				**1,46%**

Secured contracts consist of vehicles that act as guarantees for the loan and lease contracts. The Group has a robust process to repossess the vehicle and recoup losses on non-performing contracts. The leased vehicles are owned by the Group and hence are easier to repossess. No significant changes have been made to the collateral and repossession policies during 2023. The loan-to-value (LTV) ratio is considered a useful measure to evaluate the quality of the collateral, i.e. the credit extended divided by the appraised value of the collateral.

	Q1 2023				Q1 2022			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Commercial papers and bonds	**ECL**	**ECL**	**ECL**	**Total**	**ECL**	**ECL**	**ECL**	**Total**
Credit grade								
Investment grade	6 812	-	-	**6 812**	4 649	-	-	**4 649**
Standard monitoring	-	-	-	**-**	-	-	-	**-**
Special monitoring	-	-	-	**-**	-	-	-	**-**
Default	-	-	-	**-**	-	-	-	**-**
Gross carrying amount	**6 812**	**-**	**-**	**6 812**	**4 649**	**-**	**-**	**4 649**
Loss allowance	-0	-	-	**-0**	-	-	-	**-**
Carrying amount	**6 812**	**-**	**-**	**6 812**	**4 649**	**-**	**-**	**4 649**
Loss allowance (%)				**0,00%**				**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	**Q1 2023**	**Q1 2022**
Financial derivatives Assets	520	173
Financial derivatives Liabilities	633	172

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		
	Q1 2023	**Q1 2022**	**FY 2022**	**Q1 2023**	**Q1 2022**	**FY 2022**
Current - not past due date	187 463	163 519	177 236	-1 432	-1 757	-1 327
Current - past due date	4 878	4 243	5 248	-363	-319	-379
Total impaired loans	5 340	5 216	4 917	-2 971	-2 807	-2 718
Total gross loans to customers	**197 681**	**172 978**	**187 401**	**-4 766**	**-4 883**	**-4 425**

	Gross outstanding			Loss reserves		
Ageing of past due but not impaired loans	**Q1 2023**	**Q1 2022**	**FY 2022**	**Q1 2023**	**Q1 2022**	**FY 2022**
1 - 29 days	3 480	3 098	3 809	-140	-114	-145
30 - 59 days	859	739	924	-131	-129	-144
60 - 89 days	539	405	515	-92	-77	-90
Total loans due but not impaired	**4 878**	**4 243**	**5 248**	**-363**	**-319**	**-379**

	Gross outstanding			Loss reserves		
Ageing of impaired loans	**Q1 2023**	**Q1 2022**	**FY 2022**	**Q1 2023**	**Q1 2022**	**FY 2022**
90 - 119 days	479	303	413	-187	-117	-161
120 - 149 days	377	222	314	-155	-93	-122
150 - 179 days	296	157	179	-124	-65	-71
180 + days	2 739	1 768	2 675	-1 756	-1 095	-1 697
Economic doubtful*	1 449	2 766	1 336	-749	-1 437	-668
Total impaired loans	**5 340**	**5 216**	**4 917**	**-2 971**	**-2 807**	**-2 718**

* 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:

	Q1 2023				Q1 2022			
Unsecured loans	**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**
Loss allowance at 1 January	**476**	**400**	**1 667**	**2 543**	**622**	**388**	**1 874**	**2 884**
Transfers:								
Transfer from Stage 1 to Stage 2	-40	223	-	**183**	-45	246	-	**201**
Transfer from Stage 1 to Stage 3	-2	-	25	**23**	-1	-	20	**18**
Transfer from Stage 2 to Stage 3	-	-142	244	**101**	-	-104	179	**75**
Transfer from Stage 2 to Stage 1	18	-128	-	**-109**	26	-129	-	**-103**
Transfer from Stage 3 to Stage 2	-	33	-63	**-29**	-	23	-55	**-32**
Transfer from Stage 3 to Stage 1	0	-	-1	**-1**	0	-	-1	**-1**
Assets remaining in same Stage	-33	-5	6	**-32**	-74	-8	43	**-40**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-23	-10	-15	**-47**	-22	-5	-19	**-46**
of which 'accounts that have closed in the period'	*-23*	*-10*	*-15*	***-47***	*-22*	*-5*	*-19*	***-46***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-142	**-142**	-	-	-194	**-194**
New financial assets originated or purchased	53	-	-	**53**	100	-	-	**100**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	38	49	90	**178**	-9	-9	-38	**-56**
Loss allowance at 31 March	**488**	**421**	**1 811**	**2 720**	**596**	**401**	**1 809**	**2 806**

	Q1 2023				Q1 2022			
Secured loans	**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**
Loss allowance at 1 January	**510**	**320**	**1 052**	**1 882**	**822**	**247**	**995**	**2 064**
Transfers:								
Transfer from Stage 1 to Stage 2	-23	221	-	**198**	-26	185	-	**159**
Transfer from Stage 1 to Stage 3	-6	-	65	**59**	-9	-	50	**41**
Transfer from Stage 2 to Stage 3	-	-99	257	**158**	-	-94	194	**99**
Transfer from Stage 2 to Stage 1	20	-89	-	**-69**	16	-93	-	**-77**
Transfer from Stage 3 to Stage 2	-	55	-149	**-94**	-	57	-153	**-96**
Transfer from Stage 3 to Stage 1	0	-	-1	**-1**	0	-	-1	**-1**
Assets remaining in same Stage	-18	-17	66	**31**	-74	-35	50	**-59**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-28	-20	-59	**-107**	-50	-17	-49	**-116**
of which 'accounts that have closed in the period'	*-28*	*-20*	*-59*	***-107***	*-50*	*-17*	*-49*	***-116***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-115	**-115**	-	-	-76	**-76**
New financial assets originated or purchased	74	-	-	**74**	166	-	-	**166**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	19	-31	44	**32**	-19	1	-10	**-28**
Loss allowance at 31 March	**547**	**340**	**1 160**	**2 046**	**828**	**251**	**998**	**2 077**

	Q1 2023				Q1 2022			
Commercial papers and bonds	**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**
Loss allowance at 1 January	**0**	**-**	**-**	**0**	**-**	**-**	**-**	**-**
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	-	-	-	**-**	-	-	-	**-**
of which 'accounts that have closed in the period'	-	-	-	**-**	-	-	-	**-**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-	**-**	-	-	-	**-**
New financial assets originated or purchased	-	-	-	**-**	-	-	-	**-**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	0	-	-	**0**	-	-	-	**-**
Loss allowance at 31 March	**1**	**-**	**-**	**1**	**-**	**-**	**-**	**-**

	Q1 2023				Q1 2022			
Off balance exposure*	**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**
Loss allowance at 1 January	**33**	**6**	**26**	**65**	**29**	**9**	**29**	**66**
Transfers:								
Transfer from Stage 1 to Stage 2	-0	2	-	**2**	-0	3	-	**2**
Transfer from Stage 1 to Stage 3	-0	-	5	**5**	-0	-	5	**5**
Transfer from Stage 2 to Stage 3	-	-0	2	**2**	-	-0	2	**1**
Transfer from Stage 2 to Stage 1	1	-3	-	**-2**	1	-4	-	**-4**
Transfer from Stage 3 to Stage 2	-	2	-3	**-1**	-	2	-3	**-1**
Transfer from Stage 3 to Stage 1	0	-	-1	**-1**	0	-	-0	**-0**
Assets remaining in same Stage	-1	-0	3	**2**	-3	1	5	**3**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-1	-1	-6	**-8**	-1	-1	-7	**-9**
of which 'accounts that have closed in the period'	*-1*	*-1*	*-6*	***-8***	*-1*	*-1*	*-7*	***-9***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-1	**-1**	-	-	-1	**-1**
New financial assets originated or purchased	3	-	-	**3**	5	-	-	**5**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	1	0	0	**1**	-0	-0	-0	**-0**
Loss allowance at 31 March	**34**	**6**	**26**	**67**	**30**	**9**	**30**	**69**

* 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 = liquid assets / 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) %	**Q1 2023**	**Q1 2022**	**Q4 2022**
Liquidity Coverage Ratio (LCR) Total	158%	152%	185%
Liquidity Coverage Ratio (LCR) NOK	121%	81%	86%
Liquidity Coverage Ratio (LCR) SEK	204%	221%	299%
Liquidity Coverage Ratio (LCR) DKK	126%	150%	220%
Liquidity Coverage Ratio (LCR) EUR	225%	273%	140%

