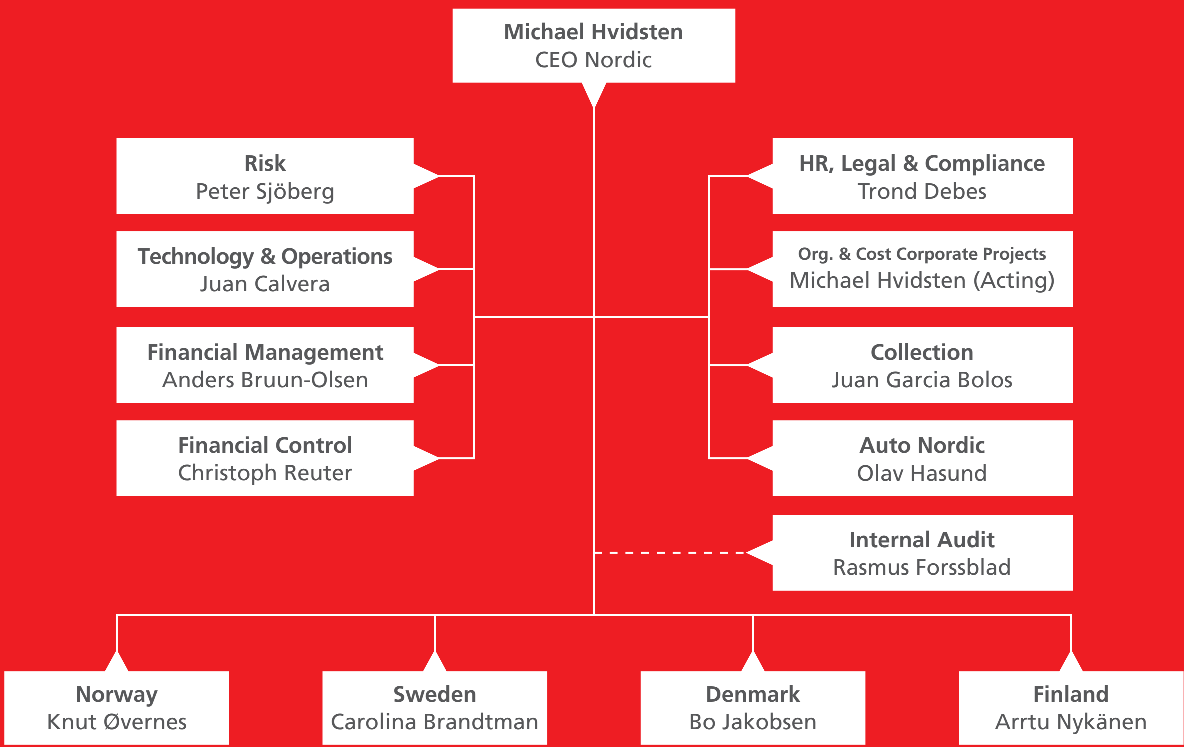
SANTANDER ANNUAL REPORT 2015

Santander Consumer Bank Nordics (Group) / Santander Consumer Bank AS / Organization number 983 521 592

Santander CONSUMER BANK

Santander Consumer Bank Senior Management Team



Annual Report of the Board of Directors 2015

2015 has been another good year for the Nordic Santander Consumer Bank Group. Lending to customers on all products has organically grown at a solid rate through 2015, as well as through the acquisition of GE Money Bank's Nordic company (later renamed to Santander Consumer Bank AB). The acquisition took place in November 2014, and the banks merged 1st of July 2015. GE Money Bank's portfolio consisted of unsecured lending products. The total growth in loans to customers in 2015 was 39,1% for the Group.

The Group has managed to maintain its position as the market leader within auto financing in the Nordics, and is steadily growing in market shares on other products.

The return on the net earning assets (ROA) of 1,84% is down compared to last year, mainly due to integration costs as a result of the merger with Santander Consumer Bank AB (SCB AB), and due to the fact that the profit after tax only reflect the results from the SCB AB since the merger 1st of July 2015.

The Group profit after tax in 2015 was NOK 1 507 MM compared to NOK 956 MM in 2014. The group total assets at yearend 2015 was NOK 135 936 MM.

The Group's funding strategy of a high self-funding ratio has in 2015 proceeded according to plan with issuances of unsecured and secured bonds, as well as an increase in the deposit product of 107% in 2015. The Group's risk management focus is still strong and risks are closely monitored and well handled.

THE GROUP

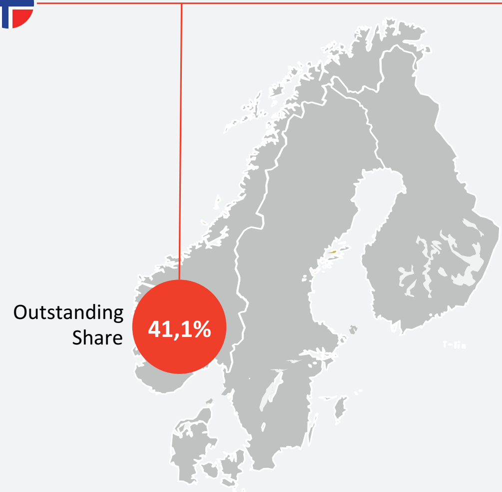
Santander Consumer Bank AS is a wholly-owned subsidiary of Santander Consumer Finance S.A. which is part of Grupo Santander, one of the world's leading banks. Santander Consumer Finance S.A. is one of the leading companies in Europe within auto and consumer finance. The goal of the Nordic Group is to realize Grupo Santander's vision in the Nordics by gradually expanding the business with new products. The Nordic Group's main products are auto and leisure finance, as well as credit cards, consumer loans and deposits. Santander Consumer Finance S.A. bought GE Money Banks Nordic operations in 2014 to further strengthen its market position in the Nordics within credit cards and unsecured consumer loans. The acquired company was renamed to Santander Consumer Bank AB, and later merged with Santander Consumer Bank AS 1st of July 2015.

At the end of 2015, Santander Consumer Bank AS (hereafter SCB AS) had branches in Sweden and Denmark, as well as a wholly-owned subsidiary in Finland. SCB AS' head office is in Lysaker, Norway. The Nordic Group is organized as a Nordic cluster with central staff functions and 4 Business units, one in each country of operation. In addition, the Nordic group (here after the Group) consists of funding units (Special Purpose Vehicles) that issue auto assets-backed securities as part of the self-funding strategy.

1. The ROA is calculated using profit before tax over monthly average net earning assets.

NORWAY

Norway	
Outstanding (NOK):	46,7 Bn
Profit Before Tax (NOK):	935MM
ROA:[1]	2,09%
FTEs:	473



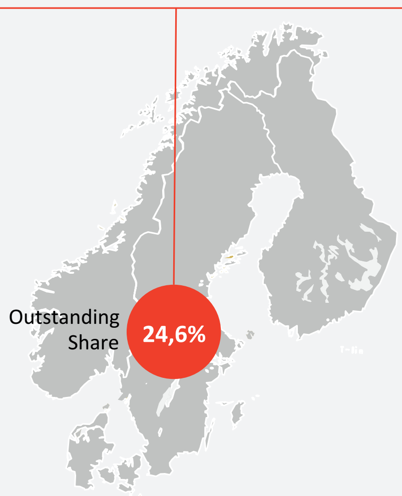
2015 has been a year with large scale operations to align the organization, infrastructure and products after the merger. Throughout this process, and despite increased competition in the market, and decreased consumption overall, the business has delivered strong results and significant growth in 2015.

Norway consolidated the position as the market leader in the auto segment. The market share is well above 30%, and the number of partnerships has increased. The platform is strong and volume grew to record levels in 2015. Norway offer credit cards and consumer loans, direct to consumer, through retail partner networks and other intermediaries. After the merger Norway has established itself as the market leader in the consumer finance segment with a market share of 13%.

The Norwegian unit delivered record profits before tax at NOK 935 MM. Total net outstanding is NOK 46 739 MM. The business offers auto loans and leasing, deposits, consumer loans, credit cards, and a variety of unsecured consumer financing products. With thriving business comes social responsibility and Norway is proud to be a gold partner with Right to Play, a global organization that uses the power of play to educate and empower children in disadvantaged communities to overcome effects of poverty, conflict and disease.

SWEDEN

Sweden	
Outstanding (NOK):	27,9 Bn
Profit Before Tax (NOK):	63,7MM
ROA:[2]	0,25%
FTEs:	340



was a year of growth for the Swedish business, driven by both organic development and the merger of SCB AB. Building awareness for Santander Consumer Bank in the Swedish market has been of particular focus as has aligning the organization, its systems and processes following the acquisition. Santander Consumer Bank's aided awareness has increased during the year from 15% to 46%.

2. The ROA is calculated using profit before tax over monthly average net earning assets.

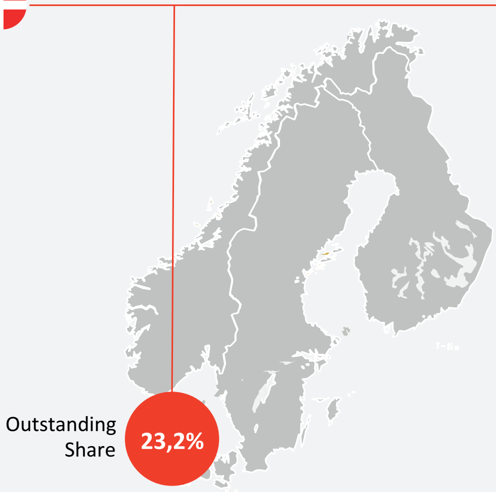
Santander Consumer Bank is one of the three largest car financing companies in Sweden. The auto market in Sweden had a record year 2015 with the largest number of sold cars. Together with increasing dealer penetrations and new captive agreements this record year enabled a year end portfolio of NOK 14,9 Bn and 11% auto portfolio growth. The increasingly strong and well-known Santander Consumer brand propels organic growth in the direct to consumer channel across all products.

Santander Consumer Bank has taken a strong market position amongst savings provider and it has driven significant deposit growth, resulting in an ending portfolio balance of NOK 14,4 Bn. The consumer loan's portfolio was NOK 1 Bn in the beginning of 2015 and NOK 11,7 Bn at the end of the year. The Sales Finance business decreased as a result of heavy pressure from competition while the credit card portfolio was stable and ended the year with a balance of NOK 1,7 Bn.

The Swedish branch has carried most of the integration costs for the merger which has heavily influenced the ROA in Sweden.

DENMARK

Denmark	
Outstanding (NOK):	23,2 Bn
Profit Before Tax (NOK):	501 MM
ROA:[2]	2,49%
FTEs:	230



2015 was a year of growth for the activities in Denmark. The merger supplementing products and processes in especially the unsecured market by adding credit cards as a product. New Business Volume increased with 25%. Where Unsecured had the highest percentage increase. The auto finance and leasing business is still the main activity in Denmark (app. 85%). In 2015 a new agreement with a brand was made, and New Business Volumes did reach a new record level with an increase of 13,0% in 2015. Despite increased competition, the Danish branch has kept a market share of approximately 22% and is maintaining the leading position in the market.

The consumer loan product has been offered to existing customers since 2013, and has been very successful with an increase of 265% in new business volumes in 2015. In the end of 2015 Sales Finance was introduced in the Danish market, through an agreement with one of Denmark's largest appliance retailers.

Deposit is part of the funding strategy, and has since the beginning in 2014 had a very positive interest from both saving customers and the media. The Danish branch received more than NOK 7 720 MM in deposits and several positive articles in the media.

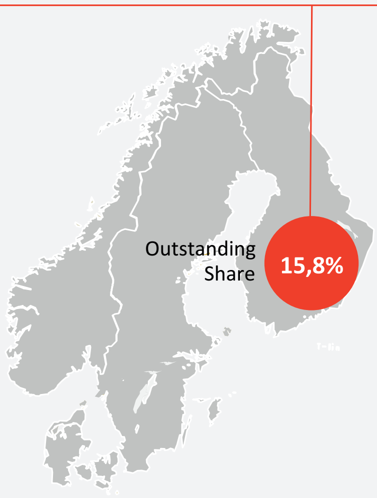
Denmark has high focus on innovative solutions towards the market. In 2015 technology in using NemID and Digital Signature has been developed and partly implemented – both with huge success, and as such Denmark is ready to launch a full digitalized application-process.

The Danish branch has focused on several marketing activities 2015, for example the World Cup in Ladies Handball in Denmark. The unit has also shown a high level of Social Responsibility by being involved in social activities within charities like the Danish Cancer Society.

All in all several activities within business, people development, marketing and CSR has resulted in a very good financial year for the Danish unit.

FINLAND

Finland	
Outstanding (NOK):	15,8 Bn
Profit Before Tax (NOK):	420 MM
ROA:[3]	2,70%
FTEs:	139



Santander Consumer Finance OY (SCF OY) is performing well in a challenging macro environment. SCF OY has a substantial market presence in Finland within auto finance. SCF Oy kept the position as market leader, with all time high new business volumes having market share of 30%. SCF Oy offers full range of products in auto including auto loans, operational- and finance leasing, demo-leasing, consignment and insurance. Innovative new products and concepts such as "all in one" and "all in one virtual showroom" concept have opened new partnerships and supported sales. Auto represents the core of the Finnish business.

In the unsecured consumer loan business SCF Oy made all-time high new business volumes with an increase of 13% in 2015. New Santander.fi site is performing strong resulting in high conversion rates. Durables product made all-time- high new business volumes in 2015.

SCF Oy exceeded its targets, both in terms of volume and in terms of profits. SCF Oy also implemented the public securitization (Kimi4) of part of its receivables portfolio in the financial year in order to safeguard its strong liquidity.

On the vehicle financing side it will be a challenge to maintain volumes in 2016 as the car market is very unstable. The consumer finance business will be developed with the help of new cooperation partners. Demand in the consumer credit business is expected to remain good.

3. The ROA is calculated using profit before tax over monthly average net earning assets.

FUNDING

The main funding pillars of the Group are deposits, issuance of senior unsecured bonds and asset-backed securities, and parent company funding. The Group has during the last years taken significant steps to become self-funded from a diversified range of sources. Particular focus in 2015 was on expanding deposits and senior unsecured funding.

Customer deposits are a strategic priority for the Group. Deposit-taking capabilities have been developed, to-date, in Norway, Sweden and Denmark. Total outstanding volumes of NOK 37 381 MM across the 3 countries, representing an increase of NOK 19 292 MM from 2014, NOK 7 120 MM was a direct result of the merger with SCB AB.

The Group strengthened its presence in the domestic and European bond markets, through increased issuance in the Norwegian bond markets and under its Euro Medium Term Note program (EMTN). In 2015, the bank issued EUR 750 million of senior unsecured bonds in the Euro bond market and SEK 3.5 billion senior unsecured bonds in the Swedish bond market under the EMTN program, and NOK 2 billion senior unsecured bonds in the Norwegian markets (see note 11 for further details). The EMTN program is guaranteed by Santander Consumer Finance S.A.

