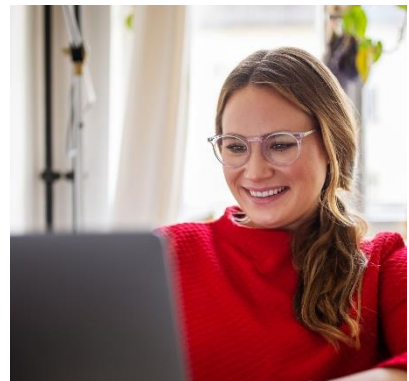




Q2 Financial Report 2021

Santander Consumer Bank Nordic Group
and Santander Consumer Bank AS



At a glance

Highlights Q2

In Q2 the Group's gross outstanding loans decreased by 2% (4.1 Bn NOK) compared to year end 2020, mainly driven by a stronger NOK exchange rate against SEK, DKK and EUR.

The Auto business has delivered strong sales through both quarters. For the unsecured business, consumer loans have been impacted by stricter regulatory requirements, credit cards have been impacted by less travelling and dining due to COVID-19 restrictions, whilst sales finance and durables have had a good quarter.

Net interest income reduced by 7% in Q2 2021 compared to Q2 2020. The reduction has been driven by both a stronger NOK, in addition to a shift in the portfolio mix from high yield unsecured products to secured products.

Net impairment losses in Q2 2021 were 774 MM NOK, compared to 831 MM NOK in Q2 2020. The loss allowance for unsecured has increased, whilst the secured portfolio loss allowance has decreased. The Group had lower write offs compared to Q2 last year and there have been no bad debt sales thus far in 2021.

The Group's profit before tax was 1 527 MM NOK in Q2 2021, reflecting a decrease of 2% compared to the same period last year.

1 527

-2%

PBT

177 194

-2%

Gross Outstanding Loans

3 593

-7%

Net Interest Income

80 652

-1%

Deposits

81%

Auto

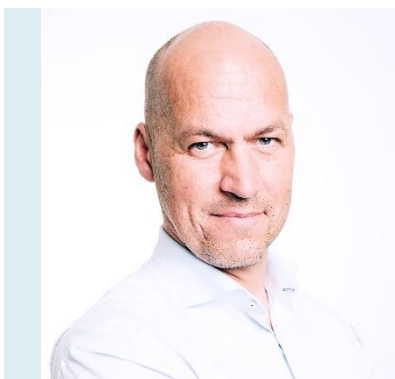
% of Gross Outstanding

19%

Unsecured

Ready to make people and business prosper

Every day we proudly serve 1.5 million customers across the four Nordic countries. We follow our principles of being Simple, Personal and Fair, with the purpose of making people and business 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.



As we enter the second half of 2021, we are hopefully turning the corner on lockdowns and travel restrictions as vaccines are being rolled out throughout the region. We are all anticipating the return of a more normal life.

At Santander we have seen in our customers behavior how the pandemic has impacted our society. We have spent more on home improvement, less on travel and restaurants, and saved more of our disposable income. A trend that is likely to turn into long lasting change is the substantial growth in e-commerce.

As the Nordic countries have slowly re-opened and travel has resumed, we have experienced a small positive increase in card spending. Our main market however, the auto business has seen a strong growth in the same period. The sales of new passenger cars and light commercial vehicles across the Nordics has grown by almost 30 percent compared to the same period last year.

Santander believe we have a responsibility to invest in a sustainable-friendly way. We call it Responsible Banking. The Nordic region continues to lead the way with the sale of electrical cars. In Norway, 57 percent of new cars sold were electric. Sweden's share of electric cars is increasing the fastest, and the Groups finance penetration on electric vehicles continues to be high and growing faster than for non-electric vehicles.

We have tumultuous times behind us, and exactly how much the pandemic has changed our societies remains to be seen. However, it is likely that we will see more mobility, across borders and in our daily lives going forward, bringing back important markets for the Group.

Our Nordic teams are dedicated to serve all our customers in the best way possible. We are drawing on the strengths and experiences in the different local markets and we are improving our digital capabilities.

As we approach a more normal life, we are ready to make people and business prosper.

A handwritten signature in black ink, which appears to read 'Michael Hvidsten'. The signature is fluid and cursive.

Michael Hvidsten, CEO

Financial performance

FINANCIAL PERFORMANCE FOR THE SECOND QUARTER OF 2021

The Group's results for the second quarter show a decrease in net interest income and a slight decrease in gross margin compared to Q2 2020. The result is reflecting the gradual shift in the portfolio from higher yielding unsecured loans to lower yielding auto loans which has had a negative impact on interest income. The pandemic is still affecting customer behavior creating variations in the Nordic Markets for the Unsecured and Auto segments.

KEY FIGURES SANTANDER CONSUMER BANK GROUP

All amounts in millions of NOK	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020
Net interest income	1 777	1 957	3 593	3 857
<i>Growth*</i>	-9%	10%	-7%	9%
Gross margin	1 858	2 015	3 807	3 897
<i>Growth*</i>	-8%	7%	-2%	3%
Profit before tax	713	857	1 527	1 566
<i>Growth*</i>	-17%	-43%	-2%	-32%
Net Loans to customers	172 260	179 901	172 260	179 901
<i>Growth*</i>	-4%	13%	-4%	13%
Customer deposits	80 652	75 436	80 652	75 436
<i>Growth*</i>	7%	22%	7%	22%

* Year on year

The Group's financial results for the second quarter of 2021 show a decrease in net interest income of 7% compared to second quarter last year, whilst gross loans to customers decreased by 2%. 258 MM NOK of the decrease was driven by a stronger NOK. A gradual shift from high yield unsecured products to secured products has also had negative impact on the interest income, but some of the negative impact was offset by lower cost of funding mainly due to lower interest rates from deposits.

Net fee and commission income increased with 49 MM NOK compared against the second quarter last year. Financial fees reduced due to lower usage of credit cards, but insurance fees increased compared to last year as more customers chose insurances on their loans due to uncertainties from the COVID-19 pandemic. The Gross Margin also benefited from a FX gain of 49 MM NOK from open positions, due to a significant strengthening of the NOK compared to Q2 last year, where FX impact from open positions amounted to a loss of 92 MM NOK. The Gross Margin ended down 2% compared to Q2 2020 due to these factors.

Operating expenses for the period were 1 463 MM NOK compared to 1 654 MM NOK for Q2 2020. Salary expenses remained stable, whereas administrative expenses saw a significant reduction due to lower restructuring costs in 2021. Depreciation and amortization increased by 33 MM NOK, mainly due to increased investment in IT.

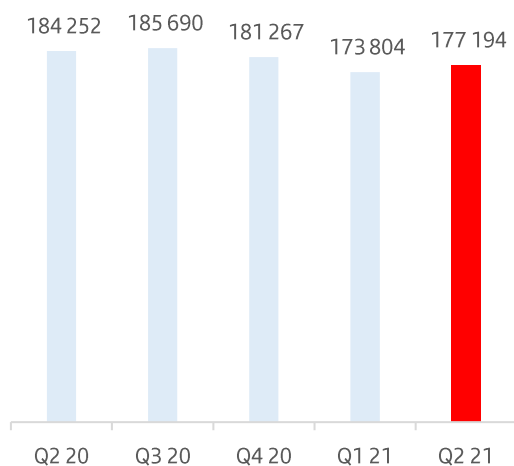
Other net income and costs were 43 MM NOK in Q2, compared to 154 MM NOK for the same period last year. The decrease was due to the recognition of badwill from the acquisition of Forso AB last year. Net impairment losses decreased with 57 MM NOK compared to Q2 2020. The decrease reflected a significantly improved risk performance in the underlying portfolios as the net impairment losses last year were affected by a gain of 250 MM NOK from the sale of non-performing loans and the recognition of 85 MM NOK in specific reserves due to the COVID-19 situation. There has been no sale of non-performing loans thus far in 2021.

The Group's profit before tax as of Q2 2021 was 1 527 MM NOK, a decrease of 2% compared to Q2 2020 due to the reasons outlined above.

Loans and deposits performance

LOANS TO CUSTOMERS

The Group's outstanding loans to customers were 177.2 Bn NOK at Q2 2021, a decrease of 2% or 4.1 Bn NOK compared to Q4 2020 - 3.6 Bn NOK of this was caused by a strengthened NOK against SEK, DKK and EUR. The underlying lending in local currencies show a stable Auto portfolio and a decrease in the Unsecured portfolio compared to year end 2020.



GROSS LOANS TO CUSTOMERS

MM NOK

Loans to Customers

2%

Decrease

AUTO AND LEISURE FINANCING

Q2 was marked by strong growth in the Nordic market. The sales of new passenger cars and light commercial vehicles (PC & LCV) across the Nordics grew by 28.8% to 492.991 NOK versus Q2 2020. Whilst Q1 was influenced by local COVID-19 restrictions, Q2 was marked by recovering sales.

An improved market, but variations between the countries

In Denmark, the lockdown and closure of dealerships initially led to a significant drop in car sales at the start of 2021. During Q2 new car sales have picked up and the market is up 11% versus Q2 2020 at 113.672 vehicles. In 2020, the used car market benefited from the decline of new car sales. As new car sales picked up in 2021, the sale of used cars is now showing a decline.

For Finland, the surge of COVID-19 at the start of the year reduced consumer confidence. The strong recovery in Q2 has resulted in an increase of new vehicle sales year to date of 19%, versus Q2 2020. Used car sales have declined versus the strong sales in 2020 but is still positive year to date (+4%).

The Swedish market has been influenced by tax changes per April 1st, 2021, with increased taxes on high emission vehicles and decreased taxes on EVs (Electric vehicles). The total new car market has grown to 194.639 vehicles, up by 41% versus year to date Q2 2020. The Group

has increased its finance penetration of both new and used cars, benefiting from the strong partnerships the Group has.

The Norwegian market continues to grow with new EVs being launched, also prompting new entrants to choose the Norwegian market as their point of entry into the region. There are over 15 new brands who have indicated to start sales in 2021/2022. The new car vehicles sales increased by 38% versus Q2 2020, reaching 102.239 vehicles. The Group's number of financed vehicles grew even faster, up by 45%. The month of June marked a record in new sales.

Less impact on the used car market

The impact on used vehicles sales initially showed a smaller decline than for new car sales during the first phase of the COVID-19 outbreak. Therefore, the recovery has also been smaller. By Q2 2021, used car sales were at 1.501.691, up by 4.7% versus Q2 2020, and the month of June 2021 is the first month where all 4 markets have shown a decrease in used car sales versus 2020.

Leisure sales, especially those of motorcycles, slowed down compared to their expansive growth during 2020. Some of the slowdown was caused by supply issues by manufacturers. The Group has however managed to increase the New Business Volume by 4%.

The Group financed 42,089 new and 87,176 used cars in Q2, up 23.6% and 4.5% respectively compared to the same period in 2020. Balancing growth and profitability are a key priority for the Group.

The pandemic pushes market innovation

The Group continues to execute on several initiatives to help customer as well as partners on their digital journey. There is an increased demand from partners for customized integrated digital solutions for sales and finance and online sales options for customers is increasing in each of the Nordic markets.

Expectations for the full year 2021 vary due to the uncertainties in the market and the development of COVID-19. The current outlook for total new car sales is between 900,000 and 950,000 units for 2021. Present outstanding volume is 143.3 Bn NOK vs 146.8 Bn NOK as at June 2020, a decrease of 2% compared to last year. Continued good performance will depend on the finance penetrations achieved with dealer and manufacturer partners as well market circumstances such as the development of COVID-19 across the region. The expectation is that used and new cars sales will revert to pre-COVID-19 levels by the end of 2021.

Financing the green shift

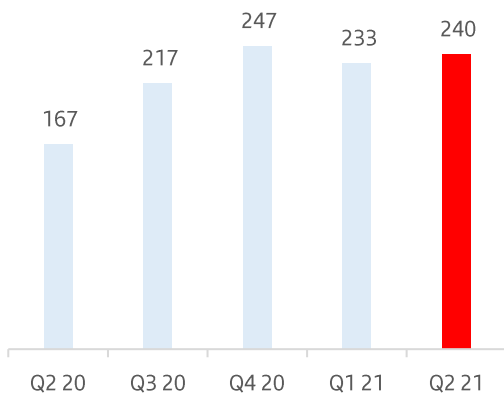
All Nordic markets are experiencing an increase in the sale of hybrid and electric vehicles. Norway continues to lead the way with 57% of all new car sales being electric vehicles. Sweden's share is increasing the fastest and is currently at 13% of total sales. Executing on the Group's Responsible Banking initiatives, the Groups finance penetration on EVs continues to be higher and growing faster than for other vehicles.

The EU legislation regarding emissions (CAFE) phased-in from 2020, fully effective from 2021, sets mandatory Co2 emission reduction targets for new cars sold in Europe; Max 95g Co2/km with a fee to be paid by the manufacturer if the target is not met, partially to be offset by sales of low emission vehicles. Manufacturers continue to launch new EVs and plug-in hybrid electrical vehicles to meet these targets. Together with increased digitalization, technology and changes in customers' behaviour, these are elements, which will drive the transformation of the auto industry going forward. The Group have several initiatives to support their partners in this transformation. The Group continues to invest in capabilities to implement local and EU regulations and guidelines (e.g. EBA, European Banking Authority) (see "Regulatory Changes" for further reading). It is anticipated that emission-based taxation will increase; The Swedish increase of incentives for low emission and increased taxation on high emission vehicles per April 1st 2021 being one example.

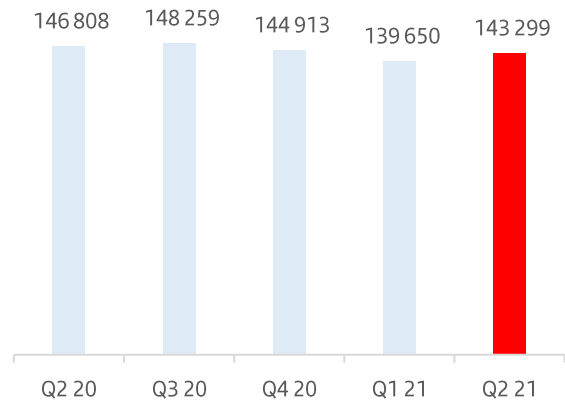
The Group is expanding its partnerships, which will present new opportunities and a strengthened position across the region, especially with new entrants into the Nordic markets. Some of the existing Captive Agreements are approaching their renewal phase and preparations are being made to ensure continued success in this area.

SALES OF NEW CARS (PC AND LCV*)

Units in thousands (Market in total)



*Personal cars and Light commercial vehicles



GROSS AUTO FINANCING

MM NOK

CONSUMER

Consumer Loans

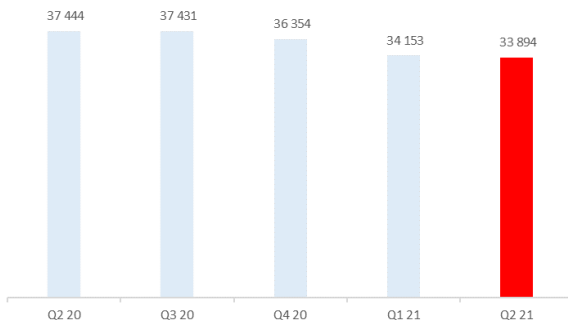
The Groups Consumer portfolio demonstrated signs of stabilization in Q2, with new business sales of Durables growing by 25% across the Nordics from 405.9 MM NOK in Q2 2020 to 509.9 MM NOK in Q2 2021, mainly driven by the Finnish market. During Q2, consumer loans financing remained the primary unsecured financing product. The Group's Consumer loans portfolio decreased by 9.48% in outstanding volumes compared to Q2 2020 and 0.76% compared to Q1 2021. There is a significant drop in the Group Consumer loans sales in Q2 2021 compared to Q2 2020. The Finnish Market has the largest decrease compared to Q2 2020 with -37% followed by Norway at -35% while Denmark is at -34%. Sweden shows a stronger market with a decrease of only -6%.

Adjusting to tightening regulations

Looking back at the first half of 2021 and Q2 especially, tightening in the regulatory landscape in the region together with the pandemic has affected this business area significantly. The Group experiences a strong shift in market trends, transforming the market into a dept consolidation market. This is a result of regulatory requirements from the FSA's, Know Your Customer (KYC) directives, and implementation of EBA (guidelines on loan origination and monitoring) (see "Regulatory changes" for further reading), but also consumers being more aware and careful with their financial situation during the pandemic. Customers are consolidating instead of taking up new loans.