Note 7 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	**Q1 2023**	**Q1 2022**	**FY 2022**
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	13 850	13 413	15 551
Tier 1 Capital	2 250	2 250	2 250
Other reserves	680	14	391
Total Equity	**29 323**	**28 221**	**30 736**
Common Equity Tier 1 Capital			
(-) Profit not eligible as capital	-561	-461	-2 216
Cash-flow hedge adjustment	-	-29	-3
IRB Expected Loss - Reserves	-404	-368	-552
Goodwill	-902	-774	-835
Other intangible assets	-83	-448	-97
Deferred tax assets	-	-	-
Adjustment Prudent Valuation (AVA)	-2	-4	-5
Tier 1 Capital	-2 250	-2 250	-2 250
Total common Equity Tier 1 Capital	**25 122**	**23 887**	**24 777**
Tier 1 Capital			
Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital	**27 372**	**26 137**	**27 027**
Total Capital			
Paid up subordinated loans	2 516	2 408	2 417
Subordinated loans not eligible	-56	-	-31
Total Capital	**29 832**	**28 545**	**29 414**
Risk exposure on Standard Approach			
Regional governments or local authorities	69	65	68
Institutions	1 309	622	1 203
Corporates	13 725	7 577	10 606
Retail Standard Approach	56 646	52 793	54 498
Exposures in default SA	3 372	3 519	3 338
Covered bonds	151	103	149
Other Exposures	4 578	3 625	3 547
Total Risk exposure amount on Standard Approach	**79 850**	**68 303**	**73 409**

Risk exposure on Internal Rating Based Approach	Q1 2023	Q1 2022	FY 2022
Retail Other	43 364	40 605	42 050
Total Risk exposure amount on Internal Rating Based Approach	**43 364**	**40 605**	**42 050**
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	**123 214**	**108 908**	**115 459**
Foreign exchange (zero if under threshold)	3 351	2 175	3 165
Risk exposure amount for position, foreign exchange and commodities risks	**3 351**	**2 175**	**3 165**
Basic indicator approach	13 924	14 261	13 924
Risk exposure amount for operational risk	**13 924**	**14 261**	**13 924**
Standardized method	12	6	24
Risk exposure amount for credit valuation adjustment	**12**	**6**	**24**
Total risk exposure amount	**140 501**	**125 350**	**132 572**

Total exposure for Leverage Ratio			
Derivatives: Add-on under market-to-market method	1 286	398	949
Off-balance sheet items with 10% CCF	3 574	3 044	3 062
Off-balance sheet items with 20% CCF	973	1 007	776
Off-balance sheet items with 50% CCF	38	37	38
Adjusted On balance sheet exposure	216 543	179 895	204 096
Total exposure for Leverage Ratio	**222 413**	**184 381**	**208 920**

Minimum Regulatory Capital			
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	1,52%	3,30%	3,30%
Pillar 2 Guidance	1,50%	1,50%	1,50%
Countercyclical Buffer (combined)	1,53%	0,29%	1,32%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	1,06%	1,33%	1,23%
Minimum Regulatory Capital ratio (CET1)	**12,61%**	**13,42%**	**14,35%**

Minimum Regulatory Capital			
Minimum Core Equity	6 323	5 641	5 966
Pillar 2 Requirement	4 000	4 137	4 375
Pillar 2 Guidance	2 108	1 880	1 989
Countercyclical Buffer (combined)	2 145	370	1 750
Conservation Buffer	3 513	3 134	3 314
Systemic Risk Buffer (combined)	1 494	1 664	1 635
Minimum Regulatory Capital amount	**19 581**	**16 825**	**19 028**

	Q1 2023	Q1 2022	FY 2022
Surplus of Core Equity Tier 1 capital	5 541	7 062	5 749
Common equity tier 1 capital ratio	**17,88%**	**19,06%**	**18,69%**
CET1 regulatory requirements	12,61%	13,42%	14,35%
Tier 1 capital ratio	**19,48%**	**20,85%**	**20,39%**
Tier 1 regulatory requirements	14,62%	14,92%	15,85%
Total capital ratio	**21,23%**	**22,77%**	**22,19%**
Total capital regulatory requirements	17,30%	16,92%	17,85%
Leverage ratio	**12,31%**	**14,18%**	**12,94%**
LR regulatory requirements	3,00%	5,00%	3,00%

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

Since December 2018, the Group has reported capital ratios using IFRS9 transitional rules. From Q1 2022, the Group is only reporting 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)

Q1 2023

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	5 208	47 559	11 464	-	**64 230**
Sweden	13 092	22 730	19 623	-	**55 445**
Denmark	7 086	28 782	3 586	631	**40 086**
Finland	5 200	30 507	2 844	425	**38 976**
Total	**30 586**	**129 579**	**37 517**	**1 056**	**198 737**

Q1 2022

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	5 989	41 580	12 228	-	**59 797**
Sweden	14 237	18 365	14 363	-	**46 966**
Denmark	5 873	23 749	2 903	341	**32 865**
Finland	4 494	26 571	2 627	436	**34 128**
Total	**30 592**	**110 264**	**32 122**	**778**	**173 756**

Profit and Loss per Country	Q1 2023					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	1 197	736	644	631	-341	**2 866**
Total interest expenses	-510	-389	-156	-375	343	**-1 088**
Net interest income	**686**	**347**	**489**	**255**	**1**	**1 778**
Fee and commission income	36	51	21	38	-13	**133**
Fee and commission expenses	-38	-15	-13	-18	13	**-71**
Value change and gain/loss on foreign exchange and securities	2	25	-1	-23	1	**4**
Other operating income	25	23	48	28	-	**124**
Other operating expenses	-15	-10	-26	-30	-	**-81**
Gross margin	**696**	**421**	**518**	**250**	**2**	**1 887**
Salaries and personnel expenses	-133	-91	-71	-51	-	**-347**
Administrative expenses	-158	-90	-72	-43	-1	**-364**
Depreciation and amortisation	-32	-20	-13	-6	-	**-71**
Net operating income	**372**	**220**	**362**	**150**	**1**	**1 105**
Other income and costs	1	-0	-10	3	-	**-6**
Impairment losses on loan, guarantees etc.	-93	-139	-134	-62	-	**-428**
Profit before taxes	**280**	**81**	**219**	**91**	**1**	**671**
Income tax expense	-20	-17	-55	-18	-	**-110**
Profit after tax	**260**	**64**	**164**	**72**	**1**	**561**

Profit and Loss per Country	Q1 2022					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	762	476	421	629	-363	**1 925**
Total interest expenses	-125	-63	-10	-370	365	**-203**
Net interest income	**636**	**412**	**412**	**260**	**2**	**1 722**
Fee and commission income	38	47	18	31	-15	**118**
Fee and commission expenses	-28	-14	-7	-19	15	**-52**
Value change and gain/loss on foreign exchange and securities	-3	-4	-3	-5	-0	**-15**
Other operating income	12	7	39	27	-	**85**
Other operating expenses	-16	-7	-21	-32	-	**-77**
Gross margin	**640**	**441**	**438**	**261**	**1**	**1 782**
Salaries and personnel expenses	-119	-88	-76	-48	-	**-331**
Administration expenses	-125	-110	-69	-48	-2	**-355**
Depreciation and amortisation	-28	-20	-11	-6	-	**-65**
Net operating income	**367**	**223**	**281**	**159**	**-0**	**1 031**
Other income and costs	-53	-26	-20	-7	-	**-106**
Impairment losses on loan, guarantees etc.	-116	-148	-70	-41	-	**-375**
Profit before taxes	**198**	**49**	**191**	**112**	**-0**	**550**
Income tax expense	-66	55	-94	15	-	**-89**
Profit after tax	**133**	**104**	**97**	**127**	**-0**	**461**