Issuance of asset-backed securities is also an important funding source for the Group. The Group completed two asset-backed issuances in Q4 2015: a 338 MM EUR (Class A) transaction backed by Finnish collateral and a 500 MM EUR (Class A) transaction backed by Norwegian collateral. The transactions represent the fourth issuance from the Finnish securitization program and the seventh from the Norwegian one. Issuance is strictly for funding, and is not intended to give any change in risk exposure nor give any capital relief to the bank.

The Group is also funded through loans and drawing rights from the parent bank and companies with Grupo Santander. These loans are priced at market rates and denominated in local currencies. Credit markets and access to funding have been satisfactory throughout 2015.

SOLVENCY AND CAPITAL ADEQUACY

New legislation on capital requirements for credit institutions were enforced in Norway as of 1 July 2013 as a result of the Basel III standards and the European Commission's proposal for a legal framework to implement the Basel III standards in the EU (the CRD IV framework). The Group and SCB AS are compliant with a Core Equity Tier1, Tier 1 and Tier 2 requirements. In December 2015 SCB AS received approval to start calculating capital requirement using Internal Rating Based models (IRB) for the first set of portfolios.

The ICAAP (internal capital adequacy assessment process) is integrated into Grupo Santander's planning and budgeting processes as well as the risk assessment processes under the internal control regulations. In addition to Credit risk, Market risk and Operational risk, the ICAAP covers other risks not included in other solvency reporting. ICAAP report is annually prepared and presented to the Norwegian FSA. The Group has been able to maintain strong solvency ratios above tightening regulatory requirements.

ANNUAL ACCOUNTS

The income statement of the Group and SCB AS does not include the first six months of the former Santander Consumer Bank AB.

The profit of the first six months of SCB AB is allocated towards equity. However the ROA calculations in this report are calculated including the first six month of the SCB AB's profit.

The Group's profit before taxes was NOK 1 942 MM in 2015, which is up from NOK 1 321 MM in 2014. The increase of 47% is mainly due to a higher net loan balance of which NOK 18 755 MM from the merger, and NOK 13 159 MM from organic growth. Lower funding costs due to a lower interest rate levels and credit spreads has also had a positive offset by the cost of merging SCB AS and SCB AB.

Total net loans to customers for the Group have increased by 39 %, influenced greatly by the merger, but also reflecting a high activity level in all the Nordic countries. Total assets at yearend amounted to NOK 135 936MM compared to NOK 96 252 MM the year before.

In the opinion of the Board the annual accounts provide a true and fair view of the company's result for 2015 and its financial position as at 31.12.15.

Profit after tax for SCB AS in 2015 was NOK 1 159 MM, and for the Group NOK 1 507 MM.

It is proposed to allocate the profit for the year and positive OCI to other equity.

In accordance with § 3-3a of the Accounting Act we confirm that the accounts have been prepared under the going concern assumption and this also corresponds with the Board's opinion.

RISK MANAGEMENT

The Group's organizational structure is designed to support the risk management of the bank. The bank leverages from pan-Nordic initiatives and strategies, resulting in highly homogeneous risk practices across the business units while at the same time taking into consideration the local market's needs and climate.

Credit Risk Management

Credit risk management is divided into "Standardized" and "Non-Standardized" risk areas. This segmentation ensures enhanced understanding and monitoring of products and portfolios.

Standardized (Retail) exposures are managed through a highly automated credit approval process, based on Advanced-IRB (IRB-A) Approach scorecards for the underwriting of new applications as part of the bank's Basel II rollout program. In December, we received the IRB approval letter from Bank of Spain communicating the joint decision with the Norwegian FSA. Portfolios that have been approved are the Norway auto private persons, the Sweden auto private persons, and the Finland auto private persons. The IRB approval is effective from December 2015.

The Non-Standardized risk segment is defined as auto and stock finance, offered to corporate customers with a consolidated group turnover exceeding NOK 450 M and/or clients with credit exposure of over NOK 5 M.

The consolidated Loan Loss Reserve (LLR) increased from NOK 1.617 M in 2014 to NOK 2.631 M in 2015.

Several items impacted the LLR figures in 2015. In July 2015, SCB AB (former GE Money Bank AB) merged with SCB AS, increasing reserves. As a consequence of the merger and integration, reserve policies and write-off policies were harmonized during 2015 for the combined unit, as well as the collections practices. In addition to a bad debt sales transaction, which was carried out at year end. Portfolio growth in specific business units and individual exposures additionally led to the increase in Loan Loss Reserves.

The board considers the risk profile and provisioning level to be satisfactory for the credit risk profile of the Bank. Internal controls are also deemed sufficient.

Interest Rate Risk

The Bank obtain a balance sheet composition which ensures that the interest rate risk is managed at prudent levels and within established limits set by the board of directors.
The Group is not to actively take on interest rate risk in its operations. Interest rate risk in Santander Consumer Bank is measured using the net interest margin (NIM) and market value of equity (MVE).

Liquidity Risk

Liquidity Risk in Santander is measured using the Minimum Liquidity Ratio (MLR), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Additional Liquidity Monitoring Metrics (ALMM).

Overall, the Bank's liquidity profile improved throughout 2015, meeting the CRD IV's liquidity requirements. This trend is expected to continue in 2016. With higher liquidity and exposure to interest rate changes within defined limits, the Board considers the Bank to have a satisfactory structural and liquidity risk profile with sufficient controls in place.

Foreign currency risk

The bank is exposed to currency risks in all the Nordic currencies. The risk is monitored continuously and measurements are in place through hedging instruments to lower the risk on large exposures. The hedging instruments are mainly loans in the exposed currency.

The board believes that the foreign currency risk is appropriately monitored.

ORGANIZATION, SOCIAL RESPONSIBILITY AND SERTIFICATIONS

At year-end 2015, Santander Consumer Bank AS (SCB AS) had 1410 employees (excluding temporary hired employees), of which 391 worked in Sweden, 279 in Denmark, 155 in Finland and 585 in Norway. In 2015 the sick leave rate was around 3,9 %. There has been no personal injuries in the workplace in 2015.

The working environment in the Company is considered good, and is being assessed on an annual basis through the employee opinion survey. The 2015 response rate was 76 per cent, and the overall evaluation was good.

The Company has a Working Environment Committee and Liaison Committee. Statutory meetings are held and the co-operation between the management and employee representatives is good. Santander has decided to dissolve the control committee and the assembly of representatives in 2015.

Health, safety and environment, are important elements in the group policy for people and organization. Preventive working environment measures should be adopted to promote employees' safety, health, well-being and working capacity. Santander Consumer Bank is committed to gender-balanced participation in its talent and management development programs and has flexible schemes that make it easier to combine a career with family life.

SCB AS is proactive in ensuring that employees perceive a policy of gender equality, and no discrimination has been reported. The Company has participated in Grupo Santander's worldwide Gender Diversity Policy. At year-end the gender ratio was 54% women and 46% men. The Nordic senior management team consist of one woman and 13 men. The Board of Directors consists of seven men and one woman, in addition to a female Observer. Two of the Directors have personal deputies, one woman and one man.

The company acknowledges equal opportunities without consideration for race, gender, religion or other status, and is actively working for a safe, inclusive and engaging working environment.

Santander Consumer Bank's business does not directly pollute the external environment.

Santander Consumer Bank acknowledges the importance of the bank's obligation to society to provide financial infrastructure and support economic stability. The Bank's guidelines focus on integrating three main considerations into the business: environmental, social and ethical.

The main principles for these considerations are expressed in Santander's General Code of Conduct. It catalogues the ethics principles and rules of conduct by which all activities of Santander employees should be governed, and therefore comprises the central component of the Group's Compliance program. The General Code is applicable to members of the Board and to all employees.

Legal and Compliance is responsible for making the General Code available to employees. During 2015 an enhanced compliance training program was developed to ensure that all employees know and understand relevant rules, regulations and company requirements.

Guidelines, procedures and standards for corporate responsibility will still be an area of focus going forward. The bank is engaged in operations in the Nordic region where human rights, employee rights and social rights are regulated by local authorities through working environment acts. Santander Consumer Bank AS are not running operations in countries with high risks related to human, employee and social rights. The board believes that the bank and its partners are compliant to the working environments acts in the Nordic countries.

The Santander Internal Audit's responsibility is to independently monitor the efficiency of the regulatory compliance program adopted by the bank, thereby ensuring that the compliance program achieves the objectives intended by it.

Santander Consumer Bank was certified as "Miljøfyrtårn", a Norwegian municipal environment certification in 2009. The bank is compliant with all requirements regarding health, environment and safety, procurement, transportation, waste handling and energy consumption.

Santander Consumer Bank is a socially responsible company which supports professionals who take part in charitable initiatives. As a part of the social responsibility program we have entered an agreement with Right to Play. As a part of the program we did arrange an urban running contest in Oslo and a breakfast meeting about "CSR, values and profitability" in 2015. In Sweden we support the Team Rynkeby which is an international charity cycling team. Every summer the team cycles from Scandinavia to Paris to raise money for children with cancer.

OUTLOOK FOR 2016

2015 was a year greatly influenced by the merger between SCB AS and SCB AB. The Group's goals and challenge for 2016 is to extract the synergies of the combined businesses to continue the growth in 2016, set a new standard for the markets in which we already operate, and the new markets to be penetrated in 2016.

The macroeconomic picture is uncertain at the moment which creates challenges for stable growth. The Group does however have focus on monitoring macroeconomic factors in every day decisions, as well as a close follow up of the effect on our current and future asset portfolio.

The Group's focus on funding and liquidity remains on securing a diverse and robust supply. The Group needs to think differently on issuing asset backed securities as the Norwegian legislation has changed in regards to securitizations. Customer deposits, senior unsecured bonds and intra group funding form the main funding pillars. The Group will of course also continue to follow up the Capital requirements set by the regulators. The IRB approval received in December 2015 will give the Group opportunities to build on our internal monitoring strengths to grow as a stronger bank.

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

Lysaker, 12th February 2016.

The Board of Directors of Santander Consumer Bank

Erik Kongelf (Chairman)	Bruno Montalvo Wilmot (Deputy Chairman)	Manuel Angel Menendez Barrero
Francisco Javier Anton San Pablo	Niels Christian Aall	Henning Strøm
Vibeke Hamre Krey (Employee Representative)	Ola Tillberg (Employee Representative)	Michael Hvidsten (Chief Executive Officer)

ACCOUNTS

Santander Consumer Bank Nordics (group)
Santander Consumer Bank AS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PROFIT AND LOSS ACCOUNT

Santander Consumer Bank Group		All amounts in thousands of NOK		Santander Consumer Bank AS	
2014	2015		Note	2015	2014
		Interest income and similar income			
33 981	32 566	Interest and similar income on loans to and receivables from credit institutions		740 767	731 905
4 989 041	6 382 162	Interest and similar income on loans to and receivables from customers		4 348 857	2 789 164
152 515	143 350	Operational leasing income		-	-
33 234	29 568	Interest and similar income on comm.paper, bonds and other securities		211 615	276 757
5 208 770	6 587 646	Total interest income and similar income		5 301 239	3 797 826
		Interest expenses and similar expenses			
614 815	381 913	Interest and similar expenses on debt to credit institutions		305 923	490 633
382 732	467 579	Interest and similar expenses on deposits from and debt to customers		467 579	382 732
422 574	426 195	Interest and similar expenses on issued commercial papers and bonds		205 769	78 106
215 562	208 832	Interest on subordinated loan capital		211 513	210 285
79 850	62 756	Other interest expenses and similar expenses		51 178	70 121
1 715 534	1 547 275	Total interest expenses and similar expenses	*14*	1 241 962	1 231 878
3 493 237	5 040 370	Net interest and credit commission income		4 059 277	2 565 948
		Commission income			
1 650	2 436	Guarantee commissions		1 803	1 573
390 642	524 878	Other commissions and fees	*27*	575 550	473 511
392 292	527 314	Total commission income and income from banking services		577 353	475 084
		Commission Expenses			
198 202	243 505	Other fees and commission expenses	*27*	223 331	188 208
198 202	243 505	Total commission expenses and expenses from banking services		223 331	188 208
		Net value change and gain/loss on foreign exchange and securities			
98 546	-	Gain on foreign exchange and securities		-	112 527
-	-22 094	Loss on foreign exchange and securities		-26 161	-
98 546	-22 094	Total value change and gain/loss on foreign exchange and securities		-26 161	112 527
		Other operating income			
36 863	45 950	Other operating income		28 669	391 306
36 863	45 950	Total other operating income		28 669	391 306
		Salary and administration expenses			
624 980	1 140 328	Salaries, fees and other personnel expenses		1 050 169	545 779
434 691	792 329	Of which: - Salaries	*20*	722 604	412 454
99 175	125 817	- Pensions	*19*	112 559	60 118
91 115	222 182	- Social costs		215 005	73 207
558 999	1 051 955	Administration expenses		963 105	495 726
1 183 979	2 192 282	Total salary and administration expenses		2 013 274	1 041 505

PROFIT AND LOSS ACCOUNT

Santander Consumer Bank Group		All amounts in thousands of NOK		Santander Consumer Bank AS	
2014	2015		Note	2015	2014
		Depreciation			
71 016	79 275	Depreciation		72 463	63 933
131 169	-	Impairment of intangible assets		-	131 169
118 574	111 663	Depreciation operational leasing		-	-
320 759	190 938	Total depreciation		72 463	195 102
147 731	226 133	Other operating expenses	*27*	166 776	100 588
		Losses on loans, guarantees etc.			
849 460	796 533	Loan losses		650 175	689 349
849 460	796 533	Total losses on loans, guarantees etc.	8	650 175	689 349
1 320 807	1 942 149	Operating result		1 513 121	1 330 114
364 400	434 920	Taxes expense	*15*	353 959	297 631
956 408	1 507 229	Profit after tax		1 159 162	1 032 483
		Allocation of profit after tax			
956 408	1 507 229	Transferred to other earned equity		1 159 162	1 032 483
956 408	1 507 229	Total allocations		1 159 162	1 032 483

STATEMENT OF COMPREHENSIVE INCOME

Santander Consumer Bank Group		All amounts in thousands of NOK		Santander Consumer Bank AS	
2014	2015		Note	2015	2014
956 408	1 507 229	Profit after tax for the period		1 159 162	1 032 483
		Items not to be recycled to profit and loss			
-126 581	165 433	Actuarial gain/loss on post employment benefit obligations		165 433	-126 581
34 177	-39 844	- Tax relating to pension		-39 844	34 177
		Items to be recycled to profit and loss			
-112 533	-29 728	Net investment hedge		-	-
30 384	7 432	- Tax relating to net investment hedge		-	-
-113 855	23 397	Cash flow hedge SPV	*22*	-	-
30 741	-5 849	- Tax relating to cash flow hedge in SPV		-	-
564	-18 675	Cash flow hedge EMTN	*22*	-18 675	564
-152	4 638	- Tax relating to cash flow hedge from EMTN		4 638	-152
153 885	107 331	Net exchange differences on translating foreign operations		38 366	-24 893
-41 549	-28 680	- Tax relating to exchange differences		-10 333	6 721
-18 305	66 949	Value change of assets held for sale		67 317	-18 305
4 942	-4 032	- Tax relating to assets held available for sale		-4 032	4 942
798 127	1 755 601	Total comprehensive income for the period		1 362 030	908 956