GROSS CONSUMER FINANCING

MM NOK



There are differences between the countries both in terms of market dynamics and regulation, some being more affected than others and at different paces. Permanent measures have been implemented in both Norway and Denmark, whereas Finland have applied temporary measures. Stricter measures are expected in Sweden. The Group has been monitoring the regulatory development closely and ensured that relevant and responsible measures have been taken. The Group has implemented a solid and customer friendly EBA and KYC compliance framework within the required timelines and are continuously improving and optimizing customer journeys to be both customer friendly and compliant at the same time.

To stay competitive and to meet the changes in the market, many interesting development initiatives will be implemented to drive growth and strengthen the Group's position in the region. These include both introducing new products towards the prime segment and tuning existing products to the rapid growing debt consolidation segment. The Group will therefore launch new products in the region in the second half of 2021 to meet customer's needs and expectations.

As a result of the changing dynamics in the market, price comparison sites and brokers continue to gain market shares across the region. Especially in Denmark, the Group has expended significant focus upon adapting to the new market trends, upgrading systems to handle an increased share of broker introduced business. The broker market in Denmark is growing fast and the Group's strategy of establishing partnerships with relevant brokers to regain momentum and lost market shares is starting to yield results.

The competition in the Consumer loans market in the region is fierce. If the effects of the pandemic continue to decrease in the second half of 2021, the Group believes the market outlook will create more opportunities. The Group is well positioned to face the challenges ahead. The strategy and initiatives for growth are solid and if challenges are solved and met proactively, the outlook for the coming years are promising.

SALES FINANCE & DURABLES

During Q2 2021, the Group's focus has been centered upon optimizing the opportunities during the pandemics. The impact has

been visible in many dimensions. One area is the shift in spending categories. The Group observes a continuation of consumer spending within the Do It Yourself (DIY) and Home Electronics retailers. The change from physical stores to e-commerce has demonstrated substantial growth especially in the first quarter of the year.

In this context the Group is well positioned with good coverage of retailers in the DIY and Home Electronics segments across the region. The move to e-commerce will benefit the Group, as solutions are already implemented in most of the countries in the region.

Compared to the lockdown situation in Q1, more physical stores are now open. However, The Groups continues to see a huge shift from point of sales to e-commerce. To meet this change and to stay competitive in the region, the Group's focus continues to be on becoming a true regional player with the ability to offer merchants a single set of products through one endpoint/API(application programming interface). Achievement of this goal will add significant value to the Group's merchant relationships across the Nordics.

To further strengthen market position, the Group has entered into agreements with new merchants as well as renewing agreements with existing merchants across the Nordics. Such new agreements are fully aligned with gaining traction within new target segments, such as Green energy financing – primarily the financing of solar panels and ground water heating systems. The Group considers this an attractive and growing market segment which fits well with its Responsible Banking agenda. The Danish and Finnish busines have established agreements with a range of dealers and anticipate further business growth in this sector.

Future Expectations

Looking ahead for 2021, the Group is pursuing many interesting development initiatives that will be implemented to drive growth and further strengthen the position in the region, such as invoice - and renewal programs. In addition, the Group also sees a potential consolidation phase taking place in 2021. This trend has already started with key players across



the region that are withdrawing from the market. Finally, the Group is expecting the pandemic to put less pressure on society as vaccine programs continue to be rolled out. All of this adds up to a market outlook for the rest of 2021 that looks promising for Sales Finance business in the Nordics.



CARDS & PAYMENTS

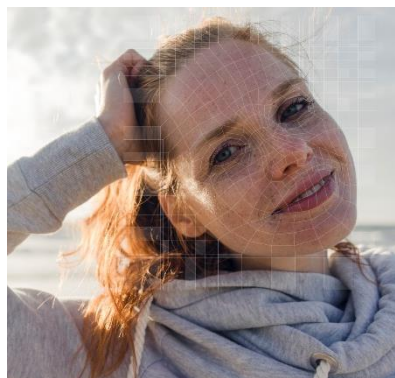
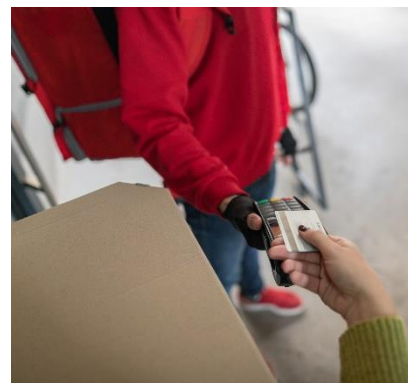
In the first half of 2021, new business volumes have been negatively affected by the pandemic due to lockdowns and travel restrictions. With the planned opening of Europe and the Nordics, an increase in travel related spending is expected in the months to come. The Group is observing a small positive increase in card spend as vaccination programmes progress.

The Group acknowledges that the respective Nordic FSAs and EBA have tightened the regulatory landscape in the Nordic markets due to increased focus on consumer protection. During Q2, the Group has deployed considerable resources to ensure that the Group is compliant with regulatory requirements for cards and payments.

Implementing new technology

The Group has been working diligently to ensure PSD2 compliance initiatives such as Strong Customer Authentication for online transactions and have recently launched a "fast checkout" feature using our MyCards app to secure fast, secure payments.

Going forward, the Group has entered into an agreement with Visa Consulting and Banco Santander to leverage our data and secure commercial insights to support our Direct and Sales Finance card portfolio. The Group has also launched Marketing Cloud CRM tool to drive even stronger growth on new business volume in the months to come.



DEPOSITS

Following strong growth in 2020, volumes in deposits have reached a robust and stable level. Maintaining these levels and a loyal customer base remain strategic priorities for the Group.

1%

Decrease

Managing balances in a liquid market

With the pandemic triggering a slowdown in consumer spending, availability of deposits has been high across the Nordics. As a result, after achieving strong growth in its deposits portfolios last year, the focus for first half of 2021 has been stabilization.

Total outstanding volumes for the Group is 80 652 MM NOK as of Q2 2021, representing a small decrease of 489 MM NOK (-1%) compared to year end 2020. The Group operates deposit platforms in three of its four home markets: Denmark, Norway and Sweden.

Over the past year, volumes in the Danish platform have grown to represent the largest amount of deposits within the three markets. Outstanding balances as of Q2 2021 were 30 463 MM NOK, ending the quarter 4% higher than year-end 2020. The high level of balances reflects the dynamics in the Danish deposit market, where the Group is one of the few banks offering non-negative yields.

The Danish business also 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 Bank also offers its only deposit product with fixed interest rates, with deposits locked for two years.

The Norwegian business currently offers only demand products. The customers can choose between a saving account receiving a higher yield when the balance is above 100.000 NOK, and a regular saving account with interest from the first krone deposited. The Norwegian business had an outstanding balance of 25 858 MM NOK as at end Q2 2021, representing a 6% reduction compared to year-end 2020.

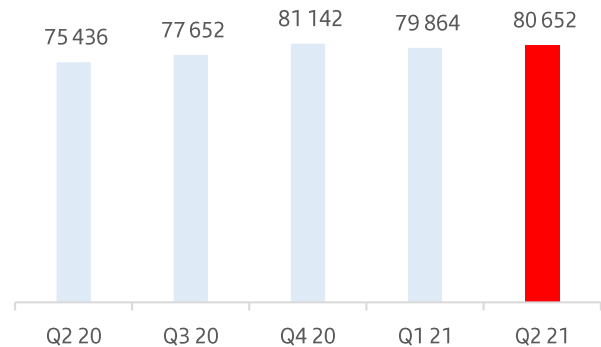
The Swedish business unit has offered two different savings products for the past four years, consisting of the regular demand product and a notification product. In addition, the unit has an ongoing cooperation with a broker. The cooperation expands the number of customer

channels, which provides additional flexibility in managing the Swedish deposits portfolio. Outstanding volumes in Sweden stood at 24 331 MM NOK as at the end of Q2 2021, which is approximately the same level compared to year-end 2020.

Helping people prosper

The Group continues to focus on improving the customer experience, through the optimization of mobile responsive onboarding solutions, net banks, apps and chat bots. In the Danish market, a new Private Netbank and App were launched in 2020. In addition, new features, such as saving goals and the possibility to view personal balances in third party banks, were introduced in the Danish market through the Group's new financial tool named Prosper. During 2021, the Group will look to roll-out similar customer solutions for the Norwegian and Swedish platforms.

The Bank is member of the Norwegian Banks' Guarantee Fund. Customer Deposits are covered according to the local guarantee limits, providing our Deposits customers a guaranteed amount per debtor of 100.000 EUR in the Danish and Swedish market, and 2 MM NOK in the Norwegian market.



GROSS CUSTOMER DEPOSITS MM NOK

Risk Management

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

Credit Risk

The Group's Credit Risk profile in Q2 2021 remains stable for the total portfolio, in line with business strategy. The consolidated Non-Performing Loans (NPL) Ratio ended at 2.78% (1.35% for Secured and 8.85% for Unsecured portfolios) in Q2 2021, compared to 2.76% in Q4 2020 (1.38% for Secured and 8.26% for Unsecured). The NPL ratio has remained mostly stable during the last year.

The total loan loss reserves have slightly decreased from 5 050 MM NOK per Q4 2020 to 4 981 MM NOK per Q2 2021. The total reserves as of Q2 2021 of 4 981 MM NOK include 4 934 MM NOK related to loans to customers and 47 MM NOK connected to off-balance exposures. On December 2020, a reserve of 403 MM NOK was booked to cover for potential losses derived from the current pandemic. The Group is continuously reassessing the COVID-19 impact and it will continue to adopt new measures as necessary.

The reserve is distributed in three different categories: macroeconomic scenario deterioration of 163 MM NOK, payment holidays expected loss of 208 MM NOK and sector degradation of 32 MM NOK. The macroeconomic scenario refers to the overall worsening of the macroeconomic indicators that lead to increased losses. Payment holidays (PH) reserves are booked to cover the potential losses for customers that cannot deliver on upcoming payments after the PH requested are expired, whilst sector degradation reserves are booked to cover for potential losses due to sectors more heavily affected by COVID-19, i.e. Transportation and Rent-a-Car. Upon analysis off the COVID-19 overlay, no changes are required during Q2 2021.

Liquidity Risk and interest rate risk

Liquidity Risk in the Group is measured using the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Liquidity stress testing. Both LCR and NSFR are regulatory metrics used to measure short and long-term liquidity risk. The Group has a strong liquidity position, managed at Nordic level to ensure efficient use of liquidity across the Group and the liquidity risk management has been further strengthened during the start of 2021, and continues to be strong during Q2 2021. As of June 2021, the Group's LCR was 264 % and the NSFR was 113.90 %. Both metrics are comfortably exceeding the regulatory requirements.

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 policy is not to actively take on interest rate risk in its operations and continuously monitors the sensitivity of its net interest income and equity value to changes in interest rates. The exposure to interest changes on both metrics are within defined limits per end of June 2021. 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 liquidity situation of the Group has been healthy and stable throughout the start of 2021 and continues to be so during Q2 2021.

Foreign currency risk

The Group is exposed to currency risks through its activities in the Swedish, Danish and Finnish markets and from funding activities in the Euro-markets. The main source of currency exposures is retained earnings in EUR, which are accumulated in the Finnish subsidiary to meet its solvency targets. The Group minimizes currency risk by ensuring assets are funded by liabilities in the similar currency. The risk is measured through an FX exposure report, covering all significant currency for the Group. When raising funds through international debt markets, any net open currency exposure is managed through derivatives. The total open currency exposure as of end of Q2 2021 was 2 480 MM NOK equivalent for consolidated SEK, DKK, and EUR exposures, which is comfortably inside the defined FX exposure limits for the Group in 2021.

Operational risk

The Group defines operational risk as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". It includes events that may arise due to legal or regulatory risk, system failures or fraud but does not include events arising due to strategic or reputational risk. The aim pursued by the Group in operational risk control and management is primarily to identify, measure/assess, control/mitigate and report on these risks. Operational risk is reduced through securing a good internal control environment. The Group uses Basic Indicator Approach for the calculation of regulatory capital for operational risk. Apart from reacting to incidents, the Group continuously strives to improve the internal control environment to cover the full scope of its activities and implement preventive controls remediating inherent risks. In general, Operational Risk management is at a satisfactory level, and the Group is prepared to continue operating within a medium-low range of operational risk appetite in 2021.

Funding

The Group continues to pursue a diversified funding strategy. Developments in the markets due to COVID-19 have resulted in a shift towards higher deposits and some reduction in capital markets and parent funding. The self-funding ratio remains strong and growing.

86%

Self-funding

SELF-FUNDING RATIO

A diversified funding platform

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

Self-funding sources totaled 86% per Q2 2021, with parent company loans providing the remaining 14%. Customer deposits is the largest funding source, comprising 52% of total funding at end of Q2 2021 and have a total outstanding volume of 80 652 MM NOK across the three Nordic markets where the Group is present. Unsecured issuance has been moderated to offset the strong amount of deposits funding. Total outstanding bond and certificate issuance increased in Q2 2021, standing at 39 700 MM NOK or 26% of total funding. Senior unsecured issuance and certificates outstanding end of Q2 2021 include 2 492 MM EUR in the Euro market, 7 101 MM SEK in the Swedish market, 1 250 MM DKK in the Danish market and 5 318 MM NOK in the Norwegian market. The Group has temporarily scaled back its presence in the certificates of deposits market in Norway and Sweden, and currently do not have any outstanding certificates as of end Q2 2021.

The weighted average remaining term to maturity, excluding certificate issuances, is 2.38 years. This number fluctuates somewhat and typically remains around 2 years.

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

The Green Bond program

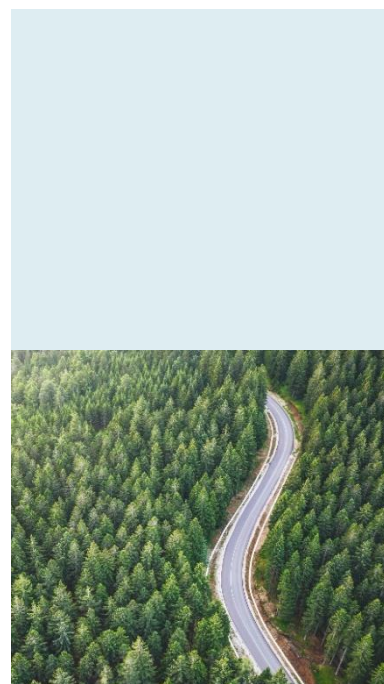
The Group launched its inaugural Green Bond issuance in February 2020, following the publication of the Green Bond Framework in December 2019. The transaction was issued in the Swedish market, with a size of 1 000 MM SEK. In the first half of 2021, the Group issued

two Green transactions of 500 MM SEK each. Consistent with the Framework, the transactions are supported solely by the sizeable EV portfolio in the Norwegian market.

While providing an opportunity to further diversify the Group's funding base, the Green Bond program also forms a key part of the Group's Responsible Banking strategy, and it represents a contribution to the environmental progress of the communities in which the Group operates.

Ratings

The Group is rated by Fitch (A-/F2/Outlook Negative) and Moody's (A3/P2/Outlook Stable). The rating was first received in 2016 and has been maintained at the same level since then. However, due to challenges presented from the COVID-19 situation, Fitch placed the Bank on Negative Outlook in April 2020. Fitch took a similar action for multiple banks across the sector. At the same time, Fitch upgraded the Group's senior debt from A- to A which indicates financial stability and strong ability to repay senior unsecured debt. In Q2, Fitch revised the Negative Outlook to Stable. The Outlook revision follows the same rating action on both the Group's parent, Santander Consumer Finance S.A. and the ultimate parent, Banco Santander S.A.



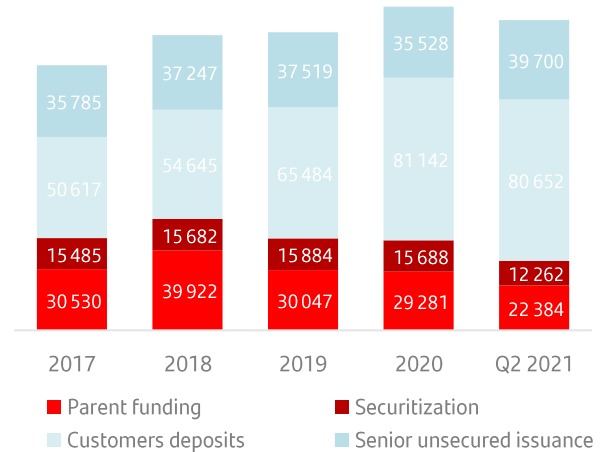
Securitizations

The Group has not accessed the asset-backed securities market year-to-date Q2 2021. Securitisation issuance in Norway has been paused due to the change in Norwegian law in 2016. Securitizing the Finnish portfolio, however, remains a consistent source of funding, since Santander Consumer Finance OY was not impacted by the regulatory change. As a result, the amount of funding received from the securitisation markets has remained stable over the past five years, providing approximately 10% of the Group's funding since 2016. Total outstanding volumes in securitisations currently equals 12 262 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 Securitisation Regulation into Norwegian law, which was approved by the Parliament on 23rd of March 2021. The legislation awaits the adoption by the EEA, and once incorporated, the Norwegian securitisation legal framework will be aligned with that of other European financial institutions.