Balance Sheet per Country	Q1 2023					
	Norway	**Sweden**	**Denmark**	**Finland**	**Eliminations**	**Total Group**
Cash and receivables on central banks	66	1 787	-	-	-	**1 854**
Deposits with and receivables on financial institutions	1 301	692	3 797	1 313	-	**7 103**
Total gross loans to customers	64 230	55 445	39 455	38 551	-	**197 681**
Write-downs	-1 259	-1 457	-1 326	-724	-	**-4 767**
Commercial papers and bonds	3 833	2 677	303	464	-464	**6 812**
Financial derivatives	-	-	-	520	-	**520**
Investments in subsidiaries	1 827	-	-	-	-1 827	**0**
Other assets	35 388	539	1 851	31 530	-63 381	**5 928**
Total assets	**105 387**	**59 683**	**44 079**	**71 655**	**-65 672**	**215 132**
Debt to credit institutions	11 787	28 719	9 887	23 310	-33 698	**40 006**
Deposits from customers	28 228	23 736	33 181	-	-	**85 145**
Debt established by issuing securities	26 306	4 561	24	12 389	-463	**42 817**
Financial derivatives	102	-	-	531	-	**633**
Other liabilities	13 219	2 745	944	30 490	-30 190	**17 208**
Equity	25 746	-78	43	4 934	-1 322	**29 323**
Total liabilities and equity	**105 387**	**59 683**	**44 079**	**71 655**	**-65 672**	**215 132**

Balance Sheet per Country	Q1 2022					
	Norway	**Sweden**	**Denmark**	**Finland**	**Eliminations**	**Total Group**
Cash and receivables on central banks	65	2 591	-	-	-	**2 656**
Deposits with and receivables on financial institutions	217	652	1 437	1 427	-	**3 733**
Total gross loans to customers	59 797	46 966	32 524	33 692	-	**172 978**
Write-downs	-1 825	-1 356	-1 019	-684	-	**-4 883**
Commercial papers and bonds	2 409	1 436	851	410	-457	**4 649**
Financial derivatives	-	-	-	173	-	**173**
Investments in subsidiaries	1 614	-	-	-	-1 614	**-0**
Other assets	25 171	508	1 266	24 642	-48 100	**3 486**
Total assets	**87 448**	**50 797**	**35 059**	**59 659**	**-50 171**	**182 793**
Debt to credit institutions	8 347	21 142	5 116	19 879	-24 277	**30 207**
Deposits from customers	22 457	20 043	28 168	-	-	**70 668**
Debt established by issuing securities	27 872	7 076	900	11 276	-457	**46 667**
Financial derivatives	-	-	-	172	-	**172**
Other liabilities	3 105	2 531	878	24 566	-24 223	**6 857**
Equity	25 667	5	-3	3 766	-1 215	**28 221**
Total liabilities and equity	**87 448**	**50 797**	**35 059**	**59 659**	**-50 171**	**182 793**

Note 9 - Net interest income

All amounts in millions of NOK

	Q1 2023	Q1 2022	FY 2022
Interest and similar income on loans to and receivables from credit institutions	70	3	52
Interest and similar income on loans to and receivables from customers	2 739	1 906	8 267
Interest and similar income on comm. paper, bonds and other securities	50	3	39
Interest and similar income on loans to subsidiaries, branches and SPVs	8	13	52
Other interest income and similar income	-	-	-
Total interest income	**2 866**	**1 925**	**8 410**
Interest and similar expenses on debt to credit institutions	-252	-17	-313
Interest and similar expenses on deposits from and debt to customers	-469	-96	-723
Interest and similar expenses on issued securities	-212	-69	-450
Interest on subordinated loan capital	-28	-14	-71
Interest on senior non-preferred loans	-95	-	-46
Other interest expenses and similar expenses	-32	-7	-53
Total interest expense	**-1 088**	**-203**	**-1 656**
Net interest income	**1 778**	**1 722**	**6 754**

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	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-252	-17	-313
Average loan over the period	38 283	30 325	33 502
Average nominal interest rate	**2,63%**	**0,23%**	**0,93%**

To customers	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-469	-96	-723
Average deposit over the period	80 535	71 986	74 614
Average nominal interest rate	**2,33%**	**0,53%**	**0,97%**

To bondholders	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-212	-69	-450
Average issued notes and bonds	45 062	49 093	49 413
Average nominal interest rate	**1,88%**	**0,57%**	**0,91%**

Subordinated loan capital	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-28	-14	-71
Average subordinated loan capital	2 473	2 439	2 443
Average nominal interest rate	**4,49%**	**2,27%**	**2,91%**

Senior non-preferred loans	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-95	-	-46
Average senior non-preferred loans	7 049	-	2 034
Average nominal interest rate	**5,37%**	**0,00%**	**2,27%**

Total of tables above	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-1 056	-196	-1 603
Loan	173 403	153 842	162 005
Average nominal interest rate	**2,44%**	**0,51%**	**0,99%**

Note 10 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 31 March 2023	**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	-	-	1 854	1 854
Deposits with and receivables on financial institutions	-	-	7 103	7 103
Loans to customers	-	-	192 915	192 915
Commercial papers and bonds	-	-	6 812	6 812
Financial derivatives	520	-	-	520
Other ownership interests	-	14	-	14
Other financial assets	-	-	802	802
Total financial assets	**520**	**14**	**209 486**	**210 019**

Non-financial assets	5 113
Total assets	**215 132**

Classification of financial liabilities 31 March 2023	**Financial liabilities at fair value through P&L**	**Financial liabilities at fair value through OCI**	**Amortized cost**	**Book value**
Debt to credit institutions	-	-	40 006	40 006
Deposits from customers	-	-	85 145	85 145
Debt established by issuing securities	-	-	42 817	42 817
Financial derivatives	633	-	-	633
Other financial liabilities	-	-	399	399
Subordinated loan capital	-	-	2 525	2 525
Senior non-preferred loans	-	-	10 031	10 031
Total financial liabilities	**633**	**-**	**180 923**	**181 556**

Non-financial liabilities and equity	33 576
Total liabilities and equity	**215 132**

Classification of financial assets 31 March 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	-	-	2 656	2 656
Deposits with and receivables on financial institutions	-	-	3 733	3 733
Loans to customers	-	-	168 095	168 095
Commercial papers and bonds	-	-	4 649	4 649
Financial derivatives	173	-	-	173
Other ownership interests	-	20	-	20
Total financial assets	**173**	**20**	**179 133**	**179 327**

Non-financial assets	3 466
Total assets	**182 793**

Classification of financial liabilities 31 March 2022	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	30 207	30 207
Deposits from customers	-	-	70 668	70 668
Debt established by issuing securities	-	-	46 667	46 667
Financial derivatives	172	-	-	172
Other financial liabilities	-	-	342	342
Subordinated loan capital	-	-	2 414	2 414
Total financial liabilities	**172**	**-**	**150 298**	**150 471**

Non-financial liabilities and equity	32 322
Total liabilities and equity	**182 793**

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.

Q1 2023 **Financial instruments measured at fair value**			**Quoted market price Level 1**	**Using observable inputs Level 2**	**With significant unobservable inputs Level 3**	**Total**
Financial assets						
Name	***Type***	***Notional***				
KIMI8A Fixed	Interest Rate Swap	MM EUR 91	-	14	-	**14**
KIMI8B Fixed	Interest Rate Swap	MM EUR 10	-	2	-	**2**
KIMI9A Fixed	Interest Rate Swap	MM EUR 198	-	90	-	**90**
KIMI9B Fixed	Interest Rate Swap	MM EUR 21	-	9	-	**9**
KIMI10	Interest Rate Cap	MM EUR 298	-	228	-	**228**
KIMI11	Interest Rate Swap	MM EUR 447	-	177	-	**177**
Total financial trading derivatives			**-**	**520**	**-**	**520**
Name	***Type***					
VN Norge	Equity		-	13	-	**13**
Norsk Gjeldsinformasjon AS	Equity		-	-	0	**0**
Vipps AS	Equity		-	-	0	**0**
Total other ownership interests			**-**	**13**	**0**	**14**
Total Assets			**-**	**533**	**0**	**534**

Financial liabilities			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Name	*Type*	*Notional*				
FX Swap EUR-NOK	Cross Currency Swap	MM EUR 40	-	28	-	**28**
FX Swap DKK-NOK	Cross Currency Swap	MM EUR 110	-	74	-	**74**
KIMI8A Pass Through	Interest Rate Swap	MM EUR 85	-	13	-	**13**
KIMI8B Pass Through	Interest Rate Swap	MM EUR 9	-	1	-	**1**
KIMI9A Pass Through	Interest Rate Swap	MM EUR 195	-	94	-	**94**
KIMI9B Pass Through	Interest Rate Swap	MM EUR 20	-	9	-	**9**
KIMI10 Pass Through	Interest Rate Cap	MM EUR 298	-	235	-	**235**
KIMI11 Pass Through	Interest Rate Swap	MM EUR 447	-	178	-	**178**
Total financial derivatives			**-**	**633**	**-**	**633**
Total Liabilities			**-**	**633**	**-**	**633**

Derivatives designated for hedge accounting - assets						
Name	*Type*	*Notional*				
KIMI8A	Interest Rate Swap	MM EUR 85	-	13	-	**13**
KIMI8B	Interest Rate Swap	MM EUR 9	-	1	-	**1**
KIMI9A	Interest Rate Swap	MM EUR 195	-	94	-	**94**
KIMI9B	Interest Rate Swap	MM EUR 20	-	9	-	**9**
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	20	-	**20**
Total derivatives designated for hedging - assets*			**-**	**138**	**-**	**138**

Derivatives designated for hedge accounting - liabilities						
Name	*Type*	*Notional*				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	131	-	**131**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	106	-	**106**
SNP EUR MEUR 200	Cross Currency Swap	MM EUR 200	-	13	-	**13**
Total derivatives designated for hedging - liabilities*			**-**	**250**	**-**	**250**

* 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.