BALANCE SHEET - ASSETS

Santander Consumer Bank Group		All amounts in thousands of NOK		Santander Consumer Bank AS	
2014	2015		Note	2015	2014
		Cash and receivables on central banks			
56 463	58 947	Cash and receivables on central banks		58 947	56 463
56 463	58 947	Total cash and receivables on central banks		58 947	56 463
		Deposits with and receivables on financial institutions			
5 967 460	5 790 622	Deposits with and receivables on financial institutions	*23*	922 533	2 920 380
5 967 460	5 790 622	Total deposits with and loans to financial institutions		922 533	2 920 380
		Loans to customers			
2 686 198	7 786 611	Credit Card		7 783 611	2 686 198
6 408 752	23 460 431	Unsecured loans		21 016 126	4 223 525
60 814 274	70 128 657	Installment loans	*13*	57 537 994	50 675 058
13 412 702	14 876 901	Financial leasing	*17*	13 717 922	12 489 405
83 321 927	116 249 600	Total loans before specific -and generic write-downs	*9*	100 055 652	70 074 187
588 251	1 519 876	- Specific write-downs	*8*	1 443 923	515 299
1 028 653	1 111 155	- Generic write-downs	*8*	783 016	718 979
81 705 023	113 618 569	Net loans	*2*	97 828 713	68 839 909
12 945	12 866	**Repossessed assets**	*18*	9 230	5 372
		Commercial papers, bonds and other fixed-income securities			
2 042 744	9 202 668	Commercial papers and bonds	*12*	15 774 870	8 453 870
2 042 744	9 202 668	Total commercial papers, bonds and other fixed-income securities		15 774 870	8 453 870
2 263 768	2 230 167	Financial derivatives	*12,22*	1 157 289	1 015 493
2 263 768	2 230 167	Total financial derivatives		1 157 289	1 015 493
		Ownership interests in group companies and other entities			
-	-	Ownership interest in credit institutions	*21,22*	1 246 681	1 173 851
-	51 982	Other ownership interests	*27*	51 982	-
-	51 982	Ownership interests in group companies and other entities		1 298 663	1 173 851
		Intangible assets			
496 870	765 729	Goodwill	*16*	369 105	123 415
210 572	235 512	Deferred tax assets	*15*	116 142	75 846
243 665	254 392	Other intangible assets	*16*	243 132	232 023
951 106	1 255 634	Total intangible assets		728 378	431 284
		Fixed assets			
39 880	69 192	Machinery, fittings and vehicles	*16*	60 849	33 158
468 580	402 626	Operational leasing	*16*	0	0
508 459	471 818	Total fixed assets		60 849	33 158
		Other assets			
2 162 931	2 694 500	Consignment		1 068 372	872 528
285 265	216 508	Other assets	*23,27*	6 401 701	1 566 469
2 448 196	2 911 007	Total other assets		7 470 074	2 438 996
		Prepayments and earned income			
295 444	332 094	Prepayments and earned but not invoiced income	*27*	224 998	271 115
295 444	332 094	Total prepayments and earned income		224 998	271 115
96 251 608	135 936 375	Total assets		125 534 542	85 639 890

BALANCE SHEET - LIABILITIES AND EQUITY

Santander Consumer Bank Group		All amounts in thousands of NOK		Santander Consumer Bank AS	
2014	2015		Note	2015	2014
		Debt to credit institutions			
30 351 149	33 571 429	Loans and deposits from credit institutions with an agreed term	*23*	46 592 933	45 376 534
30 351 149	33 571 429	Total loans and deposits from financial institutions		46 592 933	45 376 534
		Deposits from and debt to customers			
18 089 036	37 380 836	Deposits from and debt to customers repayable on notice		37 380 836	18 089 036
18 089 036	37 380 836	Total deposits from customers		37 380 836	18 089 036
1 014 378	1 097 496	Financial derivatives	*12*	1 076 450	998 622
1 014 378	1 097 496	Total financial derivatives		1 076 450	998 622
		Debt established by issuing securities			
32 247 948	41 486 696	Bonds and other long term loan raising	*11*	19 383 142	7 399 366
32 247 948	41 486 696	Total debt established by issuing securities		19 383 142	7 399 366
		Other debt			
667 940	863 460	Other debt	*27*	667 717	627 149
667 940	863 460	Total other debt		667 717	627 149
		Provisions and liabilities			
895 570	1 412 854	Incurred expenses and deferred revenue	*27*	1 317 343	777 511
346 362	276 778	Pension liabilities	*19*	276 778	346 362
529 540	768 009	Deferred tax	*15*	768 009	529 540
1 771 472	2 457 640	Total provisions and liabilities		2 362 130	1 653 413
		Subordinated loan capital			
2 857 663	3 827 441	Subordinated loan capital	*23*	3 827 441	2 857 663
2 857 663	3 827 441	Total subordinated loan capital		3 827 441	2 857 663
86 999 585	120 684 997	Total liabilities		111 290 650	77 001 782
		Paid-in equity			
5 448 469	9 652 418	Share capital		9 652 418	5 448 469
891 314	891 314	Share capital premium		891 314	891 314
6 339 783	10 543 732	Total paid-in equity		10 543 732	6 339 783
		Earned equity			
2 912 240	4 707 646	Other equity		3 700 161	2 298 325
2 912 240	4 707 646	Total earned equity		3 700 161	2 298 325
9 252 023	15 251 378	Total equity	*6*	14 243 893	8 638 108
96 251 608	135 936 375	Total liabilities and equity		125 534 542	85 639 890

Lysaker, February 12th 2016

Erik Kongelf (Chairman)	Bruno Montalvo Wilmot (Deputy Chairman)	Manuel Angel Menéndez Barrero	Francisco Javier Anton San Pablo

Niels Christian Aall	Henning Strøm	Vibeke Hamre Krey (Employee Representative)	Ola Tillberg (Employee Representative)	Michael Hvidsten (Chief Executive Officer)

CASHFLOW STATEMENT GROUP

Santander Consumer Bank Group		All amounts in thousands of NOK	Santander Consumer Bank AS	
2014	**2015**		**2015**	**2014**
		Cash flow from operations		
1 320 807	1 942 149	Profit before income taxes	1 513 121	1 330 114
-288 457	-333 656	Taxes paid in the period	-295 107	-271 141
320 759	190 938	Depreciation and impairment	72 463	195 102
-11 239 756	-13 158 784	Change in loans to customers	-10 234 042	-8 497 798
5 394	80	Change in repossessed assets	-3 858	-60
-1 047 094	748 670	Change in commercial papers and bonds	5 710	395 229
-688 233	33 601	Change in financial derivatives, net.	-141 795	23 130
-389 942	-413 571	Change in consignment and other assets	-4 981 837	-1 315 149
-113 087	-36 650	Change in prepayments and earned income	46 117	-149 900
-4 109 529	-5 660 545	Change in loans and deposits from financial institutions	-7 664 424	-5 497 555
8 872 993	12 171 721	Change in loans and deposits from customers	12 171 721	8 872 993
45 812	-12 975 503	Change in other debt	-1 423 996	67 623
-11 771	-3 611	Differences in expensed pensions and payments in/out of the pension scheme	-3 611	-11 771
-4 733	672 659	Change in other provisions	586 080	224 305
-7 326 838	-16 822 503	Net cash flow from operations	-10 353 459	-4 634 877
		Cash flow from investments		
-	-7 908 594	Purchased bonds	-7 326 710	-
4 842	-	Proceeds from sale of fixed assets	-	3 077
-99 129	-279 729	Purchase of fixed assets	-111 605	-90 151
-94 287	-8 188 323	Net cash flow from investments	-7 438 315	-87 075
		Cash flow from financing		
-	254 265	Receipt on subordinated loan capital	254 265	-
7 541 435	22 055 495	Receipts on issued bonds	13 088 776	3 694 352
-	-	Paid out dividend	-	-
1 000 000	1 100 000	Paid in share capital	1 100 000	1 000 000
8 541 435	23 409 760	Net cash flow from financing	14 443 041	4 694 352
-5 213	99 829	Exchange gains / (losses) on cash and cash equivalents	26 487	-19 768
1 115 097	-1 501 237	Net change in cash and cash equivalents	-3 322 246	-47 368
4 908 825	6 023 922	Cash and cash equivalents at the beginning of the period	2 976 843	3 024 211
-	1 326 883	Cash from the merger with Santander Consumer Bank AB	1 326 883	-
6 023 922	5 849 569	Cash and cash equivalents at the end of the period	981 479	2 976 843

Cash and cash equivalents at the end of the period consists of the balance sheet lines “Cash and receivables on central Banks” and “Total deposits with and loans to financial institutions”.

EQUITY STATEMENT - GROUP

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity (OCI)	Retained earnings	Total
Balance at 1 January 2015	5 448 469	891 314	-190 631	3 102 871	9 252 023
Net profit for the year	-	-		1 507 229	1 507 229
Actuarial gain/loss on post employment benefit obligations	-	-	165 433	-	165 433
- Tax relating to pension	-	-	-39 844	-	(39 844)
Net exchange differences on translating foreign operations	-	-	107 331	-	107 331
- Tax relating to exchange differences	-	-	-28 680	-	(28 680)
Value change of assets held for sale	-	-	66 949	-	66 949
- Tax relating to assets held available for sale	-	-	-4 032	-	(4 032)
Cash flow hedge EMTN	-	-	-18 675	-	(18 675)
- Tax relating to cash flow hedge from EMTN	-	-	4 638	-	4 638
Net investment hedge	-	-	-29 728	-	(29 728)
- Tax relating to net investment hedge	-	-	7 432	-	7 432
Cash flow hedge SPV	-	-	23 397	-	23 397
- Tax relating to cash flow hedge in SPV	-	-	-5 849	-	(5 849)
Total comprehensive income	-	-	248 372	1 507 229	1 755 601
Capital increase	1 100 000	-	-	-	1 100 000
Share dividend	-	-	-	-	-
Equity from the merger with SCB AB	3 103 949	-	-76 884	116 689	3 143 754
Balance at 31 December 2015	9 652 418	891 314	-19 143	4 726 788	15 251 378

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity (OCI)	Retained earnings	Total
Balance at 1 January 2014	4 448 469	891 314	-32 350	2 146 463	7 453 896
Net profit for the year	-	-		956 408	956 408
Actuarial gain/loss on post employment benefit obligations	-	-	-126 581	-	-126 581
- Tax relating to pension	-	-	34 177	-	34 177
Net exchange differences on translating foreign operations		-	153 885	-	153 885
- Tax relating to exchange differences	-	-	-41 549	-	-41 549
Value change of government bonds held for sale	-	-	-18 305	-	-18 305
- Tax relating to government bonds	-	-	4 942	-	4 942
Cash flow hedge EMTN	-	-	564	-	564
- Tax relating to cash flow hedge from EMTN	-	-	-152	-	-152
Net investment hedge	-	-	-112 533	-	-112 533
- Tax relating to net investment hedge	-	-	30 384	-	30 384
Cash flow hedge SPV	-	-	-113 855	-	-113 855
- Tax relating to cash flow hedge in SPV	-	-	30 741	-	30 741
Total comprehensive income	-	-	-158 281	956 408	798 127
	-	-	-	-	-
Capital increase	1 000 000	-	-		1 000 000
Balance at 31 December 2014	5 448 469	891 314	-190 631	3 102 871	9 252 023

1) Total shares registered as at December 31, 2015, was 965 241 842

2) Restricted capital as at December, 2015, was NOK 9 652 M, unrestricted capital was NOK 5 599 M. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

3) In July 2015 the Company issued 310 394 930 shares in relations with the merger between Santander Consumer Bank AS and Santander Consumer Bank AB. The shared was issued at par value of NOK 10 per share.

4) In July 2015 the company issued 110 000 000 shares in relation to a capital increase. The shared was issued at par value of NOK 10 per share.

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.

EQUITY STATEMENT - AS

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity (OCI)	Retained earnings	Total
Balance at 1 January 2015	5 448 469	891 314	(228 915)	2 527 241	8 638 108
Profit for the period	-	-	-	1 159 162	1 159 162
Actuarial gain/loss on post employment benefit obligations	-	-	165 433	-	165 433
- Tax relating to pension	-	-	-39 844	-	-39 844
Conversion differences foreign currencies (branches)	-	-	38 366	-	38 366
- Tax relating to exchange differences	-	-	-10 333	-	-10 333
Value change of assets held for sale	-	-	67 317	-	67 317
- Tax relating to assets held available for sale	-	-	-4 032	-	-4 032
Cash flow hedge EMTN	-	-	-18 675	-	-18 675
- Tax relating to cash flow hedge from EMTN	-	-	4 638	-	4 638
Total comprehensive income for the period	-	-	202 869	1 159 162	1 362 030
Capital increase	1 100 000	-	-	-	1 100 000
Share dividend	-	-	-	-	-
Equity from the merger with SCB AB	3 103 949	-	-76 884	116 689	3 143 754
Balance at 31 December 2015	9 652 418	891 314	-102 931	3 803 092	14 243 893

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity (OCI)	Retained earnings	Total
Balance at 1 January 2014	4 448 469	891 314	-105 387	1 494 758	6 729 154
Profit for the period	-	-	-	1 032 483	1 032 483
Actuarial gain/loss on post employment benefit obligations	-	-	-126 581	-	-126 581
- Tax relating to pension	-	-	34 177	-	34 177
Conversion differences foreign currencies (branches)	-	-	-24 893	-	-24 893
- Tax relating to exchange differences	-	-	6 719	-	6 719
Value change of assets held for sale	-	-	-18 305	-	-18 305
- Tax relating to assets held available for sale	-	-	4 942	-	4 942
Cash flow hedge EMTN	-	-	564	-	564
- Tax relating to cash flow hedge from EMTN	-	-	-152	-	-152
Total comprehensive income for the period	-	-	-123 528	1 032 483	908 954
Share dividend	-	-	-	-	-
Capital increase	1 000 000	-	-	-	1 000 000
Balance at 31 December 2014	5 448 469	891 314	-228 915	2 527 241	8 638 108

[1)] Total shares registered as at December 31, 2015, was 965 241 842.

[2)] Restricted capital as at December, 2015, was NOK 9 652 M, unrestricted capital was NOK 4 591 M.
The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

[3)] In July 2015 the Company issued 310 394 930 shares in relations with the merger between Santander Consumer Bank AS and Santander Consumer Bank AB. The shared was issued at par value of NOK 10 per share.

[4)] In July 2015 the company issued 110 000 000 shares in relation to a capital increase. The shared was issued at par value of NOK 10 per share.

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.

ACCOUNTING PRINCIPLES

Santander Consumer Bank Group

ACCOUNTING PRINCIPLES

1. General information about Santander Consumer Bank

Santander Consumer Bank AS (the Company) is a limited liability company incorporated in Norway. The Company's principal offices are located at Lysaker, Norway. The Company is as wholly-owned subsidiary of Santander Consumer Finance S.A. which is part of Grupo Santander. Key figures from Grupo Santander are available at www.santander.com

The financial statements show the activities of the Company in Norway, Sweden and Denmark. The Group accounts include, the Finnish subsidiary Santander Consumer Finance OY and the Special Purpose Vehicles ("SPV") as listed in note 24.