FUNDING COMPOSITION

MM NOK



Solvency and Capital Adequacy

The Group's capital position remained solid during Q2 with a good margin above the minimum regulatory capital requirements. The Group is in a good position to meet the expected increase in countercyclical buffers.

Capital position

The Group maintained a strong capital position with a common equity Tier 1 ratio (CET1) of 19.57% at the end of June 2021. This is slightly down from 19.92% at the end of March 2021 but well above the CET1 regulatory requirement of 12.84% including Pillar 2 Guidance.

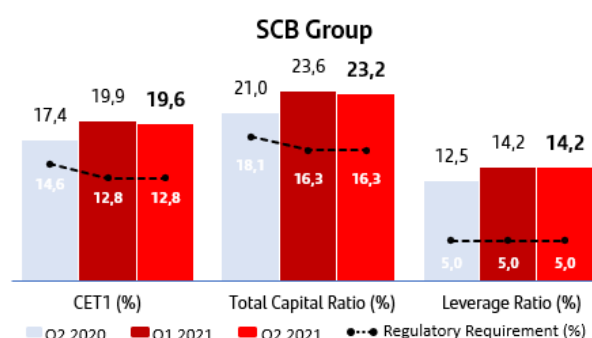
The solid capital position is still driven by no dividend distributions for profits from years 2019 and 2020. The Board of Directors has not proposed any dividend distribution from these years in light of the communication by the Ministry of Finance on 20th of January 2021 urging banks to refrain from dividend payments until 30th of September 2021 due to uncertainty related to the Covid pandemic.

The CET1 ratio for SCB Group has slightly improved from December 2020 driven by a decrease in risk weighted assets (RWA) mostly explained by a stronger NOK. With a strengthening of the Norwegian krone (NOK), RWA in the other currencies will decrease when translated into NOK all else being equal. For SCB AS, the CET1 ratio has decreased from year-end 2020 mostly due to an increase in intercompany lending to the Finnish subsidiary SCF Oy.

The leverage ratio for the SCB Group and SCB AS at June 2021 closed at 14.17% and 14.80%, respectively, which is substantially above the minimum regulatory leverage requirement of 5%.

Capital adequacy with IFRS9 transitional rules

SCB Group			
Actuals	Q4 2020	Q1 2021	Q2 2021
CET1 capital ratio	19.4 %	19.9 %	19.6 %
Tier 1 capital ratio	21.1 %	21.7 %	21.3 %
Total capital ratio	23.2 %	23.6 %	23.2 %
Leverage ratio	13.8 %	14.2 %	14.2 %
Capital requirements	Q4 2020	Q1 2021	Q2 2021
CET1 capital ratio	12.7 %	12.8 %	12.8 %
Minimum Core Equity	4.5 %	4.5 %	4.5 %
Pillar 2 Requirement	3.3 %	3.3 %	3.3 %
Pillar 2 Guidance	1.0 %	1.0 %	1.0 %
Countercyclical Buffer (combined)	0.3 %	0.3 %	0.3 %
Conservation Buffer	2.5 %	2.5 %	2.5 %
Systemic Risk Buffer	1.2 %	1.2 %	1.3 %
Tier 1 capital ratio	14.2 %	14.3 %	14.3 %
Total capital ratio	16.2 %	16.3 %	16.3 %
Leverage ratio	5.0 %	5.0 %	5.0 %



SCB AS			
Actuals	Q4 2020	Q1 2021	Q2 2021
CET1 capital ratio	19.8 %	20.3 %	19.0 %
Tier 1 capital ratio	21.6 %	22.2 %	20.8 %
Total capital ratio	23.9 %	24.3 %	22.8 %
Leverage ratio	15.1 %	15.4 %	14.8 %
Capital requirements	Q4 2020	Q1 2021	Q2 2021
CET1 capital ratio	13.8 %	13.8 %	14.0 %
Minimum Core Equity	4.5 %	4.5 %	4.5 %
Pillar 2 Requirement	3.3 %	3.3 %	3.3 %
Pillar 2 Guidance	1.0 %	1.0 %	1.0 %
Countercyclical Buffer (combined)	0.5 %	0.5 %	0.5 %
Conservation Buffer	2.5 %	2.5 %	2.5 %
Systemic Risk Buffer	2.0 %	2.1 %	2.2 %
Tier 1 capital ratio	15.3 %	15.3 %	15.5 %
Total capital ratio	17.3 %	17.3 %	17.5 %
Leverage ratio	5.0 %	5.0 %	5.0 %

Current and future capital requirements

During the second quarter of 2021, regulators in the Nordics have started to reinstate the countercyclical buffers ("CCyB"). In Norway, the Ministry of Finance has increased the CCyB from 1% to 1.5% with effect from June 2022. In Denmark, the Danish Systemic Risk Council announced its recommendation to the Minister for Industry Business and Financial Affairs to reactivate the Danish CCyB rate to 1% with effect from September 2022. In Sweden, the Swedish FSA has stated its aim to commence a gradual hike of the Swedish CCyB during the second half of 2021 with effect from 2022. The Group has considered, in its capital planning, that buffer requirements are expected to return to pre-Covid levels in a near future and is well positioned to meet such increase in capital requirements.

Regulatory

Following communication from the Norwegian FSA, the new capital regulation under CRD5, CRR2 and BRRD2 (the Banking Package) was not introduced in Norway in June 2021 when the regulation entered into force in the EU. Norway is, in cooperation with other EEA/EFTA States, working to incorporate it into the EEA Agreement as quickly as possible. The bank is well positioned to meet the regulatory changes and do not expect the changes to have material impact on the bank's capital position.

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 regulation and guidelines.

The Group has not received any MREL requirements from the Norwegian FSA or issued any internal MREL debt.

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



Regulatory Changes

There are several ongoing regulatory initiatives in the financial sector, mainly EU driven, but also nationally. The Group works continuously to ensure compliance and strives to take an active role in legislative processes through Finans Norge and other finance associations and networks.

Risk Reduction Package

In 2019 the EU adopted the “Risk Reduction Package”/“the EU Banking Package”, including changes to the EU’s Capital Requirements Legislation, the Bank Recovery and Resolution Directive, CRR II, CRD V, BRRD II, which are entering into force in the EU in the first half of 2021. The legislation is EEA relevant and is expected to be implemented in the EEA agreement.

In October last year the Norwegian Financial Supervisory Authority submitted the result of their review as well as proposal for the Norwegian implementation to the Ministry of Finance. The Ministry issued the proposal for consultation with a deadline of early January this year. The proposal includes the COVID-19 related changes adopted by the EU last year.

Sustainable Finance

In July 2020, the framework regulation for the establishment of an EU Taxonomy entered into force. The Taxonomy is a framework to facilitate environmentally and socially sustainable investments, and it will be applicable in the EU from 1 January 2022.

The EU Taxonomy is the first step of the EU Commission Action Plan on Financing Sustainable Growth, and more detailed legislation will follow under the Taxonomy regulation. Sustainable finance has an important role in mobilising 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.

Consumer Lending

In Norway, the Norwegian Financial Supervisory Authority have continued to have focus on consumer lending. A consolidated regulation on requirements on sound lending practices for house mortgages and consumer loans entered into force in January 2021 (the Norwegian Lending Regulation). The Norwegian Supervisory

Authority also issued a new circular with guidelines to the Norwegian Lending Regulation, which are mainly a continuation of existing practices but in some areas entailed stricter requirements.

The proposal for a new Norwegian Financial Agreements Act is also expected to enter into force later this year.

In Sweden, the Swedish Financial Supervisory Authority has announced that they will have a greater focus on consumer protection during 2021. Updated guidelines for consumer lending in Sweden were published in March and are expected to enter into force on 1 November 2021. In addition, the Swedish Consumer Agency has issued a report on consumer credits entailing focus areas where actions can be taken to improve consumer protection.

EBA Guidelines on loan origination and monitoring

On 29th of May 2020, the European Banking Authority (EBA) issued new guidelines on loan origination and monitoring. Both Danish, Norwegian and Swedish Supervisory Authorities have stated that they will comply with the Guidelines and that they will apply from 30 June 2021. The Guidelines specify the internal governance arrangements for granting and monitoring of credit facilities throughout their lifecycle. They introduce requirements for borrowers’ creditworthiness assessment and bring together the EBA’s prudential and consumer protection objectives. The Guidelines aim to ensure that banks have robust and prudent standards for credit risk taking, management and monitoring, and that newly originated loans are of high credit quality. The Guidelines also aim to ensure that the banks’ practices are aligned with consumer protection rules and AML requirements. SCB has an ongoing project to ensure implementation of the Guidelines in relevant areas.

Strategic priorities to stay in the lead

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 Banking sector landscape

Prior to the onset of COVID-19 in March 2020, the macroeconomic environment was characterized by low growth and low interest rates. The COVID-19 pandemic has reinforced those pre-existing conditions whilst adding some additional challenges – increased unemployment and increased credit risk. The combination of these factors have served to assert additional pressure on bank sector profitability.

On a relative basis, the Nordic region has held up well and remains an economically strong and stable region. Forecasts of 2021 GDP point to growth of 3.5% in Norway, 4.5% in Sweden, 3.0% in Denmark and 3.0% in Finland.

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

Group strategy

The Group's overarching commitment is to do business in a responsible and sustainable way. This is further underpinned by the value platform of acting in a simple, personal and fair manner in everything the Group does.

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 corporate strategy, four long-term primary measures were determined that reflects the commitment to delivering long term stakeholder value:

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

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

- **Grow selectively** – Continue to build on the Group's strengths, focusing on extracting greater value from existing business and, taking a disciplined approach to new business opportunities.
- **Operate efficiently** – Deliver a modern infrastructure platform, simplify and standardize processes and products and, optimize the allocation of resources to enhance productivity and performance.
- **Work collaboratively** – Embrace the full potential of collaboration, both internally and externally, in order to deliver a value proposition that customers and partners desire, in a cost effective, seamless and timely manner.

Strategic focus areas

During Q2 2021, the Group made further progress on operationalizing and executing on its corporate strategy established in 2020. Key areas of progress made include:

- Established its new organization, following the process in Q1 to reorganize the Group, in service of both diminishing the presence of operational siloes and increasing efficiencies.
- Mobilized its Responsible Banking agenda in support of the Group's strategic aspiration and its "Net Zero by 2050" sustainability ambition.
- Continued to support mobility electrification, a strategic focus area, by financing 10 307 new electric vehicles ("EVs") per June 2021 YTD, representing 12,5% of all EVs purchased in the Nordic region
- Maintained good progress with respect to digital capability transformation, ensuring that the Group possesses a modern infrastructure that will enable greater connectivity to customers and partners whilst releasing desired efficiencies.

Lysaker, 20th August 2021

The Board of Directors of Santander Consumer Bank

Henning Strøm
Chair

Federico Ysart
Deputy Chair

Javier Anton
Board Member

Anne Kvam
Board Member

Ramón Billordo
Board Member

Tina Stiegler
Board Member

Tone Bergsaker Strømsnes
Employee Representative

Sara Norberg
Employee Representative

Michael Hvidsten
Chief Executive Officer

Profit and Loss - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
Total interest income		2 010	2 317	4 067	4 596	9 008
Total interest expenses		-233	-360	-474	-739	-1 369
Net interest income	9	1 777	1 957	3 593	3 857	7 638
Fee and commission income		159	128	295	262	553
Fee and commission expenses		-56	-73	-119	-135	-291
Value change and gain/loss on foreign exchange and securities		-20	5	49	-92	-92
Other operating income		83	69	158	140	310
Other operating expenses		-85	-71	-169	-135	-302
Gross margin	9	1 858	2 015	3 807	3 897	7 816
Salaries and personnel expenses		-352	-341	-724	-720	-1 439
Administrative expenses		-310	-451	-610	-838	-1 735
Depreciation and amortisation		-68	-49	-130	-96	-196
Net operating income		1 128	1 174	2 344	2 243	4 446
Other income and costs		-44	-8	-43	154	237
Impairment losses on loan, guarantees etc.	3, 4, 5, 13	-371	-309	-774	-831	-1 983
Profit before tax		713	857	1 527	1 566	2 701
Income tax expense		-191	-239	-396	-312	-571
Profit after tax		523	618	1 131	1 254	2 130
Allocation of profit after tax						
Transferred to other earned equity		493	581	1 072	1 169	1 994
Translation differences from foreign currencies		-	-1	-	9	-
Transferred to additional Tier 1 capital	16	30	38	59	76	136
Total allocations		523	618	1 131	1 254	2 130
Profit after tax						
		523	618	1 131	1 254	2 130
<i>Items not to be recycled to profit and loss</i>						
Actuarial gain/loss on post-employment benefit obligations		62	1	62	1	-4
<i>Items to be recycled to profit and loss</i>						
Net exchange differences on translating foreign operations		79	-188	-188	344	208
Measured at FVTOCI		-	7	-1	7	7
Cash flow hedge		6	-19	17	-15	-
Net investment hedge		-28	15	130	-147	-141
Other comprehensive income for the period net of tax		119	-184	19	190	71
Total comprehensive income for the period		642	434	1 151	1 443	2 201

Balance Sheet - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q2 2021	Q2 2020	2020
Assets				
Cash and receivables on central banks	10	3 093	5 371	3 363
Deposits with and receivables on financial institutions	10	8 566	6 494	7 238
Loans to customers	3, 4, 5, 10, 12	172 260	179 901	176 263
Commercial papers and bonds	10	3 863	6 495	6 813
Financial derivatives	10, 11	13	18	18
Reposessed assets		82	40	16
Other ownership interests	10, 11	37	38	38
Intangible assets		1 285	1 234	1 315
Fixed assets		1 121	1 313	1 247
Other assets		2 055	2 546	2 581
Total assets		192 375	203 452	198 892
Liabilities				
Debt to credit institutions	10, 15	22 422	41 035	29 363
Deposits from customers		80 652	75 436	81 142
Debt established by issuing securities	10, 14	51 962	50 933	51 216
Financial derivatives	10, 11	5	12	25
Tax payable		13	33	221
Other financial liabilities		401	694	490
Deferred tax		1 138	1 023	1 166
Pension liabilities		56	145	147
Other liabilities		2 966	3 122	3 129
Subordinated loan capital	10, 15	2 512	2 560	2 821
Total liabilities		162 128	174 994	169 720
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		15 308	13 411	14 253
OCI items		145	253	125
Total equity		30 246	28 458	29 172
Total liabilities and equity		192 375	203 452	198 892

Cash Flow - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
Cash flow from operations						
Profit before tax		713	857	1 527	1 566	2 701
Adjustments for:						
- Depreciation, amortisation and impairment on fixed and intangible assets		101	87	202	172	350
- Net interest income	9	-1 777	-1 957	-3 593	-3 857	-7 638
- Value change and gain/loss on foreign exchange and securities		20	-5	-49	92	92
- Dividends on financial assets at FVOCI		-	-	-	-	-
Changes in:						
- Loans to customers	12	-829	1 344	503	1 917	-7 841
- Operational lease		9	72	84	-109	-99
- Repossessed assets		-33	-29	-66	-29	-5
- Other assets		-62	164	526	-952	-987
- Deposits from customers		-424	4 065	1 109	5 939	12 435
- Other liabilities and provisions		-91	-304	-552	692	808
Interests received		2 008	2 361	4 064	4 643	9 057
Dividends received		-	-	-	-	-17
Interests paid		-222	-296	-451	-733	-1 365
Net income taxes paid		-189	-318	-251	-686	-782
Net cash flow from operations		-776	6 041	3 053	8 653	6 708
Cash flow from investments						
Purchase of bonds		-1 538	-5 790	-2 393	-5 609	-10 161
Proceeds from matured bonds		1 846	3 069	4 854	11 358	15 607
Purchase of shares		-	-	-	-1 072	-369
Purchase of fixed and intangible assets		-60	-88	-91	-106	-286
Proceeds from sale of fixed and intangible assets		1	1	-0	2	8
Net cash flow from investments		249	-2 808	2 370	4 573	4 799
Cash flow from financing						
Proceeds from issued securities		6 080	154	6 583	8 077	13 972
Repayments of issued securities		-2 166	1 988	-4 294	-14 145	-15 995
Change in loans and deposits from credit institutions		-6 831	3 924	-6 064	492	-3 293
Proceeds from issue of subordinated loans	15	-	-	-	-	500
Repayment of subordinated loans	15	-	-	-250	-	-250
Dividend payments		-	-	-	-	-
Interest payments on additional Tier 1 capital	16	-30	-31	-59	-69	-136
Net cash flow from financing		-2 946	6 035	-4 084	-5 644	-5 201
Exchange gains / (losses) on cash and cash equivalents		203	55	-281	250	261
Net change in cash and cash equivalents		-3 270	9 323	1 058	7 832	6 306
Cash and cash equivalents at the beginning of the period		14 929	2 542	10 601	4 034	4 034
Cash and cash equivalents at the end of the period		11 659	11 866	11 659	11 866	10 601