Q1 2022

Financial instruments measured at fair value			**Quoted market price Level 1**	**Using observable inputs Level 2**	**With significant unobservable inputs Level 3**	**Total**
Financial assets						
Name	***Type***	***Notional***				
KIMI7 Pass Through	Interest Rate Swap	MM EUR 62	-	1	-	**1**
KIMI8A Fixed	Interest Rate Swap	MM EUR 179	-	8	-	**8**
KIMI8B Fixed	Interest Rate Swap	MM EUR 20	-	1	-	**1**
KIMI9A Fixed	Interest Rate Swap	MM EUR 363	-	41	-	**41**
KIMI9B Fixed	Interest Rate Swap	MM EUR 31	-	4	-	**4**
KIMI10	Interest Rate Cap	MM EUR 435	-	118	-	**118**
Total financial trading derivatives			**-**	**173**	**-**	**173**
Name	***Type***					
VN Norge	Equity		-	20	-	**20**
Total other ownership interests			**-**	**20**	**-**	**20**
Total Assets			**-**	**193**	**-**	**193**
Financial liabilities						
Name	***Type***	***Notional***				
KIMI7 Fixed	Interest Rate Swap	MM EUR 65	-	0	-	**0**
KIMI8A Pass Through	Interest Rate Swap	MM EUR 176	-	8	-	**8**
KIMI8B Pass Through	Interest Rate Swap	MM EUR 19	-	1	-	**1**
KIMI9A Pass Through	Interest Rate Swap	MM EUR 363	-	41	-	**41**
KIMI9B Pass Through	Interest Rate Swap	MM EUR 31	-	4	-	**4**
KIMI10 Pass Through	Interest Rate Cap	MM EUR 435	-	118	-	**118**
Total financial derivatives			**-**	**172**	**-**	**172**
Total Liabilities			**-**	**172**	**-**	**172**

Derivatives designated for hedge accounting - assets			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Name	*Type*	*Notional*				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	27	-	**27**
KIMI8A	Interest Rate Swap	MM EUR 176	-	8	-	**8**
KIMI8B	Interest Rate Swap	MM EUR 19	-	1	-	**1**
KIMI9A	Interest Rate Swap	MM EUR 363	-	42	-	**42**
KIMI9B	Interest Rate Swap	MM EUR 31	-	4	-	**4**
Total derivatives designated for hedging - assets*			**-**	**82**	**-**	**82**

Derivatives designated for hedge accounting - liabilities						
Name	*Type*	*Notional*				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	54	-	**54**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	49	-	**49**
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	90	-	**90**
KIMI7	Interest Rate Swap	MM EUR 62	-	0	-	**0**
Total derivatives designated for hedging - liabilities*			**-**	**193**	**-**	**193**

* 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

	Q1 2023	Q1 2022	FY 2022
Credit Card	4 884	5 041	4 928
Unsecured loans	25 701	25 551	24 825
Auto loans	167 096	142 386	157 649
- Installment loans	*129 579*	*110 264*	*121 748*
- Finance leases	*37 517*	*32 122*	*35 901*
Total gross loans to customers	**197 681**	**172 978**	**187 401**
- Loan loss allowance - Stage 1	-1 034	-1 424	-986
- Loan loss allowance - Stage 2	-761	-652	-720
- Loan loss allowance - Stage 3	-2 971	-2 807	-2 719
Total net loans to customers	**192 915**	**168 095**	**182 976**

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:

	Q1 2023	Q1 2022
Change in loss allowance - Unsecured loans	-22	9
Change in loss allowance - Secured loans	-78	-38
Change in loss allowance - Commercial papers and bonds	-0	-0
+ Total realized losses	-411	-393
- Recoveries on previously realized losses	82	48
- Gain on sold portfolios	-	-
Impairment losses on loan, guarantees etc.	**-428**	**-375**

Note 14 - Issued securities

All amounts in millions of NOK

	Q1 2023	Q1 2022	FY 2022
Senior unsecured issued securities	30 891	35 133	34 599
Asset backed issued securities	11 926	11 534	12 709
Total issued securities	**42 817**	**46 667**	**47 308**

Issued securities by currency in NOK	**Q1 2023**	**Q1 2022**	**FY 2022**
DKK	-	982	-
EUR	34 175	35 381	38 511
NOK	3 813	3 606	3 814
SEK	4 828	6 699	4 983
Total issued securities	**42 817**	**46 667**	**47 308**

Note 15 - Receivables and liabilities to related parties

All amounts in millions of NOK

Debt to related parties:	Q1 2023	Accrued Interest Q1 2023	Q1 2022	Accrued Interest Q1 2022	FY 2022	Accrued Interest FY 2022
Santander Consumer Finance S.A.	39 830	176	30 122	10	36 450	111
Total	**39 830**	**176**	**30 122**	**10**	**36 450**	**111**

Balance sheet line: "Subordinated loan capital" - Bonds	Q1 2023	Accrued Interest Q1 2023	Q1 2022	Accrued Interest Q1 2022	FY 2022	Accrued Interest FY 2022
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	2	500	1	500	2
MSEK 750, maturity December 2029, 3 months STIBOR + 2.08% (Santander Consumer Finance S.A)	758	2	704	1	709	1
MSEK 750, maturity December 2030, 3 months STIBOR + 2.29% (Santander Consumer Finance S.A)	758	1	704	-	709	1
MNOK 500, maturity June 2031, fixed rate 2.62% (Santander Consumer Finance S.A)	500	4	500	4	500	0
Total	**2 516**	**9**	**2 408**	**6**	**2 417**	**4**

Balance sheet line: "Senior non-preferred loans"	Q1 2023	Accrued Interest Q1 2023	Q1 2022	Accrued Interest Q1 2022	FY 2022	Accrued Interest FY 2022
MSEK 600, maturity April 2026, 3 months STIBOR + 1.04% (Santander Consumer Finance S.A)	606	4	-	-	567	3
MNOK 650, maturity May 2026, 3 months NIBOR + 1.37% (Santander Consumer Finance S.A)	650	3	-	-	650	3
MSEK 1000, maturity August 2026, 3 months STIBOR + 1.50% (Santander Consumer Finance S.A)	1 010	4	-	-	945	3
MSEK 1000, maturity September 2026, 3 months STIBOR + 1.75% (Santander Consumer Finance S.A)	1 010	0	-	-	945	1
MSEK 1000, maturity November 2026, 3 months STIBOR + 2.18% (Santander Consumer Finance S.A)	1 010	5	-	-	945	4
MEUR 500, maturity January 2027, fixed rate 2.51% (Santander Consumer Finance S.A)	5 677	50	-	-	-	-
Total	**9 965**	**67**	**-**	**-**	**4 052**	**15**

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:

Profit and loss	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest income	3	2	3
Interest expenses	-423	-28	-475
Interest payments additional Tier 1 capital	-46	-32	-140
Fees	-	-	-
Other	149	-182	-701
Net transactions	**-317**	**-240**	**-1 313**

Assets	**Q1 2023**	**Q1 2022**	**FY 2022**
Deposits with and receivables on financial institutions	25	1	5
Financial derivatives	15	9	21
Other financial assets	669	321	741
Other assets	20	-	-
Total assets	**729**	**331**	**767**

Liabilities	**Q1 2023**	**Q1 2022**	**FY 2022**
Debt to credit institutions	40 006	30 132	36 561
Debt established by issuing securities	267	206	219
Financial derivatives	441	118	462
Other liabilities	364	232	398
Subordinated loan capital	12 556	2 414	6 489
Total liabilities	**53 633**	**33 103**	**44 128**

The Group had transactions with the following related parties as at 31 March 2023:

Banco Santander S.A.