The 2015 consolidated financial statements of the Group and financial statements of the Company cover the period 01.01.2015 to 31.12.2015.

The merger between Santander Consumer Bank AS and Santander Consumer Bank AB on the 1st of July has been accounted from that day. The Santander Consumer Bank AB profit from the period 01.01.2015 to 30.06.2015 is allocated towards equity.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of accounting

The financial reports and the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and interpretations of them. The financial statements are based on the historical cost basis, except for the fair value measurement of available-for-sale financial assets and financial assets and liabilities measured at fair value through profit or loss including derivatives.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies.

The financial statements are presented in Norwegian kroner ("NOK") and all figures are rounded to thousands of kroner unless indicated otherwise.

2.2. Changes in accounting policy and disclosures

2.2.1. New and amended standards adopted by the group

No new or amended IFRS and interpretations have been applied or have had a significant effect on the Group's financial position, results or disclosures for the financial year beginning on 1 January 2015.

2.2.2. New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

Financial instruments (IFRS 9) On July 25, 2014, the IASB completed the final elements of its comprehensive response to the financial crisis by issuing further amendments to IFRS 9, Financial Instruments, in respect of:

(i) Revisions to its classification and measurement model; and
(ii) A single, forward-looking 'expected loss' impairment model.

IFRS 9, as amended, introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements that are generally considered to be overly complex and difficult to apply. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements.

IFRS 9, as amended, introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from the time when financial instruments are first recognized and to recognize full lifetime expected losses on a more timely basis.

The impacts on the group's financial reports are still being assessed by the group.

Revenue from Contracts with Customers (IFRS 15)

IFRS 15 was issued in May 2014 and establishes the principles for reporting useful information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

The standard introduces a five-step model to determine how and when to recognize revenue. The standard is based on the principle that revenue is accounted for when the customer receives control of the sold goods or service, which replaces the previous principle that revenue is accounted for when risks and rewards has been transferred to the buyer.

The standard also establishes new disclosures to provide more relevant information. The standard is applicable from 1 January 2018 and has not yet been approved by the EU.

The impacts on the Group's financial reports are still being assessed by the Group.

Leases (IFRS 16)

IFRS 16 was issued in January 2016 and is the new standard for lease accounting.

Under current rules, lessees generally account for lease transactions either as off-balance sheet operating or as on balance sheet finance leases. The new standard requires lessees to recognize nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability to pay rentals. Exceptions are applicable to agreements that are shorter than 12 months and for contracts relating to assets of smaller amounts. The lessor's accounting treatment largely remains unchanged.

ACCOUNTING PRINCIPLES

The standard is applicable from 1 January 2019 and has not yet been approved by the EU.

The impacts on the Group's financial reports are still being assessed by the Group.

Other changes in IFRS standards and interpretations are not expected any material impact on the Company's financial statements.

2.3. Consolidation

The consolidated financial statement comprise the parent company and those entities, including SPV's, over which the parent company has control. The parent company controls an entity when the parent company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. These entities, subsidiaries, are included in the consolidated financial statements in accordance with the acquisition method from the day that control is obtained and are excluded from the day that control ceases.

According to the acquisition method, the acquired unit's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria are recognized and measured at fair value upon acquisition. The surplus between the cost of the business combination, transferred consideration measured at fair value on the acquisition date and the fair value of the acquired share of identifiable assets, liabilities and reported contingent liabilities is recognized as goodwill. If the amount is less than the fair value of the acquired company's net assets, the difference is recognized directly in the income statement as bargain purchase.

The consolidated financial statement comprise the Finnish subsidiary and the SPVs of which, based on the aforementioned analysis, it is considered that the group continues to exercise control

Intercompany transactions, balances and unrealized gains or loss on transactions between group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies.

2.4. Recognition of income and expenses

The group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities. The most significant criteria used by the group to recognize its income and expenses are summarized as follows:

Interest income, interest expenses and similar items are generally recognized on an accrual basis using the effective interest method. This implies that interest is recorded when incurred, with the addition of amortized fees which are regarded as an integral part of the effective interest rate. The effective interest rate is set by discounting contractual cash flows based on the expected life of the asset; either car leasing contract or consumer loan. Cash flows include fees and transaction costs which are not paid directly by the customer, plus any residual value at the expiry of the asset's expected life. Interest taken to income on impaired loans corresponds to the effective interest rate on the written-down value.

Fees which are not included in effective interest rate calculations, as well as commissions, are recorded during the period when the services are rendered or the transactions are completed.

Fees and commission income and expenses are recognized in the profit and loss accounts using criteria that vary based on their nature. The main criteria are as follows:

- Fee and commission income and expenses relating to financial assets and financial liabilities measured at fair value through profit or loss are recognized when they occur.
- Those arising from transactions or services that are performed over a period of time are recognized over the life of these transactions or services.
- Those relating to services provided in a single act are recognized when the single act is carried out.

Non-finance income and expenses are recognized for accounting purposes on an accrual basis.

2.5. Financial assets and liabilities

Financial assets and liabilities are recorded in the balance sheet at the time the instruments become contractual obligations. Financial assets and liabilities are any contract that gives rise to a financial asset in a company and a financial liability or equity instrument in another.

2.5.1. Initial recognition

Financial instruments are initially recognized at cost, which is the instrument's fair value plus transaction costs, for all financial instruments except those belonging to the category of financial assets and liabilities carried at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition. Subsequent measurement depends on how the financial instruments are classified according to the categories specified in IAS 39, as follows:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Total value change and gain/loss on foreign exchange and securities'. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as part of other operating income when the group's right to receive payments is established.

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention and ability to hold to maturity.

Held-to-maturity investments are at initial measurement, recognized at fair value plus any transaction costs that are directly attributable to the acquisition or issue of the investment. After initial recognition, held-to-maturity investments shall be measured at amortized cost using the effective interest rate method. A profit or loss is recorded in the income statement, when held-to-maturity investments are derecognized or impaired, and through the amortization process.

(c) Loans and receivables

Loans and receivables includes investments arising from ordinary lending activities, such as the cash amounts of loans drawn down and not yet repaid by customers or the deposits placed with other institutions, whatever the legal instrument, unquoted debt securities and receivables from the purchasers of goods, or the users of services, constituting part of the group's business. The consolidated entities generally intend to hold the loans and credits granted by them until their final maturity and, therefore, they are presented in the consolidated balance sheet at their amortized cost.

Loans and receivables carried at amortized cost are recognized at the transaction price plus direct transaction expenses. Recognition and subsequent measurement follow the effective interest method. Upon subsequent measurement, amortized cost is set at the net present value of contractual cash flows based on the expected life of the financial instrument, discounted by the effective interest rate. Interest income on financial instruments classified as lending is included in profit and loss using the effective interest method under 'Net interest and credit commission income'.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income.

When securities classified as available for sale are actually sold or impaired, the accumulated fair value adjustments recognized in accumulated OCI are reversed in OCI and recognized in the profit and loss in the line 'Gains and losses from investment securities'.

2.5.2. Impairment of financial assets

A financial asset is considered to be impaired, and therefore its carrying amount is adjusted to reflect the effect of impairment, when there is objective evidence that events have occurred which:

- In the case of debt instruments such as loans and debt securities, give rise to an adverse impact on the future cash flows that were estimated at the transaction date.
- In the case of equity instruments, mean that their carrying amount may not be fully recovered.

As a general rule, the carrying amount of impaired financial instruments is adjusted with a charge to the income statement for the period in which the impairment becomes evident. Any reversal of previously recognized impairment losses is recognized in the consolidated income statement for the period in which the impairment is reversed or reduced.
Balances are deemed to be impaired, and the interest accrual is suspended, when there are reasonable doubts as to their full recovery and/or the collection of the related interest for the amounts and on the dates initially agreed upon. This is made after taking into account the guarantees received by the consolidated entities to secure, fully or partially, collection of the related balances. Collections relating to impaired loans and advances are used to recognize the accrued interest and the remainder, if any, to reduce the principal amount outstanding.

For the purpose of determining impairment losses on loans to customers, the group monitors its debtors as described below:

- Specific, for significant debt instruments and for instruments which, although not material, are not susceptible to being classified in a group of financial assets with similar credit risk characteristics. These are mainly non-performing loans.
- Generic, by grouping together instruments having similar credit risk characteristics indicative of the debtors' ability to pay all principal and interest amounts in accordance with the contractual terms. The credit risk characteristics considered for the purpose of grouping the assets are, inter alia, instrument type, debtor's industry and geographical location, type of guarantee or collateral, age of past-due amounts and any other relevant factor for the estimation of future cash flows.

The group assess whether objective evidence of impairment exists individually for loans that are individually significant, and collectively for loans that are not individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed loan, whether significant or not, the loan is included in a group of loans with similar credit risk characteristics and collectively assessed for impairment.

If there is objective evidence that a loan or group of loans has been subject to a fall in value, a write-down will be calculated for the decrease in value that is equal to the difference between capitalized value and the net present value of estimated future cash flows, discounted by the financial asset's original effective interest, i.e. the effective interest calculated at initial rates. In estimating the future cash flows of debt instruments, the following factors are taken into account:

- All the amounts that are expected to be obtained over the remaining life of the instrument; including, where appropriate, those which may result from the collateral provided for the instrument, less the costs for obtaining and subsequently selling the collateral. The impairment loss takes into account the likelihood of collecting accrued past-due interest receivable.

- The various types of risk to which each instrument is subject; and

- The circumstances in which collections will foreseeably be made.

The group classifies transactions on the basis of the nature of the obligors, transaction status, type of guarantee or collateral and age of past-due amounts. For each risk group it establishes the minimum impairment losses ("identified losses") that must be recognized.

Objective evidence that a loan has decreased in value includes significant problems for the debtor, non-payment or other significant breach of contract, and if it is considered likely that a debtor will enter debt negotiations or if other concrete events have occurred. The Company follows Grupo Santander's 12 month expected losses write-down model including write downs on incurred but not recognized ("IBNR") exposures, which takes into account the historical experience of impairment and other circumstances known at the time of assessment. For these purposes, inherent losses are losses incurred at the reporting date, calculated using statistical methods that have not yet been allocated to specific transactions.

Allowance for credit losses represents management's best estimates of losses incurred in our loan portfolio at the balance sheet date. Management's best judgment is required in making assumptions and estimates when calculating allowances on both individually and collectively assessed loans. The underlying assumptions and estimates used for both individually and collectively assessed loans can change from period to period and may significantly affect the results of operations.

2.5.3. Derecognition

Financial assets are derecognized when the rights to cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

2.6. Offsetting

Financial assets and liabilities are offset and recognized net in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.7. Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The group designates certain derivatives as either:

a) hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);

b) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or

c) hedges of a net investment in a foreign operation (net investment hedge).

The group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

2.8. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

2.8.1. Santander Consumer Bank as lessor

The Company offers car leasing. Financial leasing is classified as lease financing and is recognized for as lending. Contracts with residual value are depreciated to agreed residual value, distributed over the lease term. The interest part of the leasing fee is entered as interest income in the profit and loss account in accordance with the principles described under the point for loans, whereas the repayment of the principal reduces the balance sheet value. In taxation terms, the leasing objects depreciate according to the diminishing balance method. Sales profits from leasing objects, repossessed assets, are entered under 'Other operating income' in the profit and loss account.

Contracts in which the Company guarantees residual value, are classified as operating leasing. Income from leasing fees consists of interest and repayment of principal and is classified under the item interest income in the profit and loss account. Operating lease income is recognized as occurring in accordance with the underlying contracts. Initial direct costs incurred in negotiating and arranging the lease that are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. Operating equipment is included under the item fixed assets in the balance sheet.

2.8.2. Santander Consumer Bank as lessee

The group leases certain property, plant and equipment. Payments made under these operating leases, net of any incentives received from the lessor, are expensed linearly over the lease term.

ACCOUNTING PRINCIPLES

2.9. Foreign currency translation
The consolidated financial statements are presented in NOK, which is also the Group's functional currency. Functional currency refers to the main currency used in an entity's cash flows. All transactions, balance sheet and profit and loss account in currencies other than NOK are deemed to be denominated in foreign currency and are translated to NOK. Foreign currency is translated to NOK in two consecutive stages, which are further described in the following sections:

1) Translation of foreign currency transactions, and

2) Translation of balance sheet and profit and loss account of entities whose functional currency is not NOK.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate. Exchange differences arising are recognized in other comprehensive income.

2.9.1 Translation of foreign currency transactions
Foreign currency transactions performed by consolidated entities or entities accounted for using the equity method are initially recognized in their respective currencies.

- Monetary items in foreign currency are subsequently translated to their functional currencies using the closing exchange rate.
- Non-monetary items measured at historical cost are translated to the functional currency at the exchange rate at the date of acquisition.
- Non-monetary items measured at fair value are translated at the exchange rate at the date when the fair value was determined.
- Income and expenses are translated at the average exchange rates for the year for all the transactions performed during the year. When applying this criterion, the Group considers whether there have been significant changes in the exchange rates in the year which, in view of their materiality with respect to the consolidated financial statements taken as a whole, would make it necessary to use the exchange rates at the transaction date rather than the aforementioned average exchange rates.

The exchange differences arising on the translation of foreign currency balances to the functional currency are generally recognized at their net amount under exchange differences in the consolidated profit and loss account, except for exchange differences arising on financial instruments at fair value through profit or loss, which are recognized in the consolidated profit and loss account without distinguishing them from other changes in fair value, and for exchange differences arising on non-monetary items measured at fair value through equity, which are recognized under 'Net value change and gain/loss on foreign exchange and securities'.

2.9.2. Translation of balance sheet and profit and loss account
If the functional currency of a consolidated or equity accounted entity is not NOK, the balances in the financial statements of the consolidated entities (or entities accounted for using the equity method) are translated to NOK as follows:

- Assets and liabilities, at the closing exchange rates.
- Income and expenses, at the average exchange rates for the year.
- Equity items, at the historical exchange rates.

The exchange differences arising on the translation to NOK of the financial statements denominated in functional currencies other than NOK are recognized under 'Other equity' in the consolidated balance sheet as part of other comprehensive income.

2.10. Property, plant and equipment
Property, plant and equipment are stated at historical cost less depreciation and impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment are calculated using the linear method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Machines, fittings, equipment
  3-10 years (average 5 years)
- IT tangible
  5-10 years (average 5 years)
- IT intangible
  3-5 years (average 3 years)
- Operational and financial leased vehicles
  1 month – 10 years (average 3 years)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount, less costs to sell, if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the profit and loss.

2.11. Intangible assets

2.11.1. Goodwill

Goodwill arises on acquisitions, and represents the excess of the purchase consideration over the interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired business and the fair value of the non-controlling interest in the acquired business.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each or groups of the cash generating units ("CGU") that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. An impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other non-financial assets of the CGU proportionally based on the carrying amount of each asset. Any impairment is recognized immediately as an expense and is not subsequently reversed.

2.11.2. Computer software

Costs associated with maintaining computer software programs are expensed as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets when the following criteria are met:

- Management intends to complete the software product and use it

- There is an ability to use the software as it can be demonstrated how the software product is contributing to probable future economic benefits and the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product, include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Computer software development costs recognized as assets are amortized over their expected life.