Statement of changes in equity - Santander Consumer Bank Nordic Group

Q2 2021

All amounts in millions of NOK	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured at FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 April 2021	10 618	1 926	2 250	14 815	150	37	-	-35	-126	29 634
Profit for the period	-	-	30	493	-	-	-	-	-	523
Adjustment of equity from merger with Forso	-	-	-	-	-	-	-	-	-	-
OCI movements (net of tax)	-	-	-	-	79	-	6	-28	62	119
Interest payments additional Tier 1 capital	-	-	-30	-	-	-	-	-	-	-30
Capital increase	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2021	10 618	1 926	2 250	15 308	229	37	6	-63	-64	30 246

YTD Q2 2021

All amounts in millions of NOK	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured at FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 January 2021	10 618	1 926	2 250	14 253	418	38	-11	-193	-126	29 172
Profit for the period	-	-	59	1 072	-	-	-	-	-	1 131
Adjustment of equity from merger with Forso	-	-	-	-17	-	-	-	-	-	-17
OCI movements (net of tax)	-	-	-	-	-188	-1	17	130	62	19
Interest payments additional Tier 1 capital	-	-	-59	-	-	-	-	-	-	-59
Capital increase	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2021	10 618	1 926	2 250	15 308	229	37	6	-63	-64	30 246

Total shares registered as at June 30, 2021, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at June 30, 2021, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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

Financial Year 2020

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured at FVTOCI	Cash flow investment hedge	Net hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 January 2020	9 652	891	2 250	12 242	209	31	-11	-52	-122	25 090
Profit for the period	-	-	136	1 994	-	-	-	-	-	2 130
Equity from merger with Forso	-	-	-	17	-	-	-	-	-	17
OCI movements (net of tax)	-	-	-	-	208	7	-	-141	-4	70
Interest payments additional										
Tier 1 capital	-	-	-136	-	-	-	-	-	-	-136
Capital increase	965	1 035	-	-	-	-	-	-	-	2 000
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2020	10 618	1 926	2 250	14 253	418	38	-11	-193	-126	29 172

Total shares registered as at December 31, 2020, was 965 241 842, each with a par value of 11 NOK

Restricted capital as at December 31, 2020, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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

Profit and Loss - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
Total interest income		1 708	1 946	3 462	3 874	7 618
Total interest expenses		-218	-351	-439	-694	-1 288
Net interest income	9	1 490	1 595	3 023	3 180	6 330
Fee and commission income		143	110	262	230	487
Fee and commission expenses		-51	-67	-109	-124	-267
Value change and gain/loss on foreign exchange and securities		-22	-1	29	-93	-74
Other operating income		52	36	92	74	173
Other operating expenses		-52	-39	-97	-74	-167
Gross margin		1 560	1 634	3 201	3 193	6 481
Salaries and personnel expenses		-315	-281	-623	-621	-1 252
Administrative expenses		-252	-322	-506	-589	-1 351
Depreciation and amortisation		-58	-42	-111	-83	-169
Net operating income		935	989	1 961	1 900	3 710
Other income and costs		-46	-7	-46	-0	195
Impairment losses on loan, guarantees etc.	3, 4, 5, 13	-350	-230	-682	-627	-1 686
Profit before tax		539	752	1 233	1 273	2 219
Income tax expense		-145	-217	-326	-267	-493
Profit after tax		394	535	907	1 006	1 726
Allocation of profit after tax						
Transferred to other earned equity		364	497	848	930	1 591
Transferred to additional Tier 1 capital	16	30	38	59	76	136
Total allocations		394	535	907	1 006	1 726
Profit after tax						
		394	535	907	1 006	1 726
<i>Items not to be recycled to profit and loss</i>						
Actuarial gain/loss on post-employment benefit obligations		62	1	62	1	-4
<i>Items to be recycled to profit and loss</i>						
Net exchange differences on translating foreign operations		11	-6	-73	40	75
Measured at FVTOCI		-	7	-1	7	7
Cash flow hedge		4	-9	18	-2	-1
Net investment hedge		-9	-	1	-	22
Other comprehensive income for the period net of tax		68	-7	6	46	99
Total comprehensive income for the period		462	528	913	1 052	1 825

Balance Sheet - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q2 2021	Q2 2020	2020
Assets				
Cash and receivables on central banks	10	3 093	5 371	3 363
Deposits with and receivables on financial institutions	10	7 251	3 735	5 261
Loans to customers	3, 4, 5, 10, 12	136 002	133 429	137 157
Commercial papers and bonds	10	3 974	5 890	6 094
Financial derivatives	10, 11	-	-	-
Repossessed assets		15	7	-3
Loans to subsidiaries and SPV's	10, 15	18 858	16 544	14 163
Investments in subsidiaries		1 676	2 496	1 733
Other ownership interests	10, 11	37	38	38
Intangible assets		860	775	876
Fixed assets		634	753	714
Other assets		2 112	2 502	2 531
Total assets		174 511	171 540	171 927
Liabilities				
Debt to credit institutions	10, 15	19 325	24 726	20 428
Deposits from customers		80 652	75 436	81 142
Debt established by issuing securities	10, 14	39 700	37 977	35 528
Financial derivatives	10, 11	-	-	8
Tax payable		13	19	199
Other financial liabilities		392	671	477
Deferred tax		1 397	1 154	1 462
Pension liabilities		56	145	147
Other liabilities		2 427	2 427	2 577
Subordinated loan capital	10, 15	2 512	2 560	2 821
Total liabilities		146 473	145 116	144 789
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		13 258	11 704	12 364
OCI items		-14	-73	-20
Total equity		28 038	26 425	27 138
Total liabilities and equity		174 511	171 540	171 927

Cash Flow - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
Cash flow from operations						
Profit before tax		539	752	1 233	1 273	2 219
Adjustments for:						
- Depreciation, amortisation and impairment on fixed and intangible assets		72	51	139	102	209
- Net interest income	9	-1 490	-1 595	-3 023	-3 181	-6 330
- Value change and gain/loss on foreign exchange and securities		22	1	-29	93	74
- Dividends on financial assets at FVOCI		-	-	-	-	-
Changes in:						
- Loans to customers	12	-2 027	-47	-2 033	-627	-8 324
- Operational lease		3	35	42	-37	-34
- Repossessed assets		-2	-4	-18	-1	9
- Other assets		-74	99	420	-984	-1 013
- Deposits from customers		-424	4 065	1 109	5 939	12 668
- Other liabilities and provisions		84	363	-674	329	863
Interests received		1 658	1 989	3 406	3 920	7 664
Dividends received		-	-	-	-	-17
Interests paid		-207	-309	-416	-730	-1 363
Net income taxes paid		-48	-318	-209	-672	-703
Net cash flow from operations		-1 893	5 084	-53	5 423	5 921
Cash flow from investments						
Purchase of bonds		-1 181	-5 059	-2 035	-4 520	-7 852
Proceeds from matured bonds		1 541	13 110	4 100	8 103	11 262
Acquisition of Forso AB		-	-	-	-1 072	-1 020
Merge Forso AB		-	-	-	-	1 043
Purchase of fixed and intangible assets		-56	-86	-87	-103	-281
Proceeds from sale of fixed and intangible assets		-1	-	-	-	4
Net cash flow from investments		303	7 965	1 977	2 409	3 157
Cash flow from financing						
Proceeds from issued securities		5 992	7 128	6 647	13 383	6 933
Repayments of issued securities		-1 000	-10 451	-1 510	-16 969	-8 488
Change in loans and deposits from credit institutions		-5 550	-3 117	-4 781	2 335	-1 730
Proceeds from issue of subordinated loans	15	-	-	-	-	500
Repayment of subordinated loans	15	-	-	-250	-	-250
Dividend payments		-	-	-	-	-
Interest payments on additional Tier 1 capital	16	-30	-31	-59	-69	-136
Net cash flow from financing		-588	-6 471	46	-1 319	-3 171
Exchange gains / (losses) on cash and cash equivalents		182	30	-251	94	109
Net change in cash and cash equivalents		-1 996	6 608	1 720	6 607	6 016
Cash and cash equivalents at the beginning of the period in Forso		-	-	-	-	-
Cash and cash equivalents at the beginning of the period		12 340	2 499	8 624	2 499	2 499
Cash and cash equivalents at the end of the period		10 344	9 107	10 344	9 107	8 624

Statement of changes in equity - Santander Consumer Bank AS

Q2 2021

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 of April 2021	10 618	1 926	2 250	12 893	-22	37	-3	32	-126	27 606
Profit for the period	-	-	30	364	-	-	-	-	-	394
Adjustment of equity from merger with Forso	-	-	-	-	-	-	-	-	-	-
OCI movements (net of tax)	-	-	-	-	11	-	4	-9	62	68
Interest payments additional Tier 1 capital	-	-	-30	-	-	-	-	-	-	-30
Capital increase	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 30 of June 2021	10 618	1 926	2 250	13 258	-11	37	2	23	-64	28 038

YTD Q2 2021

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 January 2021	10 618	1 926	2 250	12 364	62	38	-16	22	-126	27 138
Profit for the period	-	-	59	848	-	-	-	-	-	907
Adjustment of equity from merger with Forso	-	-	-	46	-	-	-	-	-	46
OCI movements (net of tax)	-	-	-	-	-73	-1	18	1	62	6
Interest payments additional Tier 1 capital	-	-	-59	-	-	-	-	-	-	-59
Capital increase	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 30 of June 2021	10 618	1 926	2 250	13 258	-11	37	2	23	-64	28 038

Total shares registered as at June 30, 2021, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at June 30, 2021, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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

Financial Year 2020

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 January 2020	9 652	891	2 250	10 774	-13	31	-15	-	-122	23 448
Profit for the period	-	-	136	1 591	-	-	-	-	-	1 726
OCI movements (net of tax)	-	-	-	-	75	7	-1	22	-4	99
Interest payments additional Tier 1 capital	-	-	-136	-	-	-	-	-	-	-136
Capital increase	965	1 035	-	-	-	-	-	-	-	2 000
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2020	10 618	1 926	2 250	12 364	62	38	-16	22	-126	27 138

Total shares registered as at December 31, 2020, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at December 31, 2020, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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

Lysaker, 20th August 2021

The Board of Directors of Santander Consumer Bank

Henning Strøm
Chair

Federico Ysart
Deputy Chair

Javier Anton
Board Member

Anne Kvam
Board Member

Ramón Billordo
Board Member

Tina Stiegler
Board Member

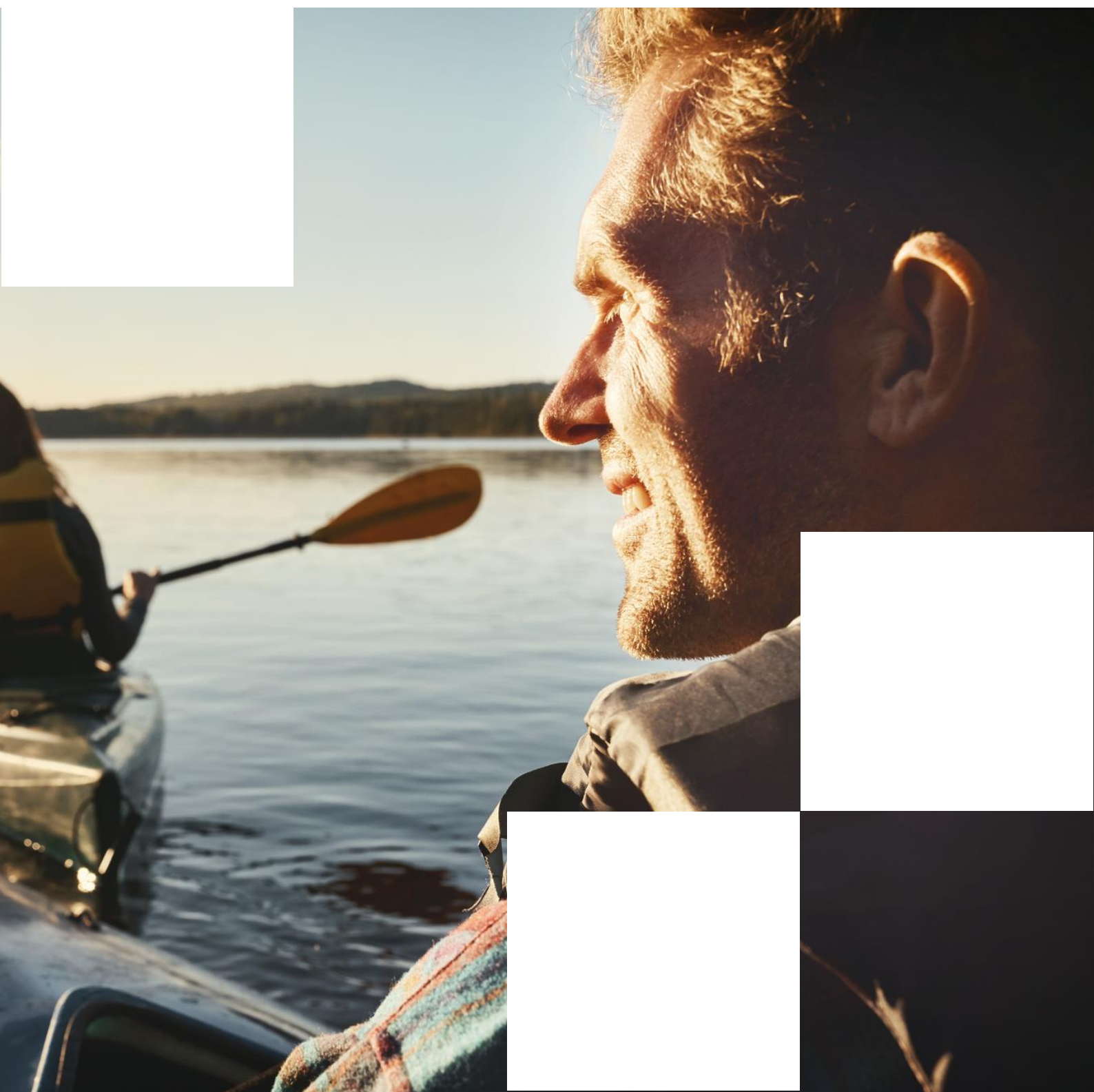
Tone Bergsaker Strømsnes
Employee Representative

Sara Norberg
Employee Representative

Michael Hvidsten
Chief Executive Officer

1 | Notes

Santander Consumer Bank Nordic Group



Note 1 - Basis of preparation

The Group accounts include Santander Consumer Bank AS (the Company), the Finnish subsidiary Santander Consumer Finance OY (SCF OY) and the Special Purpose Vehicles ("SPV") as listed in note 33 of the 2020 financial statements for the Company.

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

The Santander Consumer Bank interim accounts for the second quarter of 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual report as at and for the year ended December 31, 2020.

The annual report for 2020 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 August 20, 2021.

Note 2 - Accounting principles

The accounting policies of the Group are consistent with those applied in the 2020 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 SCB AS's maximum exposure to credit risk on these assets.

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

	Q2 2021				Q2 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Unsecured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Credit grade								
Loans not past due date	27 698	1 275	-	28 973	32 238	629	-	32 867
Standard monitoring	688	796	-	1 484	716	1 044	-	1 760
Special monitoring	-	300	-	300	-	224	-	224
Default	-	-	3 138	3 138	-	-	2 593	2 593
Gross carrying amount	28 386	2 371	3 138	33 895	32 954	1 897	2 593	37 444
Loss allowance	-649	-391	-1 961	-3 001	-536	-321	-1 570	-2 427
Carrying amount	27 737	1 980	1 177	30 894	32 418	1 576	1 023	35 017
Loss allowance (off balance exposures)	-21	-8	-18	-47	-40	-12	-19	-71
Loss allowance (%)				8,85%				6,48%

	Q2 2021				Q2 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Credit grade								
Loans not past due date	134 631	1 842	-	136 473	136 059	2 542	-	138 601
Standard monitoring	3 302	1 258	-	4 560	3 660	1 856	-	5 516
Special monitoring	-	462	-	462	-	496	-	496
Default	-	-	1 805	1 805	-	-	2 195	2 195
Gross carrying amount	137 933	3 562	1 805	143 300	139 719	4 894	2 195	146 808
Loss allowance	-766	-207	-961	-1 934	-610	-246	-1 067	-1 923
Carrying amount	137 167	3 355	844	141 366	139 109	4 648	1 128	144 885
Loss allowance (%)				1,35%				1,31%

	Q2 2021			Total	Q2 2020			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Commercial papers and bonds								
Credit grade								
Investment grade	3 864	-	-	3 864	6 496	-	-	6 496
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	3 864	-	-	3 864	6 496	-	-	6 496
Loss allowance	-	-	-	-	-1	-	-	-1
Carrying amount	3 864	-	-	3 864	6 495	-	-	6 495
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	Q2 2021	Q2 2020
Financial derivatives Assets	13	-
Financial derivatives Liabilities	5	12

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.