CACEIS Bank Spain SAU

Santander Consumer Finance Global Services S.L.

Santander Consumer Finance S.A.

Santander Consumer Mobility Services S.A.

Santander Global Services S.L.

Santander Global Technology and Operations, S.L. Unipersonal

Santander Seguros Y Reaseguros S.A.

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

Notes and financial statements

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 first quarter of 2023 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, 2022.

The annual report for 2022 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 May 19, 2023.

Note 2 - Accounting principles

The accounting policies of the Bank are consistent with those applied in the 2022 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.

	Q1 2023				Q1 2022			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Unsecured loans	ECL	ECL	ECL	Total	ECL	ECL	ECL	Total
Credit grade								
Loans not past due date	20 817	1 058	-	**21 875**	20 843	1 597	-	**22 439**
Standard monitoring	298	557	-	**855**	281	538	-	**819**
Special monitoring	-	162	-	**162**	-	240	-	**240**
Default	-	-	2 494	**2 494**	-	-	2 600	**2 600**
Gross carrying amount	**21 115**	**1 776**	**2 494**	**25 386**	**21 123**	**2 375**	**2 600**	**26 098**
Loss allowance	-395	-342	-1 610	**-2 347**	-485	-375	-1 602	**-2 461**
Carrying amount	**20 720**	**1 435**	**884**	**23 038**	**20 639**	**2 001**	**998**	**23 637**
Loss allowance (off balance exposures)	-34	-6	-26	**-67**	-30	-9	-30	**-69**
Loss allowance (%)				**9,25%**				**9,43%**

	Q1 2023				Q1 2022			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL	Total	ECL	ECL	ECL	Total
Credit grade								
Loans not past due date	126 292	3 137	6	**129 435**	107 376	1 806	21	**109 203**
Standard monitoring	1 070	1 227	-	**2 298**	1 222	803	-	**2 025**
Special monitoring	-	143	-	**143**	-	238	-	**238**
Default	-	-	1 869	**1 869**	-	-	1 723	**1 723**
Gross carrying amount	**127 362**	**4 507**	**1 876**	**133 745**	**108 598**	**2 846**	**1 744**	**113 188**
Loss allowance	-457	-280	-958	**-1 695**	-662	-214	-862	**-1 738**
Carrying amount	**126 906**	**4 227**	**917**	**132 049**	**107 936**	**2 632**	**882**	**111 450**
Loss allowance (%)				**1,27%**				**1,54%**

Secured contracts consist of vehicles that act as guarantees for the loan and lease contracts. The Bank has a robust process to repossess the vehicle and recoup losses on non-performing contracts. The leased vehicles are owned by the Bank and hence are easier to repossess. No significant changes have been made to the collateral and repossession policies during 2023. The loan-to-value (LTV) ratio is considered a useful measure to evaluate the quality of the collateral, i.e. the credit extended divided by the appraised value of the collateral.

	Q1 2023				Q1 2022			
Commercial papers and bonds	**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**
Credit grade								
Investment grade	6 812	-	-	**6 812**	4 696	-	-	**4 696**
Standard monitoring	-	-	-	**-**	-	-	-	**-**
Special monitoring	-	-	-	**-**	-	-	-	**-**
Default	-	-	-	**-**	-	-	-	**-**
Gross carrying amount	**6 812**	**-**	**-**	**6 812**	**4 696**	**-**	**-**	**4 696**
Loss allowance	-0	-	-	**-0**	-	-	-	**-**
Carrying amount	**6 812**	**-**	**-**	**6 812**	**4 696**	**-**	**-**	**4 696**
Loss allowance (%)				**0,00%**				**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	**Q1 2023**	**Q1 2022**
Financial derivatives Assets	-	-
Financial derivatives Liabilities	102	-

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		
	Q1 2023	**Q1 2022**	**FY 2022**	**Q1 2023**	**Q1 2022**	**FY 2022**
Current - not past due date	151 583	132 099	143 529	-1 204	-1 475	-1 113
Current - past due date	3 178	2 844	3 546	-269	-261	-291
Total impaired loans	4 370	4 343	4 000	-2 569	-2 464	-2 335
Total gross loans to customers	**159 130**	**139 286**	**151 075**	**-4 042**	**-4 200**	**-3 739**

	Gross outstanding			Loss reserves		
Ageing of past due but not impaired loans	**Q1 2023**	**Q1 2022**	**FY 2022**	**Q1 2023**	**Q1 2022**	**FY 2022**
1 - 29 days	2 145	1 976	2 454	-99	-88	-105
30 - 59 days	633	558	693	-100	-108	-112
60 - 89 days	400	310	399	-71	-65	-73
Total loans due but not impaired	**3 178**	**2 844**	**3 546**	**-269**	**-261**	**-291**

	Gross outstanding			Loss reserves		
Ageing of impaired loans	**Q1 2023**	**Q1 2022**	**FY 2022**	**Q1 2023**	**Q1 2022**	**FY 2022**
90 - 119 days	363	230	312	-154	-101	-134
120 - 149 days	291	167	228	-130	-80	-99
150 - 179 days	233	125	136	-105	-58	-58
180 + days	2 249	1 429	2 180	-1 510	-915	-1 448
Economic doubtful*	1 234	2 391	1 144	-669	-1 311	-595
Total impaired loans	**4 370**	**4 343**	**4 000**	**-2 569**	**-2 464**	**-2 335**

* 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:

	Q1 2023				Q1 2022			
Unsecured loans	**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**
Loss allowance at 1 January	**388**	**330**	**1 477**	**2 194**	**510**	**365**	**1 657**	**2 532**
Transfers:								
Transfer from Stage 1 to Stage 2	-30	201	-	**170**	-39	222	-	**183**
Transfer from Stage 1 to Stage 3	-1	-	19	**17**	-1	-	16	**15**
Transfer from Stage 2 to Stage 3	-	-116	211	**96**	-	-89	158	**69**
Transfer from Stage 2 to Stage 1	17	-91	-	**-74**	24	-117	-	**-94**
Transfer from Stage 3 to Stage 2	-	15	-48	**-33**	-	11	-39	**-28**
Transfer from Stage 3 to Stage 1	0	-	-1	**-1**	0	-	-1	**-1**
Assets remaining in same Stage	-25	1	-2	**-27**	-58	-5	38	**-25**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-16	-8	-14	**-39**	-15	-5	-18	**-38**
of which 'accounts that have closed in the period'	*-16*	*-8*	*-14*	***-39***	*-15*	*-5*	*-18*	***-38***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-112	**-112**	-	-	-175	**-175**
New financial assets originated or purchased	40	-	-	**40**	79	-	-	**79**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	24	11	81	**116**	-14	-8	-33	**-56**
Loss allowance at 31 March	**395**	**342**	**1 610**	**2 347**	**485**	**375**	**1 602**	**2 461**

	Q1 2023				Q1 2022			
Secured loans	**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**
Loss allowance at 1 January	**421**	**265**	**858**	**1 544**	**651**	**210**	**853**	**1 714**
Transfers:								
Transfer from Stage 1 to Stage 2	-19	146	-	**127**	-22	155	-	**133**
Transfer from Stage 1 to Stage 3	-5	-	59	**54**	-8	-	45	**37**
Transfer from Stage 2 to Stage 3	-	-78	206	**127**	-	-77	163	**86**
Transfer from Stage 2 to Stage 1	11	-71	-	**-60**	13	-77	-	**-64**
Transfer from Stage 3 to Stage 2	-	49	-113	**-65**	-	49	-126	**-77**
Transfer from Stage 3 to Stage 1	0	-	-1	**-1**	0	-	-1	**-1**
Assets remaining in same Stage	-9	-17	46	**20**	-62	-32	35	**-60**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-22	-16	-46	**-84**	-34	-13	-40	**-87**
of which 'accounts that have closed in the period'	*-22*	*-16*	*-46*	***-84***	*-34*	*-13*	*-40*	***-87***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-79	**-79**	-	-	-62	**-62**
New financial assets originated or purchased	61	-	-	**61**	132	-	-	**132**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	19	3	28	**50**	-7	-1	-6	**-14**
Loss allowance at 31 March	**457**	**280**	**958**	**1 695**	**662**	**214**	**862**	**1 738**