2.12. Pension benefit plans

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans. The Norwegian company and the Swedish branch both have defined contribution and defined benefit schemes, whilst the Danish branch and the Finnish company only have defined contribution schemes.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using demographic assumptions based on the current population. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The fixing of the input parameters in the actuary's calculation at year-end is disclosed in note 19. The major part of the assets covering the pension liabilities is invested in liquid assets and valued at quoted prices at year-end. The expected return on plan assets is fixed taking into account the asset composition and based on long-term expectations on the return on the different asset classes. The expected return is also disclosed in note 19.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately into the profit and loss account.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.13. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In these cases the tax effect of the transactions as presented both gross and net in the other comprehensive income and/or in the equity reconciliation.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14. Cash and cash equivalents

The cash flow statements show cash flows grouped according to source and use. Cash is defined as cash, deposits with central banks and deposits with credit institutions with no agreed period of notice. This means that all cash and cash equivalents are immediately available. The cash flow statement has been prepared in accordance with the direct method.

2.15. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the decisions makers, including the Senior management team, CEO, Board of Directors and owners.

2.16. Dividends

Dividend income is recognized when the right to receive payment is established. Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Critical accounting estimates and judgments

The presentation of consolidated financial statements in conformity with IFRS requires the management to make judgments and estimates that affect the recognized amounts for assets, liabilities and disclosures of contingent assets and liabilities as of the closing day as well as recognized income and expenses during the report period. The management continuously evaluates these estimates and judgments based on its judgments and assumptions on previous experience and several other factors that are considered reasonable under the circumstances. Actual results may deviate from judgments and estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- Impairment of loans requires judgment in determining future cash flows for individual and grouping of loans.
- Loan loss provision is based on estimates on the expected loss on identified non-performing loans, as well as estimates on the portfolio as a total.
- The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy based on value-in-use calculations. These calculations require the use of estimates.
- The group is subject to income taxes in different jurisdictions. Judgment is required in determining the provision for income taxes. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. See note 15.
- The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations. See note 19.
- General provision. See section 5 in the accounting principles.

4. Capitalization policy and capital adequacy

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital while maintaining solid solvency above regulatory minimum requirements.

The Group's minimum capital requirement is defined by Norwegian legislation (Lov om finansieringsvirksomhet og finansinstitusjoner.)

5. Provisions

The provisions are liabilities of uncertain timing or amount and are recognized when the group has a present legal or constructive obligation arising from a past event and it is likely that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligations. Provisions are tested on each closing day and adjusted when needed, so that they correspond to the current estimate of the value of the obligations.

Significant judgment is required in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows. Provisions are recorded under Other debt and / or expenses incurred and earned income not received on the balance sheets.

The Group is required to estimate the results of ongoing legal proceedings, and credit losses on undrawn commitments and guarantees. The forward-looking nature of these estimates requires the use of a significant amount of judgment in projecting the timing and amount of future cash flows. The Group records provisions on the basis of all available information at the end of the reporting period and make adjustments on a quarterly basis to reflect current expectations. Should actual results differ from the expectations, expenses in excess of the provisions recognized may incur.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, such as an insurer, a separate asset is recognized if it is virtually certain that reimbursement will be received.

NOTES

Santander Consumer Bank Group

NOTES - SANTANDER CONSUMER BANK GROUP

NOTE 1 Risk Management

The group's activities are exposed to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk, risk and price risk), liquidity risk and operational risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance.
The group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central risk department under policies approved by the board of directors. The risk department identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as liquidity risk, foreign exchange risk, interest rate risk, credit risk and operational risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk/counterparty risk

Counterparty credit risk is considered to be the most significant risk for the bank. Credit risk is to be kept at a level that over time corresponds to the average of companies within the Santander Consumer Finance group, taking into account differences among the companies with regard to collection and product mix. The company has established credit policies that ensure a good diversification among the customers with regard to geography, occupation, or age among others. Single large credit exposures are to be reported to the Board.

Credit process and policies describe the guiding principles for the type of customer that Santander wants. Processes are divided into "Standardized" and "Non-Standardized"; where Standardized credit follows a standard, very much automated credit approval process and Non-Standardized (Credits which do not meet the score requirements, larger credit and credit limits, as well as stock finance) are handled individually. Such credits are granted according to delegated credit authorities in accordance with current credit policy.

The assessment of customers or transactions using rating or scoring systems constitutes a judgment of their credit quality, which is quantified through the probability of default (PD), in accordance with Basel II terminology. In addition to customer assessment, the quantification of credit risk requires the estimation of other parameters, such as exposure at default (EAD) and the percentage of EAD that will not be recovered (loss given default or LGD). Therefore, other relevant factors are taken into account in estimating the risk involved in transactions, such as the quantification of off-balance-sheet exposures, which depends on the type of product, or the analysis of expected recoveries, which is related to existing guarantees and other characteristics of the transaction: type of product, term, etc. These factors are the main credit risk parameters. Their combination facilitates calculation of the probable loss or expected loss (EL). This loss is considered to be an additional cost of the activity which is reflected in the risk premium and must be charged in the transaction price.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The group's strategy is to avoid taking on market risk in excess of what follows directly from the operation of the bank.

Market risk comprises three types of risk; interest rate risk, currency risk, and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk affects, loans, deposits, debt securities, most financial assets and liabilities held for trading and derivatives.

The Group seeks to limit interest risk between asset and debt items by balancing time to interest regulation for the items. Treasury Policy limits interest risk exposure for each of the currencies the bank has operations in. Interest rate risk is assessed based on two methods; the Net Interest Margin (NIM) and the Market Value of balance sheet equity (MVE). SCB monitor the sensitivity of NIM and MVE for +/- 100 bp parallel shift in market interest rates. Note 5

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group strives for a composition of the balance sheet that minimizes currency risk by ensuring that assets, liabilities and incoming and outgoing cash flows are, to a large extent, denominated in the same currency. Practical considerations and requirements laid down by the parent company will play a central role in connection with the management of currency risk.

The Group currency risk is connected to currency positions as a result of operations in Sweden, Finland, and Denmark. Treasury policy limits possible exposure for each currency and the same limit applies to the total net currency position. Treasury policy further specifies that currency risk should be minimized as far as possible through asset and debt items being in the same currency.

Routines which ensure that the bank's currency exposure is continuously monitored and controlled are in place. Treasury policy limits possible exposure in currencies upwards to NOK 200 million for each currency and a NOK 400 million limit applies to the total net currency position.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Santander Consumer Bank AS does not have a trading portfolio or positions in securities, commodities etc. Risk that follows from the company's net currency position is considered low in relation to the company's size, and is considered to involve an increased capital requirement in excess of the Pillar 1 requirement with 10 % of maximum allowed net position from currency in Treasury policy.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The risk includes the risk of having limited or no access to funding markets that are paramount to the bank. The group's liquidity situation is monitored continuously. Treasury policy lays down minimum levels for available liquidity and trigger levels for obtaining new liquidity. Santander Consumer Bank has a goal of establishing more financing from outside the Santander group through securitization, through unsecured issuance, and deposits. Reducing Santander Group dependencies and establishing the group as an issuer in the Nordic and International debt capital markets gives the bank on a standalone basis a better position to cope with a short to medium term liquidity crisis. The short dated nature of the bank's assets also constitutes a significant liquidity risk reducing factor. This gives a possibility to generate liquidity by reducing new business should the need arise. Note 4

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, 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 this risk. Operational risk is reduced through securing a good internal control environment. The Group continuously strives to improve the internal control environment.

The Group is using the Basic Indicator Approach for the calculation of regulatory capital for operational risk.

NOTE 2 Risk classification

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

	Balance		Write Downs	
All amounts in thousands of NOK	**31.12.15**	**31.12.14**	**31.12.15**	**31.12.14**
Current - not past due date	107 609 287	77 161 711	817 345	864 729
Current - past due date	6 196 414	4 885 829	285 288	168 900
Total impaired loans	2 443 899	1 274 387	1 528 398	583 274
Total loans	116 249 600	83 321 927	2 631 031	1 616 904
Ageing of past due but not impaired loans				
1 - 29 days	4 938 243	3 876 728	129 755	67 404
30 - 59 days	920 243	760 961	83 745	55 694
60 - 89 days	337 928	248 140	71 787	45 803
Total loans due but not impaired	6 196 414	4 885 829	285 288	168 900
Ageing of impaired loans				
90 - 119 days	203 709	128 756	75 556	44 184
120 - 149 days	167 720	82 975	88 828	29 340
150 - 179 days	127 387	60 187	95 280	25 866
180 + days	1 052 785	500 576	832 125	283 373
Economic doubtful*	892 297	501 893	436 609	200 511
Total impaired loans	2 443 899	1 274 387	1 528 398	583 274

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

After the acquisition of GE Money Bank AB, the SCB portfolio now consists of 71% of Auto Finance and 29% Unsecured finance (credit card and consumer loan); where for auto finance the underlying assets serve as collateral.

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

NOTE 3 Net foreign currency position

	Balance		Net Position	
All amounts in thousands of NOK	**Asset**	**Debt**	**in NOK**	**in currency**
SEK	32 387 928	32 357 210	30 718	29 395
DKK	25 920 731	25 674 136	246 595	191 632
EUR	50 059 925	50 127 819	-67 894	-7 070
Total 2015	108 368 583	108 159 164	209 419	-
Total 2014	51 766 860	51 322 021	444 839	-

A 5,00 % increase in SEK fx rate will result in a Agio gain of NOK 1 536 000 in the P&L
A 5,00 % decrease in SEK fx rate will result in a Agio loss of NOK 1 536 000 in the P&L
A 5,00 % increase in DKK fx rate will result in a Agio gain of NOK 12 330 000 in the P&L
A 5,00 % decrease in DKK fx rate will result in a Agio loss of NOK 12 330 000 in the P&L
A 5,00 % increase in EUR fx rate will result in a Agio loss of NOK 3 395 000 in the P&L
A 5,00 % decrease in EUR fx rate will result in a Agio gain of NOK 3 395 000 in the P&L

NOTE 4 Liquidity risk

Contractual cash flow at certain intervals of maturity presented in NOK. The net liquidity risk is the cash in from assets, minus the cash out from debt. Non liquidity items are included to reconcile the balance sheet in total.

The amounts related to deposits are split into the different time intervals based on historical movement of deposits

All amounts in thousands of NOK	=< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	>5 years	With no specific maturity	Total
Cash and receivables on central banks	58 947	-	-	-	-	-	58 947
Deposits with and receivables on financial institutions	2 779 283	511 823	1 094 387	1 405 130	-	-	5 790 622
Net loans to customers	4 687 384	8 259 236	33 857 270	65 286 259	1 528 420	-	113 618 569
Commercial papers, bonds and other fixed-income securities	471 623	1 484 556	5 523 916	1 722 573	-	-	9 202 668
Derivatives	153 517	146 212	587 722	1 342 716	-	-	2 230 167
Consignments	1 302 510	766 874	591 634	33 482	-	-	2 694 500
Other assets (mostly accounts receivables)	548 602	-	-	-	-	-	548 602
Operational lease	19 128	36 038	132 078	215 382	-	-	402 626
Non liquidity generating assets	-	-	-	-	-	1 389 674	1 389 674
Total assets	10 020 994	11 204 738	41 787 007	70 005 543	1 528 420	1 389 674	135 936 375
Loans and deposits from financial institutions	7 544 208	10 519 609	12 473 812	3 033 800	-	-	33 571 429
Deposits from and debt to customers repayable on notice	3 121 767	2 649 916	9 986 696	18 786 218	2 836 238	-	37 380 836
Bonds and other long term loan raising	1 185 993	1 931 209	12 860 016	25 509 478	-	-	41 486 696
Subordinated loan capital	33 691	-	180 000	80 000	1 283 750	2 250 000	3 827 441
Derivatives	75 982	72 347	290 879	658 289	-	-	1 097 496
Other debt (mostly accounts payable)	863 460	-	-	-	-	-	863 460
Non liquidity risk related debt	-	-	-	-	-	2 457 640	2 457 640
Equity	-	-	-	-	-	15 251 378	15 251 378
Total debt and equity	12 825 100	15 173 081	35 791 404	48 067 784	4 119 988	19 959 018	135 936 375
Net cash flow	-2 804 107	-3 968 343	5 995 604	21 937 759	-2 591 568	-	-

The Board of Santander Consumer Bank AS has decided limits for the liquidity risk to ensure the bank has a solid liquidity position. The limits for liquidity risk are reviewed at least on a yearly basis. The bank manages the liquidity position by matching maturities of the assets and the liabilities. The average duration of the asset side is low with a duration below two years. The liabilities side is financed by customer deposits, secured bonds, unsecured bonds and intragroup loans.

NOTE 5 Interest rate risk

The table show the interest rate risk. Changes in market interest rates will affect our assets and debt by the timing displayed below due to fixed interest rate contracts. A change in market interest rate will affect our short term positions immediately, but our long term positions later.

SANTANDER CONSUMER BANK GROUP

All amounts in thousands of NOK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Cash and receivables on central banks	58 947	-	-	-	-	-	58 947
Deposits with and receivables on financial institutions	5 790 622	-	-	-	-	-	5 790 622
Net loans to customers	49 411 281	38 870 459	10 041 445	12 091 815	572 538	2 631 031	113 618 569
Commercial papers, bonds and other fixed-income securities	1 331 257	3 684 784	4 186 627	-	-	-	9 202 668
Derivatives	947 404	1 275 661	3 174	3 928	-	-	2 230 167
Consignments	2 264 814	429 685	-	-	-	-	2 694 500
							-
Other non interest bearing assets	-	-	-	-	-	2 340 902	2 340 902
Total assets	59 804 325	44 260 590	14 231 246	12 095 743	572 538	4 971 933	135 936 375
Debt to credit institutions	11 347 690	16 695 893	4 002 827	1 525 019	-	-	33 571 429
Deposits from and debt to customers repayable on notice	3 626 412	14 505 648	18 583 444	665 332	-	-	37 380 836
Bonds and other long term loan raising	9 277 441	19 546 611	5 691 530	6 971 114	-	-	41 486 696
Derivatives	539 384	550 785	2 288	5 040			1 097 496
Subordinated loans	337 202	1 240 238	-	-	-	-	1 577 441
Hybrid capital	2 250 000	-	-	-	-	-	2 250 000
Other non interest bearing debt	-	-	-	-	-	3 321 100	3 321 100
Equity	-	-	-	-	-	15 251 378	15 251 378
Total debt and equity	27 378 128	52 539 175	28 280 089	9 166 505	-	18 572 478	135 936 375
Net interest risk exposure	32 426 196	-8 278 585	-14 048 843	2 929 238	572 538	- 13 600 545	-

The tables below show the same as the table above, but split per country. The accumulated tables below will not reconcile with the table above due to difference in classification between assets and liabilities in the presented tables.