	Balance			Loss reserves		
	Q2 2021	Q2 2020	FY 2020	Q2 2021	Q2 2020	FY 2020
Current - not past due date	166 206	172 199	169 789	-1 659	-1 320	-1 846
Current - past due date	6 045	7 252	6 518	-334	-445	-379
Total impaired loans	4 943	4 801	4 960	-2 940	-2 657	-2 825
Total gross loans to customers	177 194	184 252	181 267	-4 934	-4 422	-5 050

<i>Ageing of past due but not impaired loans</i>	Q2 2021	Q2 2020	FY 2020	Q2 2021	Q2 2020	FY 2020
	1 - 29 days	4 711	5 607	4 948	-116	-179
30 - 59 days	953	1 159	1 115	-145	-154	-164
60 - 89 days	382	487	455	-73	-112	-87
Total loans due but not impaired	6 046	7 253	6 518	-334	-445	-378

<i>Ageing of impaired loans</i>	Balance			Loss reserves		
	Q2 2021	Q2 2020	FY 2020	Q2 2021	Q2 2020	FY 2020
90 - 119 days	279	313	302	-136	-143	-140
120 - 149 days	195	279	240	-101	-136	-115
150 - 179 days	177	229	180	-93	-116	-91
180 + days	2 350	1 857	2 213	-1 505	-1 125	-1 379
Economic doubtful*	1 941	2 123	2 025	-1 105	-1 137	-1 100
Total impaired loans	4 942	4 801	4 960	-2 940	-2 657	-2 825

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

Note 5 - Loss allowance

All amounts in millions of NOK

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

	Q2 2021				Q2 2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Unsecured loans								
Loss allowance as at 1 January	712	452	1 838	3 002	476	355	1 515	2 346
Transfers:								
Transfer from Stage 1 to Stage 2	-75	531	-	456	-85	606	-	521
Transfer from Stage 1 to Stage 3	-6	-	77	71	-4	-	94	90
Transfer from Stage 2 to Stage 3	-	-269	467	198	-	-433	649	216
Transfer from Stage 2 to Stage 1	46	-347	-	-301	39	-415	-	-376
Transfer from Stage 3 to Stage 2	-	46	-124	-78	-	29	-142	-113
Transfer from Stage 3 to Stage 1	-	-	-1	-1	-	-	-2	-2
Assets remaining in same Stage	-60	6	165	111	18	181	133	332
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-55	-21	-73	-149	-30	-10	-642	-682
of which 'account that have closed in the period'	-55	-21	-73	-149	-30	-10	-642	-682
of which 'foreclosed'	-	-	-	-	-	-	-	-
of which 'sold'	-	-	-	-	-	-	-	-
of which 'change of perimeter'	-	-	-	-	-	-	-	-
Write-offs	-	-	-315	-315	-	-	-137	-137
New financial assets originated or purchased	76	-	-	76	70	-	-	70
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	11	-7	-73	-69	53	8	102	163
Loss allowance as at 30 June	649	391	1 961	3 001	537	321	1 570	2 428

	Q2 2021				Q2 2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Secured loans								
Loss allowance as at 1 January	794	240	968	2 002	538	220	835	1 593
Transfers:								
Transfer from Stage 1 to Stage 2	-47	325	-	278	-48	318	-	270
Transfer from Stage 1 to Stage 3	-11	-	146	135	-10	-	177	167
Transfer from Stage 2 to Stage 3	-	-119	357	238	-	-158	441	283
Transfer from Stage 2 to Stage 1	36	-237	-	-201	37	-236	-	-199
Transfer from Stage 3 to Stage 2	-	54	-253	-199	-	35	-238	-203
Transfer from Stage 3 to Stage 1	-	-	-3	-3	-	-	-28	-28
Assets remaining in same Stage	-102	-10	221	109	-26	79	100	153
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-123	-42	-232	-397	-72	-26	-89	-187
<i>of which 'account that have closed in the period'</i>	-123	-42	-232	-397	-72	-26	-89	-187
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-270	-270	-	-	-200	-200
New financial assets originated or purchased	235	-	-	235	187	5	30	222
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-16	-4	27	7	4	9	39	52
Loss allowance as at 30 June	766	207	961	1 934	610	246	1 067	1 923

	Q2 2021				Q2 2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Commercial papers and bonds								
Loss allowance as at 1 January	-	-	-	-	1	-	-	1
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	-	-	-	-	1	-	-	1
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-	-	-	-	-	-	-	-
<i>of which 'account that have closed in the period'</i>	-	-	-	-	-	-	-	-
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	-	-	-	-
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-	-	-	-	-	-	-	-
Loss allowance as at 30 June	-	-	-	-	1	-	-	1

	Q2 2021				Q2 2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Off balance exposure*								
Loss allowance as at 1 January	21	7	18	46	46	14	22	82
Transfers:								
Transfer from Stage 1 to Stage 2	-1	11	-	10	-2	23	-	20
Transfer from Stage 1 to Stage 3	-	-	5	5	-	-	8	8
Transfer from Stage 2 to Stage 3	-	-1	6	5	-	-3	7	4
Transfer from Stage 2 to Stage 1	2	-11	-	-9	3	-26	-	-23
Transfer from Stage 3 to Stage 2	-	3	-9	-6	-	2	-8	-6
Transfer from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Assets remaining in same Stage	1	-	5	6	-2	3	4	5
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-3	-1	-6	-10	-8	-1	-14	-23
<i>of which 'account that have closed in the period'</i>	-3	-1	-6	-10	-8	-1	-14	-23
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-1	-1	-	-	-	-
New financial assets originated or purchased	1	-	-	1	3	-	-	3
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-	-0	-0	-0	1	-	-	1
Loss allowance as at 30 June	21	8	18	47	40	12	19	71

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

Note 6 - Liquidity coverage ratio

Liquidity Coverage Ratio (LCR) measures the capability to meet obligations in the next 30 days by means of liquidity assets. It is defined as $LCR = \text{liquidity assets} / (\text{cash outflows} - \text{cash inflows})$. The minimum LCR level (CRD IV) is 100% from 31 December 2017. With a stable basis of High Quality Liquid Assets, The Group fulfills the minimum LCR requirements.

Liquidity Coverage Ratio (LCR) %	Q2 2021	Q2 2020	Q4 2020
Liquidity Coverage Ratio (LCR) Total	267%	239%	237%
Liquidity Coverage Ratio (LCR) NOK	198%	472%	130%
Liquidity Coverage Ratio (LCR) SEK	158%	175%	175%
Liquidity Coverage Ratio (LCR) DKK	1458%	138%	1097%
Liquidity Coverage Ratio (LCR) EUR	244%	367%	283%

Note 7 - Capital adequacy

All amounts in millions of NOK

	Q2 2021	Q2 2020	FY 2020
Balance sheet equity			
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	15 308	13 411	14 253
Tier 1 Capital	2 250	2 250	2 250
Other reserves	145	253	125
Total Equity	30 246	28 458	29 172
Common Equity Tier 1 Capital			
(-) Profit not eligible as capital	-1 131	-1 254	-
Cash-flow hedge adjustment	-	-	-
IRB Expected Loss - Reserves	-437	-455	-410
Goodwill	-812	-861	-834
Other intangible assets	-472	-371	-482
Deferred tax assets	-	-	-
Adjustment Prudent Valuation (AVA)	-3	-5	-6
Tier 1 Capital	-2 250	-2 250	-2 250
Total common Equity Tier 1 Capital (with full IFRS9 impact)	25 141	23 260	25 191
Capital adjustment according to IFRS9 Transitional rules	229	320	320
Total common Equity Tier 1 Capital with IFRS9 transitional rules)	25 369	23 580	25 511
Tier 1 Capital			
Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital (with full IFRS9 impact)	27 391	25 510	27 441
Total Tier 1 Capital (after IFRS9 transitional rules)	27 619	25 830	27 761
Total Capital			
Paid up subordinated loans	2 510	2 537	2 816
Subordinated loans not eligible	-	-13	-23
Total Capital (with full IFRS9 impact)	29 901	28 035	30 234
Total Capital (with IFRS9 transitional rules)	30 129	28 355	30 554
Risk exposure on Standard Approach			
Regional governments or local authorities	64	70	73
Institutions	608	1 050	988
Corporates	9 741	9 756	11 180
Retail Standard Approach	56 132	63 732	59 065
Exposures in default SA	3 537	1 624	1 209
Covered bonds	88	141	100
Other Exposures	4 250	4 243	4 030
Total Risk exposure amount on Standard Approach	74 420	80 616	76 645

	Q2 2021	Q2 2020	FY 2020
Risk exposure on Internal Rating Based Approach			
Retail Other	38 231	38 060	37 864
Total Risk exposure amount on Internal Rating Based Approach	38 231	38 060	37 864
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	112 651	118 676	114 509
Foreign exchange (zero if under threshold)	2 480	2 412	2 472
Risk exposure amount for position, foreign exchange and commodities risks	2 480	2 412	2 472
Basic indicator approach	14 247	13 730	14 247
Risk exposure amount for operational risk	14 247	13 730	14 247
Standardized method	36	59	46
Risk exposure amount for credit valuation adjustment	36	59	46
Total risk exposure amount (with full IFRS9 impact)	129 415	134 878	131 275
Risk Exposure adjustment according to IFRS9 Transitional rules	200	280	280
Total risk exposure amount (with IFRS9 transitional rules)	129 615	135 157	131 555
Total exposure for Leverage Ratio			
Derivatives: Add-on under market-to-market method	419	449	518
Off-balance sheet items with 10% CCF	3 029	3 366	3 012
Off-balance sheet items with 20% CCF	483	431	323
Off-balance sheet items with 50% CCF	38	38	38
Adjusted On balance sheet exposure	190 650	205 267	197 161
Total exposure for Leverage Ratio (with full IFRS9 impact)	194 619	209 551	201 052
Exposure adjustment according to IFRS9 Transitional rules	301	421	421
Total exposure for Leverage Ratio (with IFRS9 transitional rules)	194 919	209 972	201 473
Minimum Regulatory Capital			
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	3,30%	3,30%	3,30%
Pillar 2 Guidance	1,00%	1,00%	1,00%
Countercyclical Buffer (combined)	0,28%	0,30%	0,26%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	1,26%	3,00%	1,18%
Minimum Regulatory Capital ratio (CET1)	12,84%	14,60%	12,74%
Minimum Regulatory Capital			
Minimum Core Equity	5 824	6 069	5 907
Pillar 2 Requirement	4 271	4 451	4 332
Pillar 2 Guidance	1 294	1 349	1 313
Countercyclical Buffer (combined)	362	405	341
Conservation Buffer	3 235	3 372	3 282
Systemic Risk Buffer (combined)	1 630	4 046	1 549
Minimum Regulatory Capital amount (full IFRS9 impact)	16 616	19 692	16 724
Surplus of Core Equity Tier 1 capital (full IFRS9 impact)	8 525	3 568	8 466

	Q2 2021	Q2 2020	FY 2020
Minimum Regulatory Capital amount (with IFRS9 transitional rules)	16 642	19 733	16 760
Surplus of Core Equity Tier 1 capital (after IFRS9 transitional rules)	8 728	3 847	8 751
Common equity tier 1 capital ratio (full IFRS9 impact)	19,43%	17,25%	19,19%
Common equity tier 1 capital ratio (with IFRS9 transitional rules)	19,57%	17,45%	19,39%
CET1 regulatory requirements	12,84%	14,60%	12,74%
Tier 1 capital ratio (full IFRS9 impact)	21,17%	18,91%	20,90%
Tier 1 capital ratio (with IFRS9 transitional rules)	21,31%	19,11%	21,10%
Tire 1 regulatory requirements	14,34%	16,10%	14,24%
Total capital ratio (full IFRS9 impact)	23,10%	20,79%	23,03%
Total capital ratio (with IFRS9 transitional rules)	23,25%	20,98%	23,23%
Total capital regulatory requirements	16,34%	18,10%	16,24%
Leverage ratio (full IFRS9 impact)	14,07%	12,17%	13,65%
Leverage ratio (with IFRS9 transitional rules)	14,17%	12,30%	13,78%
LR regulatory requirements	5,00%	5,00%	5,00%
Specification of IFRS Transition rules (based on initial impact)			
IFRS 9 Increase in Loss Reserves	-601	-601	-601
- whereof Internal Rating Based	-	-	-
Tax impact from increased loss reserves	144	144	144
Deferred tax assets impact on capital	-	-	-
Initial IFRS9 net impact on capital	-457	-457	-457
Base amount for IFRS9 transitional rule on capital	457	457	457
Transition %	50%	70%	70%
Capital adjustment due to Transitional rule	229	320	320
Std Approach value adjustments Spec Reserves	-601	-601	-601
- whereof Retail (75%RW)	-600	-600	-600
- whereof Covered Bonds (10%RW)	-2	-2	-2
Deferred tax assets impact on Risk Exposure Amount (250%RW) *	20	20	20
Initial IFRS9 net impact on Risk Exposure Amount	-400	-400	-400
Base amount for IFRS9 transitional rule on Risk Exposure Amount	400	400	400
Transition %	50%	70%	70%
Risk Exposure adjustment due to Transitional rule	200	280	280
Impact from Tranlational rules on capital ratios (same impact for Tier 1 and 2)	0,15%	0,20%	0,20%
* IFRS9 impact on Deferred Tax Assets relates to subsidiary in Finland			

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

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

Note 8 - Segment information

All amounts in millions of NOK

Financial management in Santander is oriented towards the various geographical markets. Monitoring of the overall profitability of the geographic areas are important dimensions of the strategic priorities and allocation of resources in the 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 Santander's governance model and the Group's accounting policies. The figures are based on a number of assumptions and estimates.

The Segments are responsible for profits after tax, with the corresponding return on allocated capital according to the Group's governance model. All the Group's trade activities are divided into the reported segments with corresponding balances, income and expenses. Deficit liquidity from the segments are funded by the Group treasury at market conditions. Surplus liquidity is transferred to the Group treasury at market conditions. Internal agreements at market conditions or simulated market conditions are made when segments cooperate on the delivery of financial services to customers. Services provided by the Group's central functions and staff are charged segments based on an allocation agreement.