	Q1 2023				Q1 2022			
Commercial papers and bonds	**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**
Loss allowance at 1 January	**0**	**-**	**-**	**0**	**-**	**-**	**-**	**-**
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	-	-	-	**-**	-	-	-	**-**
of which 'accounts that have closed in the period'	-	-	-	**-**	-	-	-	**-**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-	**-**	-	-	-	**-**
New financial assets originated or purchased	-	-	-	**-**	-	-	-	**-**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	0	-	-	**0**		-	-	**-**
Loss allowance at 31 March	**1**	**-**	**-**	**1**	**-**	**-**	**-**	**-**

	Q1 2023				Q1 2022			
Off balance exposure*	**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**
Loss allowance at 1 January	**33**	**6**	**26**	**65**	**29**	**9**	**29**	**66**
Transfers:								
Transfer from Stage 1 to Stage 2	-0	2	-	**2**	-0	3	-	**2**
Transfer from Stage 1 to Stage 3	-0	-	5	**5**	-0	-	5	**5**
Transfer from Stage 2 to Stage 3	-	-0	2	**2**	-	-0	2	**1**
Transfer from Stage 2 to Stage 1	1	-3	-	**-2**	1	-4	-	**-4**
Transfer from Stage 3 to Stage 2	-	2	-3	**-1**	-	2	-3	**-1**
Transfer from Stage 3 to Stage 1	0	-	-1	**-1**	0	-	-0	**-0**
Assets remaining in same Stage	-1	-0	3	**2**	-3	1	5	**3**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-1	-1	-6	**-8**	-1	-1	-7	**-9**
of which 'accounts that have closed in the period'	*-1*	*-1*	*-6*	**-8**	*-1*	*-1*	*-7*	**-9**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-1	**-1**	-	-	-1	**-1**
New financial assets originated or purchased	3	-	-	**3**	5	-	-	**5**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	1	0	0	**1**	-0	-0	-0	**-0**
Loss allowance at 31 March	**34**	**6**	**26**	**67**	**30**	**9**	**30**	**69**

* 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 = liquid assets / 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) %	**Q1 2023**	**Q1 2022**	**Q4 2022**
Liquidity Coverage Ratio (LCR) Total	162%	148%	203%
Liquidity Coverage Ratio (LCR) NOK	121%	81%	86%
Liquidity Coverage Ratio (LCR) SEK	205%	228%	301%
Liquidity Coverage Ratio (LCR) DKK	126%	150%	220%
Liquidity Coverage Ratio (LCR) EUR	248%	210%	285%

Note 7 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	**Q1 2023**	**Q1 2022**	**FY 2022**
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	10 913	10 914	12 687
Tier 1 Capital	2 250	2 250	2 250
Other reserves	4	-38	15
Total Equity	**25 711**	**25 670**	**27 496**

Common Equity Tier 1 Capital			
(-) Profit not eligible as capital	-488	-334	-2 216
Cash-flow hedge adjustment	-3	-22	-18
IRB Expected Loss - Reserves	-169	-91	-258
Goodwill	-432	-372	-400
Other intangible assets	-82	-448	-96
Deferred tax assets	-	-	-
Adjustment Prudent Valuation (AVA)	-2	-4	-4
Tier 1 Capital	-2 250	-2 250	-2 250
Total common Equity Tier 1 Capital	**22 285**	**22 149**	**22 253**

Tier 1 Capital			
Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital	**24 535**	**24 399**	**24 503**

Total Capital			
Paid up subordinated loans	2 516	2 408	2 417
Subordinated loans not eligible	-56	-	-31
Total Capital	**26 994**	**26 807**	**26 890**

Risk exposure on Standard Approach			
Regional governments or local authorities	64	59	63
Institutions	770	251	600
Corporates	11 591	6 802	9 108
Retail Standard Approach	48 759	45 696	46 913
Exposures in default SA	2 826	3 022	2 918
Covered bonds	151	103	149
Other Exposures	23 864	20 153	21 801
Total Risk exposure amount on Standard Approach	**88 025**	**76 085**	**81 552**

Risk exposure on Internal Rating Based Approach	Q1 2023	Q1 2022	FY 2022
Retail Other	31 230	29 014	30 286
Total Risk exposure amount on Internal Rating Based Approach	**31 230**	**29 014**	**30 286**
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	**119 255**	**105 099**	**111 838**
Foreign exchange (zero if under threshold)	-	-	637
Risk exposure amount for position, foreign exchange and commodities risks	**-**	**-**	**637**
Basic indicator approach	11 671	12 314	11 671
Risk exposure amount for operational risk	**11 671**	**12 314**	**11 671**
Standardized method	12	6	24
Risk exposure amount for credit valuation adjustment	**12**	**6**	**24**
Total risk exposure amount	**130 939**	**117 419**	**124 171**
Total exposure for Leverage Ratio			
Derivatives: Add-on under market-to-market method	854	221	447
Off-balance sheet items with 10% CCF	3 353	2 823	2 850
Off-balance sheet items with 20% CCF	961	997	766
Off-balance sheet items with 50% CCF	38	37	38
Adjusted On balance sheet exposure	196 417	163 949	184 622
Total exposure for Leverage Ratio	**201 624**	**168 026**	**188 723**
Minimum Regulatory Capital			
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	1,52%	3,30%	3,30%
Pillar 2 Guidance	1,50%	1,50%	1,50%
Countercyclical Buffer (combined)	1,58%	0,32%	1,35%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	1,10%	1,44%	1,25%
Minimum Regulatory Capital ratio (CET1)	**12,70%**	**13,56%**	**14,41%**
Minimum Regulatory Capital			
Minimum Core Equity	5 892	5 284	5 588
Pillar 2 Requirement	4 000	4 000	4 098
Pillar 2 Guidance	1 964	1 761	1 863
Countercyclical Buffer (combined)	2 067	376	1 682
Conservation Buffer	3 273	2 935	3 104
Systemic Risk Buffer (combined)	1 443	1 692	1 558
Minimum Regulatory Capital amount	**18 640**	**16 049**	**17 892**

	Q1 2023	Q1 2022	FY 2022
Surplus of Core Equity Tier 1 capital	3 645	6 100	4 361
Common equity tier 1 capital ratio	**17,02%**	**18,86%**	**17,92%**
CET1 regulatory requirements	12,70%	13,56%	14,41%
Tier 1 capital ratio	**18,74%**	**20,78%**	**19,73%**
Tire 1 regulatory requirements	14,71%	15,06%	15,91%
Total capital ratio	**20,62%**	**22,83%**	**21,66%**
Total capital regulatory requirements	17,39%	17,06%	17,91%
Leverage ratio	**12,17%**	**14,52%**	**12,98%**
LR regulatory requirements	3,00%	5,00%	3,00%

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, the Bank is only reporting 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)

Q1 2023

	Unsecured loans	**Secured loans**	**Finance leases**	**Operating leases**	**Total**
Norway	5 208	47 559	11 464	-	**64 230**
Sweden	13 092	22 730	19 623	-	**55 445**
Denmark	7 086	28 782	3 586	631	**40 086**
Total	**25 386**	**99 072**	**34 673**	**631**	**159 761**

Q1 2022

	Unsecured loans	**Secured loans**	**Finance leases**	**Operating leases**	**Total**
Norway	5 989	41 580	12 228	-	**59 797**
Sweden	14 237	18 365	14 363	-	**46 966**
Denmark	5 873	23 749	2 903	341	**32 865**
Total	**26 098**	**83 694**	**29 494**	**341**	**139 628**