SANTANDER CONSUMER BANK AS NORWAY - MM NOK

All amounts in millions of NOK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Asset	7 425	38 390	5 192	2 313	445	2 038	55 804
Liabilities	12 382	16 753	8 071	150	-	18 448	55 804
Net balance	-4 957	21 638	-2 879	2 163	445	-16 410	-
Repricing gap	-4 957	21 638	-2 879	2 163	445	-16 410	-

A +1,00 % parallell increase in market rates will result in a 99,2 million NOK decrease in profit in Norway.

SANTANDER CONSUMER BANK AS NORWAY - MM EUR

All amounts in millions of EUR	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Asset	79	-	30	-	-	219	328
Liabilities	42	62	117	-	-	107	328
Net balance	37	-62	-87	-	-	112	-
Repricing gap	37	-62	-87	-	-	112	-

A +1,00 % parallell increase in market rates will result in a 0,47 million EUR increase in profit in Norway.

SANTANDER CONSUMER BANK AS FINLAND - MM EUR

All amounts in millions of EUR	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Asset	570	133	546	786	2	13	2 050
Liabilities	638	287	439	455	-	231	2 050
Net balance	-69	-154	107	331	2	-217	-
Repricing gap	-69	-154	107	331	2	-217	-

A +1,00 % parallell increase in market rates will result in a 5,27 million EUR decrease in profit in Finland.

SANTANDER CONSUMER BANK AS SWEDEN - MM SEK

All amounts in millions of SEK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Asset	3 060	236	201	52	3	28	3 580
Liabilities	999	1 503	785	171	-	123	3 580
Net balance	2 061	-1 267	-584	-119	3	-95	-
Repricing gap	2 061	-1 267	-584	-119	3	-95	-

A +1,00 % parallell increase in market rates will result in a 37,47 million SEK increase in profit in Sweden

SANTANDER CONSUMER BANK AS DENMARK - MM DKK

All amounts in millions of DKK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Asset	2 297	398	317	355	15	139	3 522
Liabilities	1 077	1 115	839	337	-	154	3 522
Net balance	1 219	-717	-522	18	15	-14	-
Repricing gap	1 219	-717	-522	18	15	-14	-

A +1,00 % parallell increase in market rates will result in a 12,2 million DKK increase in profit in Denmark.

NOTE 6 Capital adequacy

BALANCE SHEET EQUITY

All amounts in thousands of NOK	31.12.15	31.12.14
Paid in equity	9 652 418	5 448 469
Share premium	891 314	891 314
Retained earnings	4 726 788	956 408
Other reserves	-19 143	1 955 832
Total Equity	15 251 378	9 252 023

COMMON EQUITY TIER 1 CAPITAL

All amounts in thousands of NOK	31.12.15	31.12.14
Cash-flow hedge adjustment	-3 510	-
IRB Expected Loss - Reserves	-304 358	-
Goodwill	-765 729	-496 870
Other intangible assets	-254 392	-243 665
Deferred tax assets	-235 512	-210 572
Total common Equity Tier 1 Capital	13 687 875	8 300 917

TIER 1 CAPITAL

All amounts in thousands of NOK	31.12.15	31.12.14
Paid in Tier 1 capital instruments	2 250 000	2 250 000
Total Tier 1 Capital	15 937 875	10 550 917

TOTAL CAPITAL

All amounts in thousands of NOK	31.12.15	31.12.14
Paid up subordinated loans	1 471 000	575 170
Subordinated loans not eligible	-244 000	-234 000
Total capital	17 164 875	10 892 087

RISK EXPOSURE

All amounts in thousands of NOK	31.12.15	31.12.14
Regional governments or local authorities	65 025	71 116
Institutions	1 643 007	1 659 640
Corporates	5 735 249	5 556 252
Retail Standard Approach	45 865 473	58 168 760
Retail internal Rating Based	23 524 909	-
Exposures in default SA	706 547	686 137
Covered bonds	642 011	-
Other Exposures	4 095 439	3 265 045
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	82 277 661	69 406 949
Foreign exchange (zero if under threshold)	-	353 540
Risk exposure amount for position, foreign exchange and commodities risks	-	353 540
Basic indicator approach	7 100 262	6 084 906
Risk exposure amount for operational risk	7 100 262	6 084 906
Standardized method	313 079	289 340
Risk exposure amount for credit valuation adjustment	313 079	289 340
Allowance which apply on the standardized approach for credit risk	-	-
Deductions of risk exposure amount	-	-
Total risk exposure amount	89 691 001	76 134 735
Common equity tier 1 capital ratio	15,26%	10,90%
Tier 1 capital ratio	17,77%	13,86%
Total capital ratio	19,14%	14,31%

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

NOTE 7 Segment information

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

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

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

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

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

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

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

The following products are offered by each reportable segment:
Norway - car financing, leasing, consignment, consumer loans, credit cards and deposits.
Sweden - car financing, leasing, consignment, consumer loans, credit cards and deposits.
Denmark - car financing, leasing, consignment, consumer loans, credit cards and deposits.
Finland - car financing, leasing, consignment and consumer loans.

31 DECEMBER 2015

All amounts in thousands of NOK	Norway	Sweden	Denmark	Finland	Eliminations*	Total Group
Net interest income	2 332 217	932 168	950 051	825 934	-	5 040 370
Net commission income and income from banking services	75 473	89 068	90 304	28 965	-	283 809
Value change and gain/loss on foreign exchange and securities	-31 814	-1 209	-7 354	-4 013	22 296	-22 094
Oher operating income	23 267	6 690	2 396	13 597	-	45 950
Operating expenses, salaries, depreciation	-1 322 401	-537 418	-410 142	-339 393	-	-2 609 354
Losses on loans, guarantees etc.	-141 725	-425 546	-124 310	-104 952	-	-796 533
Operating result	935 017	63 753	500 945	420 138	22 296	1 942 149
Total tax	-292 955	-20 054	-37 808	-84 102	-	-434 920
Profit after tax	642 062	43 698	463 137	336 035	22 296	1 507 229
Cash and receivables on central banks	58 947	-	-	-	-	58 947
Deposits with and loans to financial institutions	3 505 053	911 037	461 697	912 836	-	5 790 622
Total loans before write-downs	48 136 813	28 381 417	23 537 403	16 193 967	-	116 249 600
Write-downs	-1 397 547	-477 265	-352 278	-404 092	150	-2 631 031
Repossessed assets	9 230	-	-	3 636	-	12 866
Commercial papers and bonds	4 485 391	2 561 370	1 566 534	589 372	-	9 202 668
Financial derivatives	2 214 128	137	12 512	3 389	-	2 230 167
Ownership interests in group companies and other entities	1 298 083	580	-	-	-1 246 681	51 982
Other assets	11 699 524	1 028 272	673 173	2 376 257	-10 806 673	4 970 554
Total assets	70 009 622	32 405 549	25 899 043	19 675 365	-12 053 204	135 936 375
Debt to credit institutions	7 861 468	8 255 019	16 732 427	11 837 032	-11 114 518	33 571 249
Deposits from customers	14 934 075	14 403 781	8 042 980	-	-	37 380 836
Financial derivatives	1 074 576	1 874	12 853	8 193	-	1 097 496
Debt issued by securities	27 107 836	8 312 682	437 424	5 628 754	-	41 486 696
Other liabilities	5 059 615	1 383 853	448 362	305 821	-49 110	7 148 541
Allocated capital	13 972 053	48 339	224 997	1 895 564	-889 575	15 251 378
Total liabilities and equity	70 009 622	32 405 549	25 899 043	19 675 365	-12 053 204	135 936 375

* Eliminations of intercompany loans and shares in Finland.

31 DECEMBER 2014

All amounts in thousands of NOK	Norway	Sweden	Denmark	Finland	Eliminations*	Total Group
Net interest income	1 788 162	437 910	553 427	713 737	-	3 493 237
Net commission income and income from banking services	80 140	52 590	34 266	27 095	-	194 090
Value change and gain/loss on foreign exchange and securities	46 041	7 600	21 747	20 743	2 415	98 546
Oher operating income	386 090	7 944	-448	9 262	-365 984	36 864
Operating expenses, salaries, depreciation	-917 836	-226 160	-197 012	-311 461	-	-1 652 470
Losses on loans, guarantees etc.	-563 497	-72 680	-108 169	-105 113	-	-849 460
Operating result	819 100	207 204	303 811	354 263	-363 569	1 320 808
Total tax	-230 938	-43 169	-23 524	-66 768	-	-364 400
Profit after tax	588 162	164 034	280 286	287 495	-363 569	956 408
						-
Cash and receivables on central banks	56 463	-	-	-	-	56 463
Deposits with and loans to financial institutions	3 469 135	1 135 954	536 351	826 020	-	5 967 460
Total loans before write-downs	40 593 331	13 476 196	16 037 351	13 215 049	-	83 321 927
Write-downs	-979 147	-91 553	-163 579	-382 626	-	-1 616 904
Repossessed assets	5 372	-	-	7 573	-	12 945
Commercial papers and bonds	2 042 744	-	-	-	-	2 042 744
Financial derivatives	2 248 651	-	15 117	-	-	2 263 768
Shares, interests and primary capital certificates	1 173 851	-	-	-	-1 173 851	-
Other assets	4 225 965	800 770	448 378	2 107 887	-3 379 795	4 203 206
Total assets	52 836 365	15 321 367	16 873 618	15 773 903	-4 553 646	96 251 608
						-
Debt to credit institutions	8 950 823	5 188 414	11 326 392	8 591 061	-3 705 540	30 351 149
Deposits from customers	9 903 456	4 963 662	3 221 918	-	-	18 089 036
Financial derivatives	998 622	-	15 756	-	-	1 014 378
Debt issued by securities	19 890 761	4 823 957	1 941 828	5 591 401	-	32 247 948
Other liabilities	4 528 376	340 595	322 880	144 317	-39 093	5 297 075
Allocated capital	8 564 327	4 739	44 845	1 447 123	-809 012	9 252 022
Total liabilities and equity	52 836 365	15 321 367	16 873 618	15 773 903	-4 553 645	96 251 608

* Eliminations of dividend, intercompany loans and shares in Finland.

NOTE 8 Losses and write-downs

SPECIFIC WRITE-DOWNS:

All amounts in thousands of NOK	31.12.15	31.12.14
Specific write-downs 01.01.	588 251	92 045
+ Acquired through legal merger 01.07	4 279 512	-
+/- Rate adjustment opening balance	321 933	7 782
Reclassification between specific and generic write down	-164 570	467 333
Gross outstanding adjustment*	14 511	-
+ Individual write-downs for the period	-3 519 762	21 091
= Specific write-downs 31.12	1 519 875	588 251

GENERIC WRITE-DOWNS:

All amounts in thousands of NOK	31.12.15	31.12.14
Generic write-downs 01.01	1 028 653	1 061 253
+ Acquired through legal merger 01.07	373 997	-
+/- Rate adjustment opening balance	47 377	35 757
Reclassification between specific and generic write down	164 570	-467 333
+/- Write-downs for the year	-503 442	398 976
= Generic write-downs 31.12	1 111 155	1 028 653
Total Write down in Balance Sheet	2 631 030	1 616 904

LOAN LOSSES EXPENSES:

All amounts in thousands of NOK	2015	2014
Change in write down	-4 023 204	463 606
+/- Fx rate adjustment opening balance	252 902	-43 539
+ Total recognized losses	5 161 569	617 492
- Recoveries on recognized losses	-594 734	-188 100
= Loan losses	796 533	849 460

* For more information see note 28.

Write-downs calculated separately for each business unit, using internal parameters.

-Specific write-downs calculated by arrears following portfolio ageing and specific assessment of the exposure by specific contracts, also referred to as non performing loans.
-Generic write-downs calculated by arrears, including incurred but not reported impaired loans following portfolio ageing, and reserves based on macro parameters.

NOTE 9 Loans and losses by main sectors

All amounts in thousands of NOK	Loans 31.12.15	Write-down 31.12.15	Loans 31.12.14	Write-down 31.12.14
Private individuals	96 311 883	-1 361 487	68 461 894	-480 062
Retail	381 277	-8 390	5 248 109	-49 808
Building and construction	3 155 491	-22 092	2 069 355	-9 419
Transportation	2 036 064	-33 549	1 868 451	-14 749
Industry	905 553	-1 749	560 991	-2 044
Public sector	30 538	-	343 334	-996
Proprietary management	3 701 712	-48 926	318 834	-1 879
Agriculture and forestry	151 745	-458	197 437	-1 612
Various	9 575 337	-43 224	4 253 522	-27 681
Total	116 249 600	- 1 519 876	83 321 927	-588 251

Only specific write-downs on loans are listed. Generic write-downs are not separated by sector.
For comments on specific and generic write-down see note 8.

NOTE 10 Classification of financial instruments

CLASSIFICATION OF FINANCIAL ASSETS 31 DECEMBER 2015

All amounts in thousands of NOK	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Cash and receivables on central banks	-	-	-	58 947	58 947
Deposits with and receivables on financial institutions	-	-	-	5 790 622	5 790 622
Net loans to costumers	-	-	-	113 618 569	113 618 569
Commercial papers and bonds	-	9 202 668	-	-	9 202 668
Financial derivatives	2 230 167	-	-	-	2 230 167
Ownership interests in other entities	-	51 982	-	-	51 982
Consignments	-	-	-	2 694 500	2 694 500
Other Assets	-	-	-	216 508	216 508
Total financial assets	2 230 167	9 254 650	-	122 379 146	133 863 963
Non financial assets					2 072 412
Total assets					135 936 375

CLASSIFICATION OF FINANCIAL LIABILITIES 31 DECEMBER 2015

All amounts in thousands of NOK	Financial liabilities at fair value through P&L	Financial liabilities measured at amortized cost	Booked value
Loans and deposits from credit institutions	-	33 571 429	33 571 429
Deposits from and debt to customers repayable on notice	-	37 380 836	37 380 836
Financial derivatives	1 097 496	-	1 097 496
Bonds and other long term loan raising	-	41 486 696	41 486 696
Other subordinated loan capital	-	3 827 441	3 827 441
Total financial liabilities	1 097 496	116 266 401	117 363 897
Non financial liabilities and equity			18 572 478
Total liabilities			135 936 375

CLASSIFICATION OF FINANCIAL ASSETS 31 DECEMBER 2014

All amounts in thousands of NOK	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Cash and receivables on central banks	-	-	-	56 463	56 463
Deposits with and receivables on financial institutions	-	-		5 967 460	5 967 460
Net loans to costumers	-	-	-	81 705 023	81 705 023
Commercial papers and bonds		2 042 744	-	-	2 042 744
Financial derivatives	2 263 768	-	-	-	2 263 768
Total financial assets	2 263 768	2 042 744	-	87 728 946	92 035 458
Non financial assets					4 216 150
Total assets					96 251 608

CLASSIFICATION OF FINANCIAL LIABILITIES 31 DECEMBER 2014

All amounts in thousands of NOK	Financial liabilities at fair value through P&L	Financial liabilities measured at amortized cost	Booked value
Loans and deposits from credit institutions	-	30 351 149	30 351 149
Deposits from and debt to customers repayable on notice	-	18 089 036	18 089 036
Financial derivatives	1 014 378	-	1 014 378
Bonds and other long term loan raising	-	32 247 948	32 247 948
Other subordinated loan capital	-	2 857 663	2 857 663
Total financial liabilities	1 014 378	83 545 796	84 560 174
Non financial liabilities and equity			11 691 434
Total liabilities			96 251 608