Product segmentation per country (gross lending before expected losses)

	Q2 2021				
	Unsecured loans	Secured loans	Financial lease	Operational lease	Total
Norway	6 941	40 119	11 977	-	59 036
Sweden	16 079	20 031	10 565	-	46 675
Denmark	6 260	25 203	3 081	416	34 961
Finland	4 614	29 446	2 877	488	37 426
Total	33 894	114 800	28 500	904	178 098

	Q2 2020				
	Unsecured loans	Secured loans	Financial lease	Operational lease	Total
Norway	8 865	37 891	12 078	-	58 834
Sweden	16 401	20 313	7 612	-	44 326
Denmark	7 600	28 647	3 377	464	40 088
Finland	4 578	33 802	3 088	540	42 008
Total	37 444	120 653	26 155	1 004	185 256

P&L and Balance sheet per country

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

	YTD 2021					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	1 591	1 024	889	976	-414	4 067
Total interest expenses	-277	-165	-34	-412	414	-474
Net interest income	1 314	858	856	564	0	3 593
Fee and commission income	109	90	64	69	-37	295
Fee and commission expenses	-58	-44	-12	-42	37	-119
Value change and gain/loss on foreign exchange and securities	40	-5	-6	20	-0	49
Other operating income	26	10	57	66	-	158
Other operating expenses	-34	-17	-47	-71	-	-169
Gross margin	1 398	891	913	606	0	3 807
Salaries and personnel expenses	-259	-211	-153	-101	0	-724
Administrative expenses	-217	-155	-134	-103	-1	-610
Depreciation and amortisation	-48	-38	-25	-19	-	-130
Net operating income	874	488	600	383	-0	2 344
Other income and costs	-45	-2	1	3	-	-43
Impairment losses on loan, guarantees etc.	-373	-210	-100	-91	-	-774
Profit before taxes	456	277	501	294	-0	1 527
Income tax expense	-158	-58	-110	-70	-	-396
Profit after tax	298	218	391	224	-0	1 131
Cash and receivables on central banks	65	3 028	-	-	-	3 093
Deposits with and receivables on financial institutions	2 385	906	4 085	1 190	-	8 566
Total gross loans to customers	59 036	46 675	34 545	36 938	-	177 194
Write-downs	-1 692	-1 305	-1 257	-680	-	-4 934
Commercial papers and bonds	1 969	975	1 031	379	-489	3 863
Financial derivatives	-	-	-	13	-	13
Investments in subsidiaries	1 676	-	-	-	-1 676	-0
Other assets	27 292	566	1 541	22 502	-47 321	4 580
Total assets	90 730	50 846	39 944	60 341	-49 487	192 375
Debt to credit institutions	3 280	14 697	6 631	23 307	-25 492	22 422
Deposits from customers	25 858	24 331	30 463	-	-	80 652
Debt established by issuing securities	30 803	8 606	1 741	11 301	-489	51 962
Financial derivatives	0	-	-	5	-	5
Other liabilities	3 129	3 076	866	22 292	-22 278	7 086
Equity	27 659	136	243	3 436	-1 227	30 246
Total liabilities and equity	90 730	50 846	39 944	60 341	-49 487	192 375

	Q2 2020					Total Group
	Norway	Sweden	Denmark	Finland	Eliminations	
Total interest income	962	541	529	465	-181	2 317
Total interest expenses	-235	-119	-30	-161	185	-360
Net interest income	727	422	499	305	4	1 957
Fee and commission income	38	50	23	38	-22	128
Fee and commission expenses	-39	-27	-5	-22	22	-73
Value change and gain/loss on foreign exchange and securities	1	1	-5	8	-	5
Other operating income	7	19	26	33	-17	69
Other operating expenses	-11	-8	-21	-31	-	-71
Gross margin	723	457	518	330	-13	2 015
Salaries and personnel expenses	-150	-67	-73	-54	2	-342
Administration expenses	-83	-136	-121	-105	-7	-451
Depreciation and amortisation	-26	-12	-5	-6	-	-49
Net operating income	464	243	319	165	-17	1 174
Other income and costs	-4	-	-4	-1	-	-8
Impairment losses on other assets	-	-	-	-	-	-
Impairment losses on loan, guarantees etc.	-80	-19	-121	-90	-	-308
Profit before taxes	380	225	195	74	-17	857
Income tax expense	-137	-44	-41	-17	-	-239
Profit after tax	244	181	154	58	-17	618

	YTD Q2 2020					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	1 995	1 028	1 028	959	-414	4 596
Total interest expenses	-502	-223	-65	-364	415	-739
Net interest income	1 494	805	963	595	1	3 857
Fee and commission income	83	101	49	66	-37	262
Fee and commission expenses	-68	-55	-13	-37	37	-135
Value change and gain/loss on foreign exchange and securities	-93	3	-3	4	-2	-92
Other operating income	14	22	54	66	-17	140
Other operating expenses	-22	-15	-37	-61	-	-135
Gross margin	1 408	861	1 012	633	-18	3 897
Salaries and personnel expenses	-323	-156	-159	-84	1	-720
Administration expenses	-191	-251	-203	-194	1	-838
Depreciation and amortisation	-53	-23	-9	-12	-	-96
Net operating income	842	432	642	343	-15	2 243
Other income and costs	3	1	-4	-1	154	153
Impairment losses on other assets	-	-	-	-	-	-
Impairment losses on loan, guarantees etc.	-241	-126	-295	-170	-	-831
Profit before taxes	604	307	342	173	139	1 566
Income tax expense	-126	-66	-78	-42	-	-311
Profit after tax	478	242	265	131	139	1 254
Cash and receivables on central banks	2 066	3 306	-	-	-	5 371
Deposits with and receivables on financial institutions	1 834	2 383	818	1 460	-	6 494
Total gross loans to customers	58 834	44 327	39 623	41 468	-	184 252
Write-downs	-1 623	-899	-1 186	-642	-	-4 351
Commercial papers and bonds	2 620	1 009	2 261	2 284	-1 679	6 495
Financial derivatives	-0	-	-	18	-	18
Investments in subsidiaries	2 496	351	-	-	-2 847	0
Other assets	25 270	935	2 267	18 750	-42 051	5 172
Total assets	91 496	51 411	43 784	63 339	-46 577	203 452
Debt to credit institutions	6 480	12 120	15 425	30 598	-23 589	41 035
Deposits from customers	27 182	23 312	24 942	-	-	75 436
Debt established by issuing securities	28 161	11 150	1 879	11 422	-1 679	50 933
Financial derivatives	-	-	-	12	-	12
Other liabilities	3 066	4 421	998	18 075	-18 981	7 578
Equity	26 606	409	540	3 232	-2 328	28 458
Total liabilities and equity	91 496	51 411	43 784	63 339	-46 577	203 452

Note 9 - Net interest income

All amounts in millions of NOK

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
Interest and similar income on loans to and receivables from credit institutions	19	3	25	9	18
Interest and similar income on loans to and receivables from customers	1 977	2 301	4 009	4 551	8 900
Interest and similar income on comm. paper, bonds and other securities	-2	4	2	18	21
Interest and similar income on loans to subsidiaries, branches and SPVs	15	9	31	18	69
Other interest income and similar income	-	-	-	-	-
Total interest income	2 010	2 317	4 067	4 596	9 008
Interest and similar expenses on debt to credit institutions	-26	-31	-41	-67	-153
Interest and similar expenses on deposits from and debt to customers	-108	-205	-235	-410	-759
Interest and similar expenses on issued securities	-79	-101	-158	-219	-376
Interest on subordinated loan capital	-14	-18	-28	-36	-67
Other interest expenses and similar expenses	-5	-4	-12	-6	-14
Total interest expense	-233	-360	-474	-739	-1 369
Net interest income	1 777	1 957	3 593	3 857	7 638

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

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
To credit institutions					
Interest expenses	-26	-31	-41	-67	-153
Average loan over the period	25 893	35 604	25 893	35 604	29 768
Average nominal interest rate	0,41%	0,35%	0,32%	0,38%	0,52%

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
To customers					
Interest expenses	-108	-205	-235	-410	-759
Average deposit over the period	80 897	70 460	80 897	70 460	73 313
Average nominal interest rate	0,54%	1,17%	0,58%	1,16%	1,04%

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
To bondholders					
Interest expenses	-79	-101	-158	-219	-376
Average issued notes and bonds	51 589	52 168	51 589	52 168	52 309
Average nominal interest rate	0,61%	0,77%	0,61%	0,84%	0,72%

			YTD	YTD	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	FY 2020
Subordinated loan capital					
Interest expenses	-14	-18	-28	-36	-67
Average subordinated loan capital	2 667	2 491	2 667	2 491	2 621
Average nominal interest rate	2,10%	2,94%	2,10%	2,91%	2,56%

			YTD	YTD	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	FY 2020
Total of tables above					
Interest expenses	-228	-356	-462	-733	-1 356
Loan	161 045	160 723	161 045	160 723	158 012
Average nominal interest rate	0,57%	0,89%	0,57%	0,91%	0,86%

Note 10 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 30 June 2021	Financial assets at	Financial assets at	Amortized cost	Book value
	fair value through	fair value through		
	P&L	OCI		
Cash and receivables on central banks	-	-	3 093	3 093
Deposits with and receivables on financial institutions	-	-	8 566	8 566
Loans to customers	-	-	172 260	172 260
Commercial papers and bonds	-	-	3 863	3 863
Financial derivatives	13	-	-	13
Other ownership interests	-	37	-	37
Total financial assets	13	37	187 782	187 832
			Non financial assets	4 543
			Total assets	192 375

Classification of financial liabilities 30 June 2021	Financial liabilities	Financial liabilities	Amortized cost	Book value
	at fair value	at fair value		
	through P&L	through OCI		
Debt to credit institutions	-	-	22 422	22 422
Deposits from customers	-	-	80 652	80 652
Debt established by issuing securities	-	-	51 962	51 962
Financial derivatives	5	-	-	5
Other financial liabilities	-	-	401	401
Subordinated loan capital	-	-	2 512	2 512
Total financial liabilities	5	-	157 950	157 956
			Non financial liabilities and equity	34 419
			Total liabilities and equity	192 375

Classification of financial assets 30 June 2020	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	-	-	5 371	5 371
Deposits with and receivables on financial institutions	-	-	6 494	6 494
Loans to customers	-	-	179 901	179 901
Commercial papers and bonds	-	-	6 495	6 495
Financial derivatives	18	-	-	18
Other ownership interests	-	38	-	38
Total financial assets	18	38	198 262	198 318
				Non financial assets
				5 134
				Total assets
				203 452

Classification of financial liabilities 30 June 2020	Financial liabilities at fair value at through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	41 035	41 035
Deposits from customers	-	-	75 436	75 436
Debt established by issuing securities	-	-	50 933	50 933
Financial derivatives	12	-	-	12
Other financial liabilities	-	-	694	694
Subordinated loan capital	-	-	2 560	2 560
Total financial liabilities	12	-	170 658	170 670
				Non financial liabilities and equity
				32 782
				Total liabilities and equity
				203 452

Note 11 - Valuation Hierarchy

All amounts in millions of NOK

Q2 2021

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 116	-	2	-	2
KIMI8A Pass Through	Interest Rate Swap	MM EUR 285	-	2	-	2
KIMI8B Pass Through	Interest Rate Swap	MM EUR 31	-	0	-	0
KIMI9A Pass Through	Interest Rate Swap	MM EUR 566	-	3	-	3
KIMI9A Fixed	Interest Rate Swap	MM EUR 564	-	4	-	4
KIMI9B Fixed	Interest Rate Swap	MM EUR 31	-	1	-	1
KIMI8A Fixed	Interest Rate Swap	MM EUR 279	-	0	-	0
KIMI8B Fixed	Interest Rate Swap	MM EUR 31	-	0	-	0
Total financial trading derivatives			-	13	-	13
Name	Type					
VISA	Equity		-	37	-	37
Total other ownership interests			-	37	-	37
Total Assets			-	50	-	50
Financial liabilities						
Name	Type	Notional				
KIMI7 Fixed	Interest Rate Swap	MM EUR 117	-	3	-	3
KIMI9A Pass Through	Interest Rate Swap	MM EUR 31	-	0	-	0
KIMI9B Pass Through	Interest Rate Swap	MM EUR 566	-	2	-	2
Total financial derivatives			-	5	-	5
Total Liabilities			-	5	-	5

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

Derivatives designated for hedge accounting - liabilities

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

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

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

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

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

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

Q2 2020

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial instruments measured at fair value						
Financial assets						
Name	Type	Notional				
KIMI6 Pass Through	Interest Rate Swap	MM EUR 69	-	2	-	2
KIMI7 Pass Through	Interest Rate Swap	MM EUR 238	-	14	-	14
KIMI8A Pass Trough	Interest Rate Swap	MM EUR 515	-	2	-	2
KIMI8B Pass Trough	Interest Rate Swap	MM EUR 42	-	-	-	-
Total financial trading derivatives			-	18	-	18
Name	Type					
VISA	Equity		-	38	-	38
Total other ownership interests			-	38	-	38
Total Assets			-	56	-	56
Financial liabilities						
Name	Type	Notional				
KIMI6 Fixed	Interest Rate Swap	MM EUR 77	-	1	-	1
KIMI7 Fixed	Interest Rate Swap	MM EUR 227	-	10	-	10
KIMI8A Fixed	Interest Rate Swap	MM EUR 491	-	1	-	1
KIMI8B Fixed	Interest Rate Swap	MM EUR 42	-	-	-	-
Total financial derivatives			-	12	-	12
Total Liabilities			-	12	-	12

			Quoted	Using	With	
			market price	observable	significant	
			Level 1	Level 2	unobservable	
				inputs	inputs	Total
				Level 3	Level 3	
Derivatives designated for hedge accounting - assets						
Name	Type	Notional				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	51	-	51
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	7	-	7
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	1	-	1
Total derivatives designated for hedging - assets*			-	59	-	59

Derivatives designated for hedge accounting - liabilities

Name	Type	Notional				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	15	-	15
KIMI6	Interest Rate Swap	MM EUR 69	-	2	-	2
KIMI7	Interest Rate Swap	MM EUR 238	-	15	-	15
KIMI8A	Interest Rate Swap	MM EUR 515	-	3	-	3
KIMI8B	Interest Rate Swap	MM EUR 42	-	-	-	-
Total derivatives designated for hedging - liabilities*			-	35	-	35

* 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.

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.

Note 12 - Loans to customers

All amounts in millions of NOK

	Q2 2021	Q2 2020	FY 2020
Credit Card	5 446	6 128	6 055
Unsecured loans	28 448	31 316	30 299
Auto loans	143 299	146 808	144 913
- <i>Installment loans</i>	114 799	120 653	117 716
- <i>Financial leasing</i>	28 500	26 155	27 197
Total gross loans to customers	177 194	184 252	181 267
- Loan loss allowance - Stage 1	-1 415	-1 146	-1 506
- Loan loss allowance - Stage 2	-598	-567	-692
- Loan loss allowance - Stage 3	-2 922	-2 637	-2 806
Total net loans to customers	172 260	179 901	176 263

Note 13 - Impairment losses on loan, guarantees etc.

All amounts in millions of NOK

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

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020
Change in loss allowance - Unsecured loans	-17	392	-67	89
Change in loss allowance - Secured loans	150	-129	46	-238
Change in loss allowance - Commercial papers and bonds	-	-1	-	-1
+/- Fx rate adjustment opening balance	-	-	-	-
+ Total realized losses	-578	-846	-879	-1 024
- Recoveries on previously realized losses	74	57	126	118
- Gain on sold portfolios	-	224	-	224
Impairment losses on loan, guarantees etc.	-371	-302	-774	-831

Note 14 - Issued securities

All amounts in millions of NOK

	Q2 2021	Q2 2020	FY 2020
Issued certificates	-	812	-
Senior unsecured issued securities	39 700	37 165	35 528
Asset backed issued securities	12 262	12 956	15 688
Total issued securities	51 962	50 933	51 216

Issued securities by currency in NOK	Q2 2021	Q2 2020	FY 2020
DKK	1 717	1 821	1 761
EUR	36 314	31 449	36 703
NOK	5 326	6 512	5 329
SEK	8 606	11 150	7 423
Total issued securities	51 962	50 933	51 216

Note 15 - Receivables and liabilities to related parties

All amounts in millions of NOK

		Accrued Interest		Accrued Interest		Accrued Interest
Debt to related parties:	Q2 2021	Q2 2021	Q2 2020	Q2 2020	FY 2020	FY 2020
Santander Consumer Finance S.A.	22 384	1	40 718	16	29 278	3
Total	22 384	1	40 718	16	29 278	3

Balance sheet line: "Subordinated loan capital" - Bonds

MNOK 250, maturity March 2025, 3 months NIBOR + 2.2575% (Santander Consumer Finance S.A)	-	-	250	1	-	-
MNOK 250, maturity July 2025, 3 months NIBOR + 3.135% (Santander Consumer Finance S.A)	-	-	250	-	250	1
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	1	500	2	500	2
MSEK 750, maturity December 2029, 3 months STIBOR + 2.08% (Santander Consumer Finance S.A)	755	1	778	1	783	1
MSEK 750, maturity December 2030, 3 months STIBOR + 2.29% (Santander Consumer Finance S.A)	755	-	778	-	783	-
MNOK 500, maturity June 2031, 3 months NIBOR + 2.62% (Santander Consumer Finance S.A)	500	-	-	-	500	1
Total	2 510	2	2 556	4	2 816	4

* Subordinated loan at MSEK 250 with maturity March 2025 was redeemed by exercising the call option in December 2020.

* Subordinated loan at MNOK 250 with maturity July 2025 was redeemed by exercising the call option in January 2021.

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

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

Note 16 - Transactions with related parties

All amounts in millions of NOK

The group is controlled by Santander Consumer Finance S.A. which owns 100% of the company's shares. The group's ultimate parent is Grupo Santander. All companies within Grupo Santander are considered to be related parties.

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

The following transactions were carried out with related parties:

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
Interest income	1	2	3	6	7
Interest expenses	-19	-39	-40	-70	-133
Interest payments additional Tier 1 capital	-30	-38	-59	-76	-136
Fees	-	-	-	-	-
Other	-11	-9	-16	-23	-18
Net transactions	-59	-84	-112	-163	-280

Santander Consumer Bank Group had transactions with the following related parties per 30 June 2021:

Banco Santander S.A.

Santander Consumer Finance S.A.

Santander Global Technology, S.L.