Profit and Loss per Country	**Q1 2023**				
	Norway	**Sweden**	**Denmark**	**Eliminations**	**Total Bank**
Total interest income	1 197	736	644	-	**2 577**
Total interest expenses	-510	-389	-156	-	**-1 055**
Net interest income	**686**	**347**	**489**	**-**	**1 522**
Fee and commission income	36	51	21	-	**108**
Fee and commission expenses	-38	-15	-13	-	**-66**
Value change and gain/loss on foreign exchange and securities	2	25	-1	-	**26**
Other operating income	25	23	48	-	**96**
Other operating expenses	-15	-10	-26	-	**-51**
Gross margin	**696**	**421**	**518**	**-**	**1 635**
Salaries and personnel expenses	-133	-91	-71	-	**-295**
Administrative expenses	-158	-90	-72	-	**-320**
Depreciation and amortisation	-32	-20	-13	-	**-65**
Net operating income	**372**	**220**	**362**	**-**	**955**
Other income and costs	1	-0	-10	-	**-9**
Impairment losses on loan, guarantees etc.	-93	-139	-134	-	**-366**
Profit before taxes	**280**	**81**	**219**	**-**	**580**
Income tax expense	-20	-17	-55	-	**-92**
Profit after tax	**260**	**64**	**164**	**-**	**488**

Profit and Loss per Country	**Q1 2022**				
	Norway	**Sweden**	**Denmark**	**Eliminations**	**Total Bank**
Total interest income	762	466	421	-	**1 649**
Total interest expenses	-125	-55	-10	-	**-190**
Net interest income	**636**	**411**	**412**	**-**	**1 459**
Fee and commission income	38	47	18	-	**102**
Fee and commission expenses	-28	-12	-7	-	**-47**
Value change and gain/loss on foreign exchange and securities	-3	-4	-3	-	**-9**
Other operating income	12	7	39	-	**58**
Other operating expenses	-16	-7	-21	-	**-45**
Gross margin	**640**	**441**	**438**	**-**	**1 519**
Salaries and personnel expenses	-119	-88	-76	-	**-283**
Administration expenses	-125	-110	-69	-	**-305**
Depreciation and amortisation	-28	-20	-11	-	**-59**
Net operating income	**367**	**223**	**281**	**-**	**871**
Other income and costs	-53	-26	-20	-	**-99**
Impairment losses on loan, guarantees etc.	-116	-147	-70	-	**-334**
Profit before taxes	**198**	**49**	**191**	**-**	**438**
Income tax expense	-66	55	-94	-	**-104**
Profit after tax	**133**	**104**	**97**	**-**	**334**

Balance Sheet per Country			**Q1 2023**		
	Norway	**Sweden**	**Denmark**	**Eliminations**	**Total Bank**
Cash and receivables on central banks	66	1 787	-	-	**1 854**
Deposits with and receivables on financial institutions	1 301	692	3 797	-	**5 790**
Total gross loans to customers	64 230	55 445	39 455	0	**159 130**
Write-downs	-1 259	-1 457	-1 326	-	**-4 043**
Commercial papers and bonds	3 833	2 677	303	-	**6 812**
Financial derivatives	-	-	-	-	**-**
Investments in subsidiaries	1 827	-	-	-	**1 827**
Other assets	35 388	539	1 851	-15 002	**22 776**
Total assets	**105 387**	**59 683**	**44 079**	**-15 002**	**194 147**
Debt to credit institutions	11 787	28 719	9 887	-14 910	**35 483**
Deposits from customers	28 228	23 736	33 181	-	**85 145**
Debt established by issuing securities	26 306	4 561	24	-	**30 891**
Financial derivatives	102	-	-	-	**102**
Other liabilities	13 219	2 745	944	-92	**16 815**
Equity	25 746	-78	43	-	**25 711**
Total liabilities and equity	**105 387**	**59 683**	**44 079**	**-15 002**	**194 147**

Balance Sheet per Country			**Q1 2022**		
	Norway	**Sweden**	**Denmark**	**Eliminations**	**Total Bank**
Cash and receivables on central banks	65	2 591	-	-	**2 656**
Deposits with and receivables on financial institutions	217	584	1 437	-	**2 238**
Total gross loans to customers	59 797	46 305	32 524	661	**139 286**
Write-downs	-1 825	-1 356	-1 019	-	**-4 200**
Commercial papers and bonds	2 409	1 436	851	-	**4 696**
Financial derivatives	-	-	-	-	**-**
Investments in subsidiaries	1 614	-	-	-	**1 614**
Other assets	25 171	508	1 266	-8 373	**18 572**
Total assets	**87 448**	**50 068**	**35 059**	**-7 712**	**164 864**
Debt to credit institutions	8 347	21 142	5 116	-7 590	**27 016**
Deposits from customers	22 457	20 043	28 168	-	**70 668**
Debt established by issuing securities	27 872	6 361	900	-	**35 133**
Financial derivatives	-	-	-	-	**-**
Other liabilities	3 105	2 517	878	-122	**6 377**
Equity	25 667	5	-3	-	**25 670**
Total liabilities and equity	**87 448**	**50 068**	**35 059**	**-7 712**	**164 864**

Note 9 - Net interest income

All amounts in millions of NOK

	Q1 2023	Q1 2022	FY 2022
Interest and similar income on loans to and receivables from credit institutions	55	3	44
Interest and similar income on loans to and receivables from customers	2 361	1 611	7 034
Interest and similar income on comm. paper, bonds and other securities	31	3	34
Interest and similar income on loans to subsidiaries, branches and SPVs	129	32	165
Other interest income and similar income	-	-	-
Total interest income	**2 577**	**1 649**	**7 277**
Interest and similar expenses on debt to credit institutions	-305	-26	-374
Interest and similar expenses on deposits from and debt to customers	-466	-92	-706
Interest and similar expenses on issued securities	-106	-55	-292
Interest on subordinated loan capital	-28	-14	-71
Interest on senior non-preferred loans	-95	-	-46
Other interest expenses and similar expenses	-56	-3	-56
Total interest expense	**-1 055**	**-190**	**-1 544**
Net interest income	**1 522**	**1 459**	**5 733**

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	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-305	-26	-374
Average loan over the period	34 281	27 708	30 739
Average nominal interest rate	**3,56%**	**0,38%**	**1,22%**

To customers	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-466	-92	-706
Average deposit over the period	80 535	71 986	74 614
Average nominal interest rate	**2,31%**	**0,51%**	**0,95%**

To bondholders	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-106	-55	-292
Average issued notes and bonds	32 745	36 754	36 487
Average nominal interest rate	**1,30%**	**0,60%**	**0,80%**

Subordinated loan capital	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-28	-14	-71
Average subordinated loan capital	2 473	2 439	2 443
Average nominal interest rate	**4,49%**	**2,26%**	**2,91%**

Senior non-preferred loans	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-95	-	-46
Average senior non-preferred loans	7 049	-	2 034
Average nominal interest rate	**5,37%**	**0,00%**	**2,27%**

Total of tables above	**Q1 2023**	**Q1 2022**	**FY 2022**
Interest expenses	-999	-187	-1 488
Loan	157 083	138 887	146 317
Average nominal interest rate	**2,54%**	**0,54%**	**1,02%**

Note 10 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 31 March 2023	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	-	-	1 854	1 854
Deposits with and receivables on financial institutions	-	-	5 790	5 790
Loans to customers	-	-	155 088	155 088
Commercial papers and bonds	-	-	6 812	6 812
Financial derivatives	-	-	-	-
Loans to subsidiaries and SPV's	-	-	18 779	18 779
Other ownership interests	-	14	-	14
Other financial assets	-	-	305	305
Total financial assets	**-**	**14**	**188 628**	**188 642**

Non-financial assets	5 505
Total assets	**194 147**

Classification of financial liabilities 31 March 2023	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	35 483	35 483
Deposits from customers	-	-	85 145	85 145
Debt established by issuing securities	-	-	30 891	30 891
Financial derivatives	102	-	-	102
Other financial liabilities	-	-	235	235
Subordinated loan capital	-	-	2 525	2 525
Senior non-preferred loans	-	-	10 031	10 031
Total financial liabilities	**102**	**-**	**164 311**	**164 413**

Non-financial liabilities and equity	29 734
Total liabilities and equity	**194 147**

Classification of financial assets 31 March 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	-	-	2 656	2 656
Deposits with and receivables on financial institutions	-	-	2 238	2 238
Loans to customers	-	-	135 087	135 087
Commercial papers and bonds	-	-	4 696	4 696
Financial derivatives	-	-	-	-
Loans to subsidiaries and SPV's	-	-	16 023	16 023
Other ownership interests	-	20	-	20
Total financial assets	**-**	**20**	**160 701**	**160 721**

Non-financial assets	4 142
Total assets	**164 864**

Classification of financial liabilities 31 March 2022	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	27 016	27 016
Deposits from customers	-	-	70 668	70 668
Debt established by issuing securities	-	-	35 133	35 133
Financial derivatives	-	-	-	-
Other financial liabilities	-	-	339	339
Subordinated loan capital	-	-	2 414	2 414
Total financial liabilities	**-**	**-**	**135 570**	**135 570**

Non-financial liabilities and equity	29 293
Total liabilities and equity	**164 864**

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 Bank 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.