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

NOTE 11 Issued securities

All amounts in thousands of NOK	2015	2014
Issued bonds	41 486 696	32 247 948
Total liability issued securities	41 486 696	32 247 948

CHANGES IN LIABILITY ISSUED SECURITIES

All amounts in thousands of NOK	Book value 31.12.14	New issues/ repurchase	Monthly payments and at maturity	Book value 31.12.15
Issued bonds	32 247 948	22 055 495	-12 816 747	41 486 696
Total liability issued securities	32 247 948	22 055 495	-12 816 747	41 486 696

SPECIFICATION OF ISSUED SECURITIES

All amounts in thousands of NOK

Bonds *Issuer*	Net nominal value	Currency	Interest	Call date	Book value 31.12.15
Senior unsecured issued securities					
Santander Consumer Bank AS	2 200 000	NOK	Floating	19.02.2018	2 200 000
Santander Consumer Bank AS	1 505 000	NOK	Floating	18.11.2016	1 505 000
Santander Consumer Bank AS	500 000	EUR	Fixed	10.06.2016	4 807 946
Santander Consumer Bank AS	750 000	EUR	Fixed	20.04.2018	7 212 696
Santander Consumer Bank AS	1 000 000	SEK	Fixed	12.06.2017	1 045 000
Santander Consumer Bank AS	500 000	SEK	Fixed	12.06.2018	522 500
Santander Consumer Bank AS	500 000	SEK	Floating	12.06.2018	522 500
Santander Consumer Bank AS	1 500 000	SEK	Floating	10.08.2017	1 567 500
Asset backed issued securities					
Bilkreditt 3 ltd A	-	EUR	Floating	25.04.2027	-
Bilkreditt 3 ltd A2	1 096 100	NOK	Floating	25.04.2027	530 009
Bilkreditt 3 ltd B	1 061 345	NOK	Floating	25.04.2027	1 061 345
Bilkreditt 4 ltd A	412 000	EUR	Floating	26.12.2027	980 839
Bilkreditt 4 ltd B	250 000	NOK	Floating	26.12.2027	250 000
Bilkreditt 4 ltd C	281 967	NOK	Floating	26.12.2027	281 967
Bilkreditt 5 ltd A	494 000	EUR	Floating	25.03.2028	1 521 794
Bilkreditt 5 ltd B	381 900	NOK	Floating	25.03.2028	381 900
Bilkreditt 5 ltd C	281 628	NOK	Floating	25.03.2028	281 628
Bilkreditt 6 ltd A	715 000	EUR	Floating	25.07.2029	3 550 664
Bilkreditt 6 ltd B	555 000	NOK	Floating	25.07.2029	555 000
Bilkreditt 6 ltd C	353 243	NOK	Floating	25.07.2029	353 243
Bilkreditt 7 ltd A	500 000	EUR	Floating	25.03.2030	4 801 500
Bilkreditt 7 ltd B	397 000	NOK	Floating	25.03.2030	397 000
Bilkreditt 7 ltd C	264 286	NOK	Floating	25.03.2030	264 286
Svensk Autofinans 1	-	SEK	Floating	30.08.2029	-
Svensk Autofinans 1	592 178	SEK	Floating	30.08.2029	503 305
SAF WH 1 Ltd	3 024 379	SEK	Floating	09.06.2029	4 656 052
SAF WH 1 Ltd	354 815	SEK	Floating	09.06.2029	546 139
Dansk Auto Finansiering 1 Ltd.	4 205 000	DKK	Floating	25.03.2029	437 424
Dansk Auto Finansiering 1 Ltd. B1	1 459 310	DKK	Floating	25.03.2029	1 878 710
Dansk Auto Finansiering 1 Ltd. B2	299 000	DKK	Floating	25.03.2029	384 753
Rahoituspalvelut Ltd.	442 800	EUR	Floating	25.01.2020	1 889 726
Rahoituspalvelut Ltd.	43 500	EUR	Floating	25.01.2020	417 731
Rahoituspalvelut Ltd.	6 700	EUR	Floating	25.09.2023	65 210
Rahoituspalvelut Ltd.	7 200	EUR	Floating	25.09.2023	69 142
Rahoituspalvelut Ltd.	8 200	EUR	Floating	25.09.2023	78 745
Rahoituspalvelut Ltd.	9 300	EUR	Floating	25.09.2023	89 308
Rahoituspalvelut 2013 Ltd.	439 000	EUR	Fixed	25.05.2021	287 212
Rahoituspalvelut 2013 Ltd.	48 800	EUR	Fixed	25.05.2021	469 496
Rahoituspalvelut 2013 Ltd.	25 555	EUR	Fixed	25.05.2021	245 405

SPECIFICATION OF ISSUED SECURITIES - BONDS

All amounts in thousands of NOK

Bonds *Issuer*	**Net nominal value**	**Currency**	**Interest**	**Call date**	**Book value 31.12.15**
Asset backed issued securities					
SCF Rahoituspalvelut I DAC	338 700	EUR	Floating	25.11.2024	3 034 086
SCF Rahoituspalvelut I DAC	27 200	EUR	Floating	25.11.2024	261 202
SCF Rahoituspalvelut I DAC	5 800	EUR	Floating	25.11.2024	55 697
SCF Rahoituspalvelut I DAC	3 800	EUR	Floating	25.11.2024	36 491
SCF Rahoituspalvelut I DAC	6 600	EUR	Floating	25.11.2024	63 380
SCF Rahoituspalvelut I DAC	7 300	EUR	Floating	25.11.2024	70 102
Totals issued bonds					50 133 631
Repurchase					
Repurchased own issued bonds					8 646 935
Total issued securities					41 486 696

NOTE 12 Valuation Hierarchy

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

All amounts in thousands of NOK		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
FINANCIAL ASSETS					
Name	Type				
Bilkreditt 3	Front swap BK3		-		-
Bilkreditt 4	Front swap BK4		163 915		163 915
Bilkreditt 4	Fixed amort.profile BK4		179 050		179 050
Bilkreditt 5	Front swap BK5		204 093		204 093
Bilkreditt 5	Fixed amort.profile BK5		215 928		215 928
Bilkreditt 6	Front swap BK6		543 253		543 253
Bilkreditt 6	Fixed amort.profile BK6		571 460		571 460
Bilkreditt 7	Front swap BK7		158 228		158 228
Bilkreditt 7	Pass-through swap BK7		158 228		158 228
TIVOLI	Basis swap (Back)		12 434		12 434
EMTN Bond	DKK fixed to float		7 311		7 311
New EMTN	DKK fixed to float		12 457		12 457
EMTN Bond	EMTN SEK		137		137
KIMI4	Pass-through swap KIMI		3 673		3 673
Total financial derivatives			2 230 167		2 230 167
Name:	Type:				
Government bonds and treasury bills	bonds	2 782 463			2 782 463
Covered bonds	bonds	6 420 205			6 420 205
Total commercial papers and bonds		9 202 668			9 202 668
Total		9 202 668			11 432 835
FINANCIAL LIABILITIES					
Name	Type				
Bilkreditt 4	Pass-through swap BK4		163 915		163 915
Bilkreditt 5	Pass-through swap BK5		204 093		204 093
Bilkreditt 6	Pass-through swap BK6		543 253		543 253
Bilkreditt 7	Fixed swap BK7		158 228		158 228
TIVOLI	Basis swap (Front)		12 853		12 853
EMTN Bond	DKK fixed to fixed		4 247		4 247
EMTN2 Bond	DKK fixed to fixed		840		840
SEK IRS 3Y	SEK IRS		1 874		1 874
KIMI4	Front Swap KIMI		3 673		3 673
KIMI4	Fixed swap KIMI		4 520		4 520
Total financial derivatives			1 097 496		1 097 496
Total			1 097 496		1 097 496

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for at normal market conditions. Highest level of quality in relation to fair value is based on quoted prices in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory authority and these prices represent actual and regularly occurring transactions at arm's length.

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 obtained from observable market data; this includes mainly prices based on identical instruments, but where the instrument is not sufficiently high trading frequency, as well as prices based on corresponding assets and price leading indicators that can be confirmed from market information. 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 mainly known due to contractual conditions, in addition to a marked regulated interest rate element. (e.g. EURIBOR).

Level 3: Instruments at Level 3 contain no observable market data or traded on markets that are considered inactive. The price is based mainly on own calculations, where actual fair value may deviate if the instrument were to be traded.

NOTE 13 Securitization

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

All securitized assets are transferred to related parties, as all the SPV's buying the assets are consolidated into the group accounts. There are no transfers of securitized assets to unrelated parties.

NOTE 14 Interest Expenses

The table show average interest rate in 2015 and 2014.
Average interest is calculated as actual interest expense through the year in percent of weighted average balance.

TO CREDIT INSTITUTIONS

All amounts in thousands of NOK	2015	2014
Interest expenses	381 913	614 818
Average loan	31 961 289	32 405 914
Average nominal interest rate	1,19%	1,90%

TO CUSTOMERS

All amounts in thousands of NOK	2015	2014
Interest expenses	467 579	382 732
Average deposit	27 734 936	13 652 540
Average nominal interest rate	1,69%	2,80%

TO BONDHOLDERS

All amounts in thousands of NOK	2015	2014
Interest expenses	426 195	422 574
Average issued notes and bonds	36 867 322	28 477 231
Average nominal interest rate	1,16%	1,48%

SUBORDINATED LOAN CAPITAL

All amounts in thousands of NOK	2015	2014
Interest expenses	208 832	215 562
Average subordinated loan capital	3 342 552	2 857 663
Average nominal interest rate	6,25%	7,54%

TOTAL

All amounts in thousands of NOK	2015	2014
Interest expenses	1 484 519	1 635 686
Loan	99 906 098	77 393 347
Average nominal interest rate	1,49%	2,11%

NOTE 15 Tax

All amounts in thousands of NOK	2015	2014
Tax payable	256 597	272 757
Adjustments in respect of prior years	3 763	-
Total current tax	260 359	272 757
Change in temporary differences	228 085	66 688
Impact of change in the Norwegian tax rate	-56 429	-
Currency effects	2 904	-12 035
Adjustments in respect of prior years *	-	36 990
Total change in deferred tax	174 561	91 643
Income tax expense	434 920	364 400

All amounts in thousands of NOK	2015	2014
Profit before tax	1 942 149	1 320 807
Estimated income tax at nominal tax rate 27%	524 380	333 946
Tax effects of:		
- Income not subject to tax	-213	-
- Non deductible expenses	424	5 499
- Impact of lower tax rate in subsidiary	-39 909	-
- Remeasurement of deferred tax due to change in Norwegian tax rate	-56 429	-
Adjustments in respect of prior years *	3 763	36 990
Currency effects	2 904	-12 035
Tax charge	434 920	364 400

The tax charge/credit relating to components of other comprehensive income is as follows:

		2015	
All amounts in thousands of NOK	Before tax	Tax (charge) /credit	After tax
Actuarial assumption related to pension	165 433	39 844	125 589
Cash flow hedges	4 722	1 211	3 510
Net investment Hedge	-29 728	-7 432	-22 296
Value change of assets held for sale	66 949	4 032	62 917
Currency translation differences	107 331	28 680	78 652
Other comprehensive income	314 708	66 336	248 372
Tax payable	-	10 333	-
Deferred tax	-	56 003	-
Tax in OCI	-	66 336	-

All amounts in thousands of NOK	2015	2014
Deferred tax assets/deferred taxes as at 1 January	318 968	267 112
Changes recognized in income statement	171 657	66 688
Changes recognized in OCI	56 003	-51 821
Transfer due to legal merger	-33 927	-
Adjustment of OCI opening balances	19 796	-
Adjustments in respect of prior years *	-	36 990
Deferred tax assets/deferred taxes at 31 December	532 497	318 968

SIGNIFICANT COMPONENTS OF DEFERRED TAX ASSETS AND LIABILITIES

All amounts in thousands of NOK	2015	2014
Fixed assets	2 739 407	2 236 676
Net pension commitments	-276 778	-346 364
Financial instruments	16 838	-244 128
Net other taxable temporary differences	-599 518	-801 781
Net translation differences	56 698	178 778
Total deferred tax assets	1 936 647	1 023 181
Fixed assets	684 852	603 902
Net pension commitments	-69 194	-93 518
Financial instruments	4 210	-65 915
Net other taxable temporary differences	-111 654	-173 772
Net translation differences	24 284	48 270
Total deferred taxes	532 497	318 968

* A technical adjustment to align the Annual report to the tax submission in 2014.

Tax effect of different tax rates in other countries

SCB AS has operations in a number of countries whose tax rates are different from that in Norway. Taxes are paid in Norway and later credited by amount paid in other countries.

Change in tax rate

2015 figures: Relevant deferred tax balances have been re-measured as a result of the change in Norwegian tax rate from 27% to 25% that was substantively enacted in 2015 and that will be effective from 1 January 2016. The Danish tax rate has been further reduced by 1% in 2015 to 23,5% and there will be a further reduction by 1,5% to 22% in 2016.

2014 figures: The Danish tax rate has been reduced to 24,5%

Estimated taxes on tax-related losses which cannot be utilized

No deferred taxes are calculated on tax-related losses if the Group considers the future scope of such losses to be uncertain.

NOTE 16 Fixed assets, intangible assets and lease financing

All amounts in thousands of NOK	Machines, fittings, equipment	Intangible assets	Leasing portfolio (operational)	Total	Goodwill
Acquisition cost 1.1	93 163	321 297	692 319	1 106 779	496 870
Rate difference opening balance	2 760	8 432	42 954	54 146	30 517
Acquisition cost 1.1 rate 31.12	95 923	329 729	735 274	1 160 925	527 387
+ Acquired through legal merger 01.07	35 729	115 405	-	151 133	763 657
Rate difference legal merger balance	131	306	-	437	70 609
Additions during the year	54 258	67 642	158 987	280 887	-
Disposals during the year	-60 334	-2 646	-289 178	-352 158	-
Impairment	-	-	-	-	-
Acquisition cost 31.12	125 706	510 435	605 083	1 241 225	1 361 653
Acc. ordinary depreciation 1.1	-53 284	-77 632	-223 740	-354 656	-
Rate difference 01.01	-1 445	-4 590	-13 882	-19 916	-
Acc. ordinary depreciation 1.1 rate 31.12	-54 728	-82 222	-237 622	-374 572	-
+ Acquired through legal merger 01.07	-34 097	-105 614	-	-139 712	-545 486
Rate difference legal merger balance	-13	- 247	-	-261	-50 438
Year's ordinary depreciation	-18 483	-60 792	-111 663	-190 938	-
Impairment	-	-	-	-	-
Rate difference year's depreciation average rate	-715	-1 696	-8 354	-10 764	-
Reversed depreciation on disposals	51 522	-5 472	155 182	201 233	-
Acc. depreciation 31.12	-56 514	-256 043	-202 457	-515 014	-595 924
Accrued fees and provisions	-	-	-	-	-
Book value in the balance sheet 31.12	69 192	254 392	402 626	726 211	765 729
Method on measurement	Acquisition cost	Acquisition cost	Acquisition cost		Acquisition cost
Depreciation method	Linear	Linear	Linear		-
Plan of depreciation and useful life	3 – 10 years	3 – 7 years	1 month – 10 years		-
Average useful life	5 years	5 years	3 years		-

Intangible assets include software. The useful life is evaluated annually.
Goodwill is related to the purchase of the portfolio from Eik Sparebank in 2007 and purchase of GE Money Oy in 2009.