Santander Seguros Y Reaseguros, S.A.

2|Notes

Santander Consumer Bank AS



Note 1 - Basis of preparation

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

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

The Santander Consumer Bank interim accounts for the second quarter of 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual report as at and for the year ended December 31, 2020.

The annual report for 2020 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 August 20, 2021.

Note 2 - Accounting principles

The accounting policies of the Company are consistent with those applied in the 2020 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 SCB AS's maximum exposure to credit risk on these assets.

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

	Q2 2021				Q2 2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Unsecured loans								
Credit grade								
Loans not past due date	23 782	1 229	-	25 011	28 284	611	-	28 895
Standard monitoring	465	695	-	1 160	463	957	-	1 420
Special monitoring	-	291	-	291	-	209	-	209
Default	-	-	2 818	2 818	-	-	2 342	2 342
Gross carrying amount	24 247	2 215	2 818	29 280	28 747	1 777	2 342	32 866
Loss allowance	-547	-359	-1 796	-2 702	-463	-289	-1 446	-2 198
Carrying amount	23 700	1 856	1 022	26 578	28 284	1 488	896	30 668
Loss allowance (off balance exposures)	-21	-8	-18	-47	-40	-12	-19	-71
Loss allowance (%)				9,23%				6,69%

	Q2 2021				Q2 2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Secured loans								
Credit grade								
Loans not past due date	105 282	1 274	-	106 556	97 798	1 361	-	99 159
Standard monitoring	1 789	784	-	2 573	1 864	1 016	-	2 880
Special monitoring	-	432	-	432	-	468	-	468
Default	-	-	1 415	1 415	-	-	1 716	1 716
Gross carrying amount	107 071	2 490	1 415	110 976	99 662	2 845	1 716	104 223
Loss allowance	-600	-167	-785	-1 552	-424	-179	-859	-1 462
Carrying amount	106 471	2 323	630	109 424	99 238	2 666	857	102 761
Loss allowance (%)				1,40%				1,40%

*Secured loans include secured auto loans and financial lease where the underlying assets serve as collateral.

	Q2 2021			Q2 2020			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Commercial papers and bonds							
Credit grade							
Investment grade	3 974	-	-	3 974	5 891	-	5 891
Standard monitoring	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-
Gross carrying amount	3 974	-	-	3 974	5 891	-	5 891
Loss allowance	-	-	-	-	-	-	-
Carrying amount	3 974	-	-	3 974	5 891	-	5 891
Loss allowance (%)				-			-

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

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

Maximum exposure to credit risk	Q2 2021	Q2 2020
Financial derivatives Assets	-	-
Financial derivatives Liabilities	-	-

Note 4 - Risk classification

All amounts in millions of NOK

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

	Balance			Loss reserves		
	Q2 2021	Q2 2020	FY 2020	Q2 2021	Q2 2020	FY 2020
Current - not past due date	132 289	128 735	132 900	-1 387	-1 039	-1 545
Current - past due date	3 734	4 298	4 299	-268	-368	-309
Total impaired loans	4 233	4 057	4 287	-2 599	-2 324	-2 522
Total gross loans to customers	140 256	137 089	141 486	-4 254	-3 731	-4 376

<i>Ageing of past due but not impaired loans</i>	Q2 2021	Q2 2020	FY 2020	Q2 2021	Q2 2020	FY 2020
	1 - 29 days	2 798	3 210	3 154	-89	-155
30 - 59 days	665	742	802	-117	-120	-134
60 - 89 days	271	346	343	-62	-93	-75
Total loans due but not impaired	3 734	4 298	4 299	-268	-368	-309

<i>Ageing of impaired loans</i>	Balance			Loss reserves		
	Q2 2021	Q2 2020	FY 2020	Q2 2021	Q2 2020	FY 2020
90 - 119 days	227	223	246	-118	-114	-120
120 - 149 days	168	227	203	-90	-116	-102
150 - 179 days	155	199	156	-85	-105	-82
180 + days	2 110	1 649	2 002	-1 378	-1 017	-1 269
Economic doubtful*	1 572	1 759	1 680	-928	-972	-949
Total impaired loans	4 232	4 057	4 287	-2 599	-2 324	-2 522

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

Note 5 - Loss allowance

All amounts in millions of NOK

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

	Q2 2021				Q2 2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Unsecured loans								
Loss allowance as at 1 January	608	421	1 687	2 716	431	329	1 449	2 209
Transfers:								
Transfer from Stage 1 to Stage 2	-63	481	-	418	-79	541	-	462
Transfer from Stage 1 to Stage 3	-6	-	66	60	-4	-	91	87
Transfer from Stage 2 to Stage 3	-	-245	426	181	-	-390	611	221
Transfer from Stage 2 to Stage 1	41	-320	-	-279	35	-383	-	-348
Transfer from Stage 3 to Stage 2	-	40	-113	-73	-	26	-135	-109
Transfer from Stage 3 to Stage 1	-	-	-1	-1	-	-	-2	-2
Assets remaining in same Stage	-37	8	130	101	23	171	112	306
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-47	-20	-69	-136	-25	-10	-641	-676
of which 'account that have closed in the period'	-47	-20	-69	-136	-25	-10	-641	-676
of which 'foreclosed'	-	-	-	-	-	-	-	-
of which 'sold'	-	-	-	-	-	-	-	-
of which 'change of perimeter'	-	-	-	-	-	-	-	-
Write-offs	-	-	-297	-297	-	-	-134	-134
New financial assets originated or purchased	67	-	-	67	49	-	-	49
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-16	-6	-33	-55	33	5	95	133
Loss allowance as at 30 June	547	359	1 796	2 702	463	289	1 446	2 198

	Q2 2021				Q2 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Loss allowance as at 1 January	599	197	817	1 613	387	161	693	1 241
Transfers:								
Transfer from Stage 1 to Stage 2	-37	252	-	215	-40	258	-	218
Transfer from Stage 1 to Stage 3	-9	-	136	127	-8	-	147	139
Transfer from Stage 2 to Stage 3	-	-100	281	181	-	-128	325	197
Transfer from Stage 2 to Stage 1	27	-190	-	-163	29	-197	-	-168
Transfer from Stage 3 to Stage 2	-	48	-210	-162	-	26	-175	-149
Transfer from Stage 3 to Stage 1	-	-	-3	-3	-	-	-1	-1
Assets remaining in same Stage	-90	-5	204	109	-11	75	50	114
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-74	-35	-205	-314	-40	-18	-61	-119
<i>of which 'account that have closed in the period'</i>	-74	-35	-205	-314	-40	-18	-61	-119
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-229	-229	-	-	-143	-143
New financial assets originated or purchased	190	-	-	190	90	-	-	90
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-6	-0	-6	-12	17	2	24	43
Loss allowance as at 30 June	600	167	785	1 552	424	179	859	1 462

	Q2 2021				Q2 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Commercial papers and bonds	ECL	ECL	ECL		ECL	ECL	ECL	
Loss allowance as at 1 January	-	-	-	-	1	-	-	1
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	-	-	-	-	1	-	-	1
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-	-	-	-	-	-	-	-
<i>of which 'account that have closed in the period'</i>	-	-	-	-	-	-	-	-
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	-	-	-	-
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-	-	-	-	-	-	-	-
Loss allowance as at 30 June	-	-	-	-	1	-	-	1

	Q2 2021				Q2 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Off balance exposure*	ECL	ECL	ECL		ECL	ECL	ECL	
Loss allowance as at 1 January	21	7	18	46	46	14	22	82
Transfers:								
Transfer from Stage 1 to Stage 2	-1	11	-	10	-2	23	-	20
Transfer from Stage 1 to Stage 3	-	-	5	5	-	-	8	8
Transfer from Stage 2 to Stage 3	-	-1	6	5	-	-3	7	4
Transfer from Stage 2 to Stage 1	2	-11	-	-9	3	-26	-	-23
Transfer from Stage 3 to Stage 2	-	3	-9	-6	-	2	-8	-6
Transfer from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Assets remaining in same Stage	1	-	5	6	-2	3	4	5
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-3	-1	-6	-10	-8	-1	-14	-23
<i>of which 'account that have closed in the period'</i>	-3	-1	-6	-10	-8	-1	-14	-23
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-1	-1	-	-	-	-
New financial assets originated or purchased	1	-	-	1	3	-	-	3
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-	-	-	-	1	-	-	1
Loss allowance as at 30 June	21	8	18	47	40	12	19	71

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

Note 6 - Liquidity Coverage Ratio

Liquidity Coverage Ratio (LCR) measures the capability to meet obligations in the next 30 days by means of liquidity assets. It is defined as $LCR = \text{liquidity assets} / (\text{cash outflows} - \text{cash inflows})$. The minimum LCR level (CRD IV) is 100% from 31 December 2017. With a stable basis of High Quality Liquid Assets, SCB AS fulfills the minimum LCR requirements.

Liquidity Coverage Ratio (LCR) %	Q2 2021	Q2 2020	Q4 2020
Liquidity Coverage Ratio (LCR) Total	268%	330%	252%
Liquidity Coverage Ratio (LCR) NOK	194%	472%	130%
Liquidity Coverage Ratio (LCR) SEK	163%	191%	190%
Liquidity Coverage Ratio (LCR) DKK	1449%	270%	1097%
Liquidity Coverage Ratio (LCR) EUR	223%	2353%	2484%

Note 7 - Capital adequacy

All amounts in millions of NOK

	Q2 2021	Q2 2020	FY 2020
Balance sheet equity			
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	13 258	11 704	12 364
Tier 1 Capital	2 250	2 250	2 250
Other reserves	-14	-73	-20
Total Equity	28 038	26 425	27 138
Common Equity Tier 1 Capital			
(-) Profit not eligible as capital	-907	-1 006	-
Cash-flow hedge adjustment	-25	-	-6
IRB Expected Loss - Reserves	-167	-215	-159
Goodwill	-391	-414	-401
Other intangible assets	-469	-362	-475
Deferred tax assets	-	-	-
Adjustment Prudent Valuation (AVA)	-3	-4	-5
Tier 1 Capital	-2 250	-2 250	-2 250
Total common Equity Tier 1 Capital (with full IFRS9 impact)	23 826	22 174	23 841
Capital adjustment according to IFRS9 Transitional rules	187	262	262
Total common Equity Tier 1 Capital (with IFRS9 transitional rules)	24 013	22 436	24 103
Tier 1 Capital			
Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital (with full IFRS9 impact)	26 076	24 424	26 091
Total Tier 1 Capital (with IFRS9 transitional rules)	26 263	24 686	26 353
Total Capital			
Paid up subordinated loans	2 510	2 537	2 816
Subordinated loans not eligible	-	-13	-23
Total Capital (with full IFRS9 impact)	28 586	26 949	28 884
Total Capital (with IFRS9 transitional rules)	28 773	27 211	29 146
Risk exposure on Standard Approach			
Regional governments or local authorities	57	66	67
Institutions	348	731	593
Corporates	8 244	10 565	10 969
Retail Standard Approach	48 518	50 605	50 845
Exposures in default SA	3 109	1 394	1 134
Covered bonds	88	141	100
Other Exposures	26 302	24 668	19 635
Total Risk exposure amount on Standard Approach	86 666	88 169	83 343

	Q2 2021	Q2 2020	FY 2020
Risk exposure on Internal Rating Based Approach			
Retail Other	26 220	24 417	24 942
Total Risk exposure amount on Internal Rating Based Approach	26 220	24 417	24 942
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	112 886	112 586	108 285
Foreign exchange (zero if under threshold)	730	-	920
Risk exposure amount for position, foreign exchange and commodities risks	730	-	920
Basic indicator approach	12 354	12 208	12 354
Risk exposure amount for operational risk	12 354	12 208	12 354
Standardized method	37	72	55
Risk exposure amount for credit valuation adjustment	37	72	55
Total risk exposure amount (with full IFRS9 impact)	126 007	124 867	121 614
Risk Exposure adjustment according to IFRS9 Transitional rules	186	261	261
Total risk exposure amount (with IFRS9 transitional rules)	126 193	125 127	121 874
Total exposure for Leverage Ratio			
Derivatives: Add-on under market-to-market method	278	353	366
Off-balance sheet items with 10% CCF	2 854	3 196	2 828
Off-balance sheet items with 20% CCF	469	419	310
Off-balance sheet items with 50% CCF	38	38	38
Adjusted On balance sheet exposure	173 508	177 385	170 994
Total exposure for Leverage Ratio (with full IFRS9 impact)	177 146	181 391	174 535
Exposure adjustment according to IFRS9 Transitional rules	249	348	348
Total exposure for Leverage Ratio (with IFRS9 transitional rules)	177 395	181 740	174 884
Minimum Regulatory Capital			
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	3,30%	3,30%	0,00%
Pillar 2 Guidance	1,00%	1,00%	0,00%
Countercyclical Buffer (combined)	0,49%	0,40%	0,45%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	2,20%	3,00%	2,04%
Minimum Regulatory Capital ratio (CET1)	13,98%	14,70%	9,49%

	Q2 2021	Q2 2020	FY 2020
Minimum Regulatory Capital			
Minimum Core Equity	5 670	5 619	5 473
Pillar 2 Requirement	4 158	4 121	-
Pillar 2 Guidance	1 260	1 249	-
Countercyclical Buffer (combined)	615	499	547
Conservation Buffer	3 150	3 122	3 040
Systemic Risk Buffer (combined)	2 767	3 746	2 475
Minimum Regulatory Capital amount (full IFRS9 impact)	17 620	18 355	11 535
Surplus of Core Equity Tier 1 capital (full IFRS9 impact)	6 206	3 819	12 306
Minimum Regulatory Capital amount (with IFRS9 transitional rules)	17 646	18 394	11 560
Surplus of Core Equity Tier 1 capital (after IFRS9 transitional rules)	6 366	4 042	12 543
Common equity tier 1 capital ratio (full IFRS9 impact)	18,91%	17,76%	19,60%
Common equity tier 1 capital ratio (with IFRS9 transitional rules)	19,03%	17,93%	19,78%
CET1 regulatory requirements	13,98%	14,70%	9,49%
Tier 1 capital ratio (full IFRS9 impact)	20,69%	19,56%	21,45%
Tier 1 capital ratio (with IFRS9 transitional rules)	20,81%	19,73%	21,62%
Tire 1 regulatory requirements	15,48%	16,20%	15,29%
Total capital ratio (full IFRS9 impact)	22,69%	21,58%	23,75%
Total capital ratio (with IFRS9 transitional rules)	22,80%	21,75%	23,91%
Total capital regulatory requirements	17,48%	18,20%	17,29%
Leverage ratio (full IFRS9 impact)	14,72%	13,47%	14,95%
Leverage ratio (with IFRS9 transitional rules)	14,80%	13,58%	15,07%
LR regulatory requirements	5,00%	5,00%	5,00%
Specification of IFRS Transition rules (based on initial impact)			
IFRS 9 Increase in Loss Reserves	-498	-498	-498
- whereof Internal Rating Based	-	-	-
Tax impact from increased loss reserves	124	124	124
Deferred tax assets impact on capital	-	-	-
Initial IFRS9 net impact on capital	-374	-374	-374
Base amount for IFRS9 transitional rule on capital	374	374	374
Transition %	50%	70%	70%
Capital adjustment due to Transitional rule	187	262	262

	Q2 2021	Q2 2020	FY 2020
Std Approach value adjustments Spec Reserves	-498	-498	-498
- whereof Retail (75%RW)	-496	-496	-496
- whereof Covered Bonds (10%RW)	-2	-2	-2
Deferred tax assets impact on Risk Exposure Amount (250%RW) *)	-	-	-
Initial IFRS9 net impact on Risk Exposure Amount	-372	-372	-372
Base amount for IFRS9 transitional rule on Risk Exposure Amount	372	372	372
Transition %	50%	70%	70%
Risk Exposure adjustment due to Transitional rule	186	261	261
Impact from Transitional rules on capital ratios (same impact for Tier 1 and 2)	0,12%	0,17%	0,17%

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

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

Note 8 - Segment information

All amounts in millions of NOK

Financial management in Santander is oriented towards the various geographical markets. Monitoring of the overall profitability of the geographic areas are important dimensions of the strategic priorities and allocation of resources in the 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 Santander's governance model and the Bank's accounting policies. The figures are based on a number of assumptions and estimates.

The Segments are responsible for profits after tax, with the corresponding return on allocated capital according to the Bank's governance model. All the Bank's trade activities are divided into the reported segments with corresponding balances, income and expenses. Deficit liquidity from the segments are funded by the Bank treasury at market conditions. Surplus liquidity is transferred to the Bank treasury at market conditions. Internal agreements at market conditions or simulated market conditions are made when segments cooperate on the delivery of financial services to customers. Services provided by the Bank's central functions and staff are charged segments based on an allocation agreement.