Q1 2023 **Financial instruments measured at fair value**			**Quoted market price** **Level 1**	**Using observable inputs** **Level 2**	**With significant unobservable inputs** **Level 3**	**Total**
Financial assets						
Name	***Type***					
VN Norge	Equity		-	13	-	**13**
Norsk Gjeldsinformasjon AS	Equity		-	-	0	**0**
Vipps AS	Equity		-	-	0	**0**
Total other ownership interests			**-**	**13**	**0**	**14**
Total Assets			**-**	**13**	**0**	**14**
Financial liabilities						
Name	***Type***	***Notional***				
FX Swap EUR-NOK	Cross Currency Swap	MM EUR 40	-	28	-	**28**
FX Swap DKK-NOK	Cross Currency Swap	MM EUR 110	-	74	-	**74**
Total Liabilities			**-**	**102**	**-**	**102**

Derivatives designated for hedge accounting - assets			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Name	*Type*	*Notional*				
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	20	-	**20**
Total derivatives designated for hedging - assets*			**-**	**20**	**-**	**20**

Derivatives designated for hedge accounting - liabilities						
Name	*Type*	*Notional*				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	131	-	**131**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	106	-	**106**
SNP EUR MEUR 200	Cross Currency Swap	MM EUR 200	-	13	-	**13**
Total derivatives designated for hedging - liabilities*			**-**	**250**	**-**	**250**

* 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.

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Financial instruments measured at fair value		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
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			**Quoted market price Level 1**	**Using observable inputs Level 2**	**With significant unobservable inputs Level 3**	**Total**
Name	***Type***	***Notional***				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	27	-	**27**
Total derivatives designated for hedging - assets*			**-**	**27**	**-**	**27**

Derivatives designated for hedge accounting - liabilities						
Name	***Type***	***Notional***				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	54	-	**54**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	49	-	**49**
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	90	-	**90**
Total derivatives designated for hedging - liabilities*			**-**	**193**	**-**	**193**

* 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

	Q1 2023	Q1 2022	FY 2022
Credit Card	4 884	5 041	4 928
Unsecured loans	20 501	21 058	19 873
Auto loans	133 745	113 188	126 275
- Installment loans	*99 072*	*83 694*	*93 106*
- Finance leases	*34 673*	*29 494*	*33 170*
Total gross loans to customers	**159 130**	**139 286**	**151 075**
- Loan loss allowance - Stage 1	-852	-1 147	-809
- Loan loss allowance - Stage 2	-622	-589	-595
- Loan loss allowance - Stage 3	-2 569	-2 464	-2 335
Total net loans to customers	**155 088**	**135 087**	**147 337**

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:

	Q1 2023	Q1 2022
Change in loss allowance - Unsecured loans	-25	11
Change in loss allowance - Secured loans	-91	-41
Change in loss allowance - Commercial papers and bonds	-0	-0
+ Total realized losses	-321	-347
- Recoveries on previously realized losses	72	44
- Gain on sold portfolios	-	-
Impairment losses on loan, guarantees etc.	**-366**	**-334**

Note 14 - Issued securities

All amounts in millions of NOK

	Q1 2023	Q1 2022	FY 2022
Senior unsecured issued securities	30 891	35 133	34 599
Total issued securities	**30 891**	**35 133**	**34 599**

Issued securities by currency in NOK	Q1 2023	Q1 2022	FY 2022
DKK	-	982	-
EUR	22 249	24 106	25 802
NOK	3 813	3 606	3 814
SEK	4 828	6 440	4 983
Total issued securities	**30 891**	**35 133**	**34 599**

Note 15 - Receivables and liabilities to related parties

All amounts in millions of NOK

Debt to related parties:	Q1 2023	Accrued Interest Q1 2023	Q1 2022	Accrued Interest Q1 2022	FY 2022	Accrued Interest FY 2022
Santander Consumer Finance S.A.	35 338	145	26 328	10	32 979	99
Debt to SPV on future cash flow of securitized loans	-	-	661	-	-	-
Total	**35 338**	**145**	**26 988**	**10**	**32 979**	**99**

Balance sheet line: "Subordinated loan capital" - Bonds	Q1 2023	Accrued Interest Q1 2023	Q1 2022	Accrued Interest Q1 2022	FY 2022	Accrued Interest FY 2022
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	2	500	1	500	2
MSEK 750, maturity December 2029, 3 months STIBOR + 2.08% (Santander Consumer Finance S.A)	758	2	704	1	709	1
MSEK 750, maturity December 2030, 3 months STIBOR + 2.29% (Santander Consumer Finance S.A)	758	1	704	-	709	1
MNOK 500, maturity June 2031, fixed rate 2.62% (Santander Consumer Finance S.A)	500	4	500	4	500	0
Total	**2 516**	**9**	**2 408**	**6**	**2 417**	**4**

Balance sheet line: "Senior non-preferred loans"	Q1 2023	Accrued Interest Q1 2023	Q1 2022	Accrued Interest Q1 2022	FY 2022	Accrued Interest FY 2022
MSEK 600, maturity April 2026, 3 months STIBOR + 1.04% (Santander Consumer Finance S.A)	606	4	-	-	567	3
MNOK 650, maturity May 2026, 3 months NIBOR + 1.37% (Santander Consumer Finance S.A)	650	3	-	-	650	3
MSEK 1000, maturity August 2026, 3 months STIBOR + 1.50% (Santander Consumer Finance S.A)	1 010	4	-	-	945	3
MSEK 1000, maturity September 2026, 3 months STIBOR + 1.75% (Santander Consumer Finance S.A)	1 010	0	-	-	945	1
MSEK 1000, maturity November 2026, 3 months STIBOR + 2.18% (Santander Consumer Finance S.A)	1 010	5	-	-	945	4
MEUR 500, maturity January 2027, 3 fixed rate 4.51% (Santander Consumer Finance S.A)	5 677	50	-	-	-	-
Total	**9 965**	**67**	**-**	**-**	**4 052**	**15**

Receivables on related parties:	Q1 2023	Accrued Interest Q1 2023	Q1 2022	Accrued Interest Q1 2022	FY 2022	Accrued Interest FY 2022
Balance sheet line: "Commercial papers and bonds"						
B and C notes issued by SPVs	-	-	437	-	-	-
Balance sheet line :"Loans to subsidiaries and SPV's"						
Loan to subsidiary (Santander Consumer Finance Oy)	18 712	67	15 999	26	17 675	53

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 Banks'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:

	Q1 2023	Q1 2022	FY 2022
Interest income	54	32	113
Interest expenses	-402	-28	-453
Interest payments additional Tier 1 capital	-46	-32	-140
Fees	-	1	3
Other	101	-110	-287
Net transactions	**-293**	**-137**	**-765**

Assets	**Q1 2023**	**Q1 2022**	**FY 2022**
Loans to customers	18 779	16 023	17 728
Deposits with and receivables on financial institutions	4	0	3
Commercial papers and bonds	-	437	-
Investments in subsidiaries	1 827	1 614	1 717
Other financial assets	230	209	294
Other assets	55	57	65
Total assets	**20 896**	**18 341**	**19 805**

Liabilities	**Q1 2023**	**Q1 2022**	**FY 2022**
Debt to credit institutions	35 483	26 998	33 078
Debt established by issuing securities	267	206	219
Financial derivatives	27	-	-
Other liabilities	353	226	388
Subordinated loan capital	12 556	2 414	6 489
Total liabilities	**48 686**	**29 845**	**40 174**

The Bank had transactions with the following related parties as at 31 March 2023:

Banco Santander S.A.
CACEIS Bank Spain SAU
Santander Consumer Finance Global Services S.L.
Santander Consumer Finance Oy
Santander Consumer Finance S.A.

Santander Consumer Mobility Services S.A.

Santander Global Services S.L.

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

Santander
Consumer Bank