Product segmentation per country (gross lending before expected losses)

	Q2 2021				Total
	Unsecured loans	Secured loans	Financial lease	Operational lease	
Norway	6 941	40 119	11 977	-	59 036
Sweden	16 079	20 031	10 565	-	46 675
Denmark	6 260	25 203	3 081	416	34 961
Total	29 280	85 353	25 623	416	140 672

	Q2 2020				Total
	Unsecured loans	Secured loans	Financial lease	Operational lease	
Norway	8 865	37 347	10 229	-	56 442
Sweden	16 401	20 073	6 784	-	43 258
Denmark	7 600	27 197	2 592	464	37 853
Total	32 866	84 618	19 605	464	137 553

P&L and Balance sheet per country

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

	YTD 2021				
	Norway	Sweden	Denmark	Eliminations	Total AS
Total interest income	1 591	982	889	-	3 462
Total interest expenses	-277	-128	-34	-	-439
Net interest income	1 314	853	856	-	3 023
Fee and commission income	109	89	64	-	262
Fee and commission expenses	-58	-39	-12	-	-109
Value change and gain/loss on foreign exchange and securities	40	-5	-6	-	29
Other operating income	26	10	57	-	92
Other operating expenses	-34	-17	-47	-	-97
Gross margin	1 398	890	913	-	3 201
Salaries and personnel expenses	-259	-211	-153	-	-623
Administrative expenses	-217	-155	-134	-	-506
Depreciation and amortisation	-48	-38	-25	-	-111
Net operating income	874	487	600	-	1 961
Other income and costs	-45	-2	1	-	-46
Impairment losses on loan, guarantees etc.	-373	-209	-100	-	-682
Profit before taxes	456	277	501	-	1 233
Income tax expense	-158	-58	-110	-	-326
Profit after tax	298	218	391	-	907
Cash and receivables on central banks	65	3 028	-	-	3 093
Deposits with and receivables on financial institutions	2 384	782	4 085	-	7 251
Total gross loans to customers	59 036	45 323	34 545	1 352	140 256
Write-downs	-1 692	-1 305	-1 257	-	-4 254
Commercial papers and bonds	1 969	975	1 031	-	3 974
Financial derivatives	-	-	-	-	-
Investments in subsidiaries	1 676	-	-	-	1 676
Other assets	27 292	566	1 541	-6 884	22 514
Total assets	90 730	49 369	39 944	-5 533	174 511
Debt to credit institutions	3 280	14 697	6 631	-5 283	19 325
Deposits from customers	25 858	24 331	30 463	-	80 652
Debt established by issuing securities	30 803	7 156	1 741	-	39 700
Financial derivatives	0	-	-	-	-
Other liabilities	3 129	3 050	866	-249	6 796
Equity	27 659	136	243	-	28 038
Total liabilities and equity	90 730	49 370	39 944	-5 532	174 511

	Q2 2020				
	Norway	Sweden	Denmark	Eliminations	Total AS
Total interest income	937	489	506	12	1 945
Total interest expenses	-226	-82	-30	-12	-351
Net interest income	711	408	476	-	1 595
Fee and commission income	38	49	23	-	111
Fee and commission expenses	-40	-23	-5	-	-67
Value change and gain/loss on foreign exchange and securities	1	3	-5	-	-1
Other operating income	7	3	26	-	36
Other operating expenses	-11	-8	-21	-	-39
Gross margin	707	432	495	-	1 634
Salaries and personnel expenses	-149	-65	-70	2	-282
Administration expenses	-77	-131	-113	-1	-321
Depreciation and amortisation	-26	-11	-5	-	-41
Net operating income	455	225	308	1	989
Other income and costs	-4	-	-4	-	-7
Impairment losses on other assets	-	-	-	-	-
Impairment losses on loan, guarantees etc.	-84	-20	-125	-	-230
Profit before taxes	367	206	178	1	752
Income tax expense	-134	-44	-38	-	-216
Profit after tax	233	161	140	-	535

	YTD Q2 2020				
	Norway	Sweden	Denmark	Eliminations	Total AS
Total interest income	1 950	929	994	-	3 873
Total interest expenses	-481	-148	-65	-	-693
Net interest income	1 470	780	930	-	3 180
Fee and commission income	83	99	49	-	231
Fee and commission expenses	-67	-44	-13	-	-124
Value change and gain/loss on foreign exchange and securities	-93	3	-3	-	-93
Other operating income	14	5	54	-	74
Other operating expenses	-22	-15	-37	-	-74
Gross margin	1 385	829	979	-	3 193
Salaries and personnel expenses	-319	-151	-152	2	-621
Administration expenses	-173	-232	-183	-2	-589
Depreciation and amortisation	-52	-22	-9	-	-83
Net operating income	841	424	635	-	1 900
Other income and costs	3	1	-4	-	-
Impairment losses on other assets	-	-	-	-	-
Impairment losses on loan, guarantees etc.	-233	-116	-278	-	-627
Profit before taxes	611	309	353	-	1 273
Income tax expense	-123	-69	-75	-	-267
Profit after tax	489	240	278	-0	1 006
Cash and receivables on central banks	2 066	3 305	-	-	5 371
Deposits with and receivables on financial institutions	1 783	1 148	805	-	3 735
Total gross loans to customers	56 442	40 246	37 390	3 012	137 089
Write-downs	-1 610	-892	-1 158	-	-3 660
Commercial papers and bonds	2 620	1 009	2 261	-	5 890
Financial derivatives	-	-	-	-	-
Investments in subsidiaries	2 496	-	-	-	2 496
Other assets	25 254	870	1 739	-7 243	20 619
Total assets	89 050	45 686	41 036	-4 231	171 540
Debt to credit institutions	4 557	10 956	13 243	-4 029	24 726
Deposits from customers	27 182	23 312	24 942	-	75 436
Debt established by issuing securities	28 161	7 936	1 879	-	37 977
Financial derivatives	-	-	-	-	-
Other liabilities	2 980	3 333	866	-202	6 977
Equity	26 169	150	106	-	26 425
Total liabilities and equity	89 050	45 686	41 036	-4 231	171 540

Note 9 - Net interest income

All amounts in millions of NOK

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
Interest and similar income on loans to and receivables from credit institutions	18	1	22	6	114
Interest and similar income on loans to and receivables from customers	1 654	1 855	3 364	3 703	7 289
Interest and similar income on comm. paper, bonds and other securities	-1	27	4	75	24
Interest and similar income on loans to subsidiaries, branches and SPVs	38	63	72	90	191
Other interest income and similar income	-	-	-	-	-
Total interest income	1 708	1 946	3 462	3 874	7 618
Interest and similar expenses on debt to credit institutions	-34	-45	-53	-66	-153
Interest and similar expenses on deposits from and debt to customers	-106	-205	-231	-411	-759
Interest and similar expenses on issued securities	-63	-79	-124	-176	-297
Interest on subordinated loan capital	-14	-18	-28	-36	-67
Other interest expenses and similar expenses	-1	-4	-3	-5	-12
Total interest expense	-218	-351	-439	-694	-1 288
Net interest income	1 490	1 595	3 023	3 180	6 330

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

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
To credit institutions					
Interest expenses	-34	-45	-53	-66	-153
Average loan over the period	19 876	23 267	19 876	23 267	21 118
Average nominal interest rate	0,67%	0,78%	0,54%	0,57%	0,72%

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
To customers					
Interest expenses	-106	-205	-231	-410	-759
Average deposit over the period	80 897	70 460	80 897	70 460	73 313
Average nominal interest rate	0,53%	1,17%	0,57%	1,16%	1,04%

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
To bondholders					
Interest expenses	-63	-79	-124	-176	-297
Average issued notes and bonds	37 614	37 748	37 614	37 748	36 523
Average nominal interest rate	0,67%	0,84%	0,66%	0,93%	0,81%

Subordinated loan capital			YTD	YTD	FY 2020
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	
Interest expenses	-14	-18	-28	-36	-67
Average subordinated loan capital	2 667	2 491	2 667	2 491	2 621
Average nominal interest rate	2,10%	2,94%	2,10%	2,91%	2,56%

Total of tables above			YTD	YTD	FY 2020
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	
Interest expenses	-217	-348	-436	-689	-1 276
Loan	141 054	133 966	141 054	133 966	133 575
Average nominal interest rate	0,62%	1,04%	0,62%	1,03%	0,96%

Note 10 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 30 June 2021	Financial assets	Financial assets	Amortized cost	Book value
	at fair value through P&L	at fair value through OCI		
Cash and receivables on central banks	-	-	3 093	3 093
Deposits with and receivables on financial institutions	-	-	7 251	7 251
Loans to customers	-	-	136 002	136 002
Commercial papers and bonds	-	-	3 974	3 974
Financial derivatives	-	-	-	-
Loans to subsidiaries and SPV's	-	-	18 858	18 858
Other ownership interests	-	37	-	37
Total financial assets	-	37	169 178	169 215
			Non financial assets	5 296
			Total assets	174 511

Classification of financial liabilities 30 June 2021	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	19 325	19 325
Deposits from customers	-	-	80 652	80 652
Debt established by issuing securities	-	-	39 700	39 700
Financial derivatives	-	-	-	-
Other financial liabilities	-	-	392	392
Subordinated loan capital	-	-	2 512	2 512
Total financial liabilities	-	-	142 581	142 581
			Non financial liabilities and equity	31 930
			Total liabilities and equity	174 511

Classification of financial assets 30 June 2020	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	-	-	5 371	5 371
Deposits with and receivables on financial institutions	-	-	3 735	3 735
Loans to customers	-	-	133 429	133 429
Commercial papers and bonds	-	-	5 890	5 890
Financial derivatives	-	-	-	-
Loans to subsidiaries and SPV's	-	-	16 544	16 544
Other ownership interests	-	38	-	38
Total financial assets	-	38	164 969	165 007

Non financial assets	6 533
Total assets	171 540

Classification of financial liabilities 30 June 2020	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	24 726	24 726
Deposits from customers	-	-	75 436	75 436
Debt established by issuing securities	-	-	37 977	37 977
Financial derivatives	-	-	-	-
Other financial liabilities	-	-	671	671
Subordinated loan capital	-	-	2 560	2 560
Total financial liabilities	-	-	141 370	141 370

Non financial liabilities and equity	30 170
Total liabilities and equity	171 540

Note 11 - Valuation Hierarchy

All amounts in millions of NOK

Q2 2021

Financial instruments measured at fair value		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Name	Type				
VISA	Equity	-	37	-	37
Total other ownership interests		-	37	-	37
Total Assets		-	37	-	37

Derivatives designated for hedge accounting - assets

Name	Type	Notional				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	34	-	34
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	2	-	2
Total derivatives designated for hedging - assets*			-	36	-	36

Derivatives designated for hedge accounting - liabilities

Name	Type	Notional				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	1	-	1
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	11	-	11
Total derivatives designated for hedging - liabilities			-	12	-	12

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

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

Level 1:

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

Level 2:

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

Level 3:

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

Q2 2020

		Quoted	Using	With	Total
		market price	observable	significant	
Financial instruments measured at fair value		Level 1	Level 2	Level 3	
<i>Name</i>	<i>Type</i>				
VISA	Equity	-	38	-	38
Total other ownership interests		-	38	-	38
Total Assets		-	38	-	38

Derivatives designated for hedge accounting - assets

<i>Name</i>	<i>Type</i>	<i>Notional</i>				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	51	-	51
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	7	-	7
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	1	-	1
Total derivatives designated for hedging - assets*			-	59	-	59

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Derivatives designated for hedge accounting - liabilities						
Name	Type	Notional				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	15	-	15
Total derivatives designated for hedging - liabilities			-	15	-	15

* 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.

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.

Note 12 - Loans to customers

All amounts in millions of NOK

	Q2 2021	Q2 2020	FY 2020
Credit Card	5 446	6 128	6 055
Unsecured loans	23 834	26 738	25 652
Auto loans	110 976	104 223	109 779
- <i>Installment loans</i>	85 353	84 618	85 525
- <i>Financial leasing</i>	25 623	19 605	24 254
Total gross loans to customers	140 256	137 089	141 486
- Loan loss allowance - Stage 1	-1 147	-887	-1 207
- Loan loss allowance - Stage 2	-525	-468	-618
- Loan loss allowance - Stage 3	-2 581	-2 305	-2 504
Total net loans to customers	136 002	133 429	137 157

Note 13 - Impairment losses on loan, guarantees etc.

All amounts in millions of NOK

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

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020
Change in loss allowance - Unsecured loans	-17	423	-48	149
Change in loss allowance - Secured loans	133	-132	45	-174
Change in loss allowance - Commercial papers and bonds	-	-1	-	-1
+/- Fx rate adjustment opening balance	-	-	-	-
+ Total realized losses	-533	-802	-792	-936
- Recoveries on previously realized losses	67	54	113	110
- Gain on sold portfolios	-	224	-	224
Impairment losses on loan, guarantees etc.	-350	-231	-682	-627

Note 14 - Issued securities

All amounts in millions of NOK

	Q2 2021	Q2 2020	FY 2020
Issued certificates	-	812	-
Senior unsecured issued securities	39 700	37 165	35 528
Total issued securities	39 700	37 977	35 528

Issued securities by currency in NOK	Q2 2021	Q2 2020	FY 2020
DKK	1 717	1 821	1 761
EUR	25 502	21 707	21 015
NOK	5 326	6 512	5 329
SEK	7 156	7 936	7 423
Total issued securities	39 700	37 977	35 528

Note 15 - Receivables and liabilities to related parties

All amounts in millions of NOK

		Accrued Interest		Accrued Interest		Accrued Interest
Debt to related parties:	Q2 2021	Q2 2021	Q2 2020	Q2 2020	FY 2020	FY 2020
Santander Consumer Finance S.A.	17 944	1	21 439	13	18 231	1
Debt to SPV on future cash flow of securitized loans	1 352	-	3 012	-	2 127	-
Total	19 296	1	24 451	13	20 358	1

Balance sheet line: "Subordinated loan capital" - Bonds

MNOK 250, maturity March 2025, 3 months NIBOR +2.2575% (Santander Consumer Finance S.A)	-	-	250	1	-	-
MNOK 250, maturity July 2025, 3 months NIBOR +3.135% (Santander Consumer Finance S.A)	-	-	250	-	250	1
MSEK 750, maturity December 2024, 3 months STIBOR +2.2825% (Santander Consumer Finance S.A)	-	-	-	-	-	-
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	1	500	2	500	2
MSEK 750, maturity December 2029, 3 months STIBOR +2.08% (Santander Consumer Finance S.A)	755	1	778	1	783	1
MSEK 750, maturity December 2030, 3 months STIBOR +2.29% (Santander Consumer Finance S.A)	755	-	778	-	783	-
MNOK 500, maturity June 2031, 3 months NIBOR + 2.62% (Santander Consumer Finance S.A)	500	-	-	-	500	1
Total	2 510	2	2 556	4	2 816	5

* Subordinated loan at MSEK 750 with maturity December 2024 was redeemed by exercising the call option in December 2019.

		Accrued Interest		Accrued Interest		Accrued Interest
Receivables on related parties:	Q2 2021	Q2 2021	Q2 2020	Q2 2020	FY 2020	FY 2020
Balance sheet line: "Commercial papers and bonds" <i>B and C notes issued by SPVs</i>	469	-	483	-	486	-
Balance sheet line: "Loans to subsidiaries and SPV's"						
<i>Loan to subsidiary (Santander Consumer Bank OY)</i>	18 818	40	14 585	39	14 093	70
<i>Loan to subsidiary (FORSO Nordic AB)</i>	-	-	1 915	8	-	-
<i>Subordinated loan to SPVs</i>	-	-	-	-	-	-

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. In addition, the SPVs (securitization of car loans) are also considered to be related parties.

Transactions with related parties are mostly interest expenses on funding from the parent company and the ultimate parent company. The Bank has transactions with the SPVs through funding and cash flows as agreed in the securitization process.

The following transactions were carried out with related parties:

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020	FY 2020
Interest income	45	48	88	115	217
Interest expenses	-19	-21	-38	-54	-122
Interest payments additional Tier 1 capital	-30	-38	-59	-76	-136
Fees	2	4	5	9	16
Other	-12	5	-16	1	6
Net transactions	-13	-1	-21	-4	-19

Santander Consumer Bank AS had transactions with the following related parties per 30 June 2021:

Banco Santander S.A.
Santander Consumer Finance OY
Santander Consumer Finance S.A.
Santander Global Technology, S.L.
Santander Seguros Y Reaseguros, S.A.

SPV:
SV Autofinans Warehousing 1 LTD (03104)



Strandveien 18, 1325 Lysaker, Norway