NOTE 17 Financial lease

Santander Consumer Bank AS owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as loans to costumers included in "Financial leasing " in the balance sheet, and are valued at the present value of future cash flows.

PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS RECEIVABLE

All amounts in thousands of NOK	2015	2014
Due in less than 1 year	5 685 349	4 920 337
Due in 1 - 5 years	9 048 062	8 364 737
Due later than 5 years	143 490	127 627
Total present value of future minimum lease payments receivable	14 876 901	13 412 702

NOTE 18 Repossessed assets

All amounts in thousands of NOK	31.12.15	31.12.14
Vehicles	12 866	12 945
Net	12 866	12 945

The company classifies vehicles as repossessed assets where it is a court ruling or consent regarding transfer of property of the object. Repossessed assets are booked at the lowest value of book value of the default contract or the fair value according to an external valuation.

When sold the difference between the transaction price and booked value is recognized in the profit and loss statement.

NOTE 19 Pension

In Norway Santander Consumer Bank AS has a collective defined benefit pension scheme under the Act of Occupational Pension insured through DNB, which is closed to new entrants since 1 April 2007. In addition employees can take an early retirement pension at the age of 62 through the collectively agreed AFP scheme. This scheme only applies to employees in Norway and forms part of a collective agreement. The scheme gives the right to defined future benefits, which are mainly dependent on number of years worked, salary level at time of retirement and the amount of payment from national insurance fund. The agreement also includes a disability pension, a spouse's pension and a child pension. There are pension commitments to certain employees that comes in addition to the ordinary collective agreements. This applies to employees with salary above 12 G and others with supplementary pensions. Employees hired after 1 April 2007, has defined contribution pension schemes.

In Sweden Santander Consumer Bank AS has a collectively agreed pension scheme for the banking sector, the BTP plan. The plan includes both defined benefit and defined contribution sections. Old-age, early retirement, disability and death benefits are provided under the BTP plan which are funded via insurance with different insurance providers.

The defined benefit pension schemes expose Santander Consumer Bank AS to risks associated with increased longevity, inflation and salaries and also market risks on plan assets.

Denmark and Finland have defined contribution plans.

Starting 1 July 2015, the results below include the former GE Money Bank pension schemes acquired in Norway (supplementary pensions for employees with salary over 12G and certain employees between ages 65 and 67) and Sweden (BTP plan consistent with description above).

PENSION EXPENSES FOR DEFINED BENEFIT PLANS

All amounts in thousands of NOK	2015	2014
Present value of year's pension earnings	34 380	21 957
Curtailment (gain) / loss	615	-
Settlement (gain) / loss	-2 791	-
Interest cost on accrued liability	15 627	16 893
Interest income on plan assets	-8 087	-9 863
Allowance for taxes	7 176	4 404
Net Pension expenses	46 919	33 392

PENSION EXPENSES FOR DEFINED CONTRIBUTION PLANS

All amounts in thousands of NOK	2015	2014
Total expenses	78 898	65 783

PENSION LIABILITIES IN BALANCE SHEET

All amounts in thousands of NOK	31.12.15	31.12.14
Pension funds at market value	444 914	272 443
Estimated pension liability	-721 692	-618 805
Net pension liability	-276 778	-346 362

The movement in the defined benefit obligation and fair value of plan assets over the year is as follows:

All amounts in thousands of NOK	Present value of obligation	Fair value of plan assets	Net pension liability
At 1 January 2014	-470 210	247 139	-223 071
Current service cost	-21 957	-	-21 957
Curtailment gain / (loss)	-	-	-
Settlement gain / (loss)	-	-	-
Interest expense / Income	-16 893	9 863	-7 030
	-38 850	9 863	-28 988
Remeasurements:			
- Return on plan assets	-	-4 694	-4 694
- Loss from change in demographic assumptions	-3 000	-	-3 000
- Loss from change in financial assumptions	-97 580	-	-97 580
- Loss from plan experience	-21 306	-	-21 306
- Change in asset ceiling			-
	-121 886	-4 694	-126 581
Exchange rate differences	-1 172	781	-391
Contributions:			
- Employer	5 963	36 265	42 229
- Plan participants	-	-	-
Payments from plans:	-	-	-
- Benefit payments	11 754	-16 911	-5 156
Acquired in a business combination	-	-	-
Others	-4 404	-	-4 404
	12 141	20 135	32 277
At 31 December 2014	-618 805	272 443	-346 362

The movement in the defined benefit obligation and fair value of plan assets over the year is as follows:

All amounts in thousands of NOK	Present value of obligation	Fair value of plan assets	Net pension liability
At 1 January 2015	-618 805	272 443	-346 362
Current service cost	-34 380	-	-34 380
Curtailment gain / (loss)	-615	-	-615
Settlement gain / (loss)	2 791	-	2 791
Interest expense / Income	-15 627	8 087	-7 539
	-47 831	8 087	-39 743
Remeasurements:			
- Return on plan assets	-	665	665
- Gain/(Loss) from change in demographic assumptions	-260	-	-260
- Gain/(Loss) from change in financial assumptions	159 774	-	159 744
- Gain/(Loss) from plan experience	5 254	-	5 254
- Change in asset ceiling		-	-
	164 768	665	165 433
Exchange rate differences	-20 678	17 418	-3 260
Contributions:			
- Employer	18 670	32 634	51 304
- Plan participants	-	-	-
Payments from plans:	-	-	-
- Benefit payments	15 559	-15 559	-
Acquired in a business combination	-226 166	129 226	-96 940
Others	-7 210	-	-7 210
	-219 825	163 719	-56 106
At 31 December 2015	-721 692	444 914	-276 778

The defined benefit obligation and plan assets are composed by country as follows:

	2015			2014		
All amounts in thousands of NOK	Norway	Sweden	Total	Norway	Sweden	Total
Present value of obligation	-471 534	-250 158	-721 692	-510 324	-108 481	-618 805
Fair value of plan assets	237 476	207 438	444 914	219 827	52 616	272 443
Total	-234 058	-42 720	-276 778	-290 497	-55 865	-346 362

The following assumptions have been used calculating future pensions:

	31.12.15		31.12.14	
	Norway	Sweden	Norway	Sweden
Discount rate	2,50%	3,50%	2,30%	2,50%
Inflation	N/A	1,75%	N/A	2,00%
Salary growth rate	2,50%	3,25%	2,75%	3,50%
Pension growth rate	2,10%	1,75%	2,35%	2,00%
Rate of social security increases	2,25%	2,75%	2,50%	3,00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2015		2014	
	Norway	Sweden	Norway	Sweden
Retiring at the end of the reporting period:				
- Male	21,9	22,1	21,8	21,1
- Female	25,2	24,9	25,0	23,6
Retiring 20 years after the end of the reporting period:				
- Male	23,8	23,8	23,7	23,1
- Female	27,2	26,0	27,1	25,5

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

IMPACT ON DEFINED BENEFIT OBLIGATION - NORWAY

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 19,67%	Increase by 26,37%
Salary growth rate	1,00%	Increase by 13,84%	Decrease 10,98%

IMPACT ON DEFINED BENEFIT OBLIGATION - SWEDEN

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 27,33%	Increase by 38,58%
Salary growth rate	1,00%	Increase by 15,27%	Decrease by 13,12%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognized within the statement of financial position.

The main defined benefit pension schemes in Norway and Sweden are funded via insurance policies. The insurance companies have placed the assets in the consolidated portfolios of domestic and foreign interest bearing securities, shares, properties and other investment instruments.

The group's expected contributions for defined benefit plans, including pension payments paid directly by the company and pension related taxes, for the next financial year amount to 51,962 TNOK.

The weighted average duration of the defined benefit obligation is 22.6 years in Norway and 33.2 years in Sweden.

Expected maturity analysis of undiscounted pension benefit payments:

	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
At 31 December 2015					
Pension benefit payments	21 304	19 215	59 701	120 335	220 555

NOTE 20 Information on related parties

Santander Consumer Bank has established a Remuneration Committee, and the Company established Remuneration Guidelines in 2011 to be aligned with FSA regulations. The Guidelines were updated in 2013 in accordance with the changes in the variable remuneration scheme for Senior Management Team.
The Guidelines apply to employees in the Company's operations in Norway, Denmark, Finland and Sweden. In addition, there are regulations for Senior Management employees with duties of material importance to risk exposure, employees heading the main control functions and directors.

The overall objectives are to support the Company's strategies for recruiting, retaining, developing and rewarding employees who contribute to creating shareholder value at the Company and to support the Company's performance culture. The Guidelines are intended to ensure the credibility, effectiveness and fairness of the Company's remuneration practices and the adequacy, proportionality and balance of the ratio of fixed versus variable salary. Additionally, the Guidelines intend to ensure that the overall remuneration structure reflects sound and effective risk management principles. As a result, a key element in these Guidelines is to counteract risk-taking that exceeds the level of tolerated risk at the Bank while, at the same time, offer a flexible remuneration structure.

The Guidelines are further intended to ensure that the total variable remuneration that the Company is committed to pay out will not conflict with the requirement of maintaining a sound capital base. Fixed salary to Senior Management Team is approved by the Corporate Compensation Committee and fixed salary to CEO Nordic is approved by the Board of Directors. Variable compensation to Identified Staff shall each year after being approved by the Corporate Compensation Committee be presented to the Remuneration Committee for approval before implementation. Variable compensation to the rest of the Senior Management Team is approved by the Corporate Compensation Committee only.

Senior Management Team is included in the Corporate Bonus Scheme (CBS). The CBS is decided by the Banco Santander S.A. Board of Directors and the Group Remuneration Committee on an annual basis. Each participant of the bonus scheme has a Base Bonus level which is the reference bonus.

Principles for Bonus Schemes to identified staff:
The scheme consists of four equal elements; 1) cash bonus, 2) unrestricted shares subject to 1 year of holding, 3) cash bonus subject to 1 year of holding with three years deferral and 4) shares subject to 1 year of holding with three years deferral. Based on this 50 % of the CBS bonus is awarded in shares and 50 % of the bonus is deferred.

Conditions for bonus scheme are to be based on a combination of an individual appraisal of each employee, the performance of the Company and Business Unit (except for those in Control functions), as well as the business of the Bank as a whole measured over a two year period, but the pool calculation is still measured against annual results, hereunder Annual Targets set each year in compliance with legislation.

The bonus scheme is based on the different methods for measuring results, such as Net Income, Risk adjusted PBT, Risk adjusted VMG targets etc. In addition, non-financial measures are employed, such as Employee satisfaction with leadership style and work environment, Compliance and Level of delivery of non-financial targets.

Granted options are not part of the corporate plan.

Remuneration for members of the Board of directors etc. is to be decided by the Supervisory Board (Representantskapet) subject to approval of the General Assembly.

Pension schemes
The Company offers different pension and insurance schemes in the Nordic countries:

Norway
1. Defined Benefit - Up to approximately 70 per cent of the final salary maximized to 12 G (G = Grunnbeløp, Base amount)
2. Contribution Benefit - Contribution is 5 per cent of salary between 1 G and 6 G, plus 8 per cent of salary between 6 G and 12 G, or 5 per cent of up to 7.1 G and 14 per cent of salary over 12 G
3. Pensions Scheme for wages above 12 G - Approximately 70 per cent of the final salary that exceeds 12 G

Sweden
The pension scheme is according to the collective agreement and is defined by promising different per cent of the pension entitling salary:
1. 10 % on salary up to 7,5 "Inkomstbasbelopp" (IBB)
2. 65 % of the salary-parts between 7,5 and 20 IBB
3. 32.5 % on salary-parts between 20 and 30 IBB

The pension is normally paid from the age of 65.

Denmark
Pensions Scheme with employer contribution 11.0 % of salary, and employee contribution 5.25 % of salary (Optional additional payment).

KEY MANAGEMENT COMPENSATION:

Key management includes the Bank's identified staff. The tables below show the accrued salary, bonus, pension and compensations for CEO and other Key management:

All amounts in thousands of NOK	Salary	Bonus	Pension	Share based payments	Other benefits	Total 2015	Total 2014
Chief Executive Officer	2 450	467	57	467	627	4 068	4 119

* The current CEO, Michael Hvidsten, since March 28 2012.

OTHER KEY MANAGEMENT

All amounts in thousands of NOK	2015	2014
Salary	16 737	11 763
Bonus *	2 407	1 338
Shares (see further details below)*	2 407	1 338
Pension	1 630	1 044
Other benefits	8 015	3 494
Total	31 197	18 977

In addition to the amounts above, the group is committed to pay the members of the Executive Committee in the event of a change of control in the group.

BONUS SHARES (PART OF CBS PROGRAM)

	CEO	Other key management	Total
Number of shares earned in 2015 *	12 182	62 826	75 008
Number of the shares earned in 2015 issued in 2015	0	0	0
Number of shares issued in 2015 based on deferrals from 2013 till today	2 168	8 779	10 947
Number of shares issued in 2015 based on deferrals from 2012 till today	748	2 432	
Total Number of shares earned, but not issued per 31.12.2015 *	23 847	88 203	112 050

DEFINED SHARE VALUE

	2015	2014	2013
Share value - Banco Santander (EUR) *	3,97	6,19	6,68
Share value - Banco Santander (NOK) *	38	56	56

VALUE OF OUTSTANDING SHARES 31.12.2015*

All amounts in thousands of NOK	CEO	Other key management	Total
Value of the shares earned, but not issued per 31.12.2015	906	3 352	4 258

Value of shares is an estimate based on the share price decided by corporate level and the currency exchange rate per 22.01.16

BOARD OF DIRECTORS

All amounts in thousands of NOK		2015	2014
Erik Kongelf	Chairman	-	-
Bruno Montalvo Wilmot	Deputy Chairman	-	-
Javier Anton San Pablo	Member	-	-
Manuel Mendez	Member	-	-
Maria Del Rosario Vacas Roldan	Member (not a member 31.12.2015)	-	-
Bjørn Elvestad	Member (not a member 31.12.2015)	617	200
Henning Strøm	Member	617	200
Niels Aall	Member	595	-
Vibeke Hamre Krey	Employee representative	200	200
Stine Camilla Rygh	Deputy Employee representative	100	100
Ola Tillberg	Employee representative	67	-
Bent Ole Petersen	Deputy Employee representative	17	-
Ulla Aronen	Observer	17	-
Total		2230	700

SUPERVISORY BOARD

All amounts in thousands of NOK		Fees 2015	Fees 2014
Total	Chairman	67	70

* Subject to change due to final approvals and fx rate at time of approval

CONTROL COMMITTEE

All amounts in thousands of NOK		Fees 2015	Fees 2014
Finn Myhre	Chairman	145	-
Egil Dalviken	Deputy Chairman	-	20
Tone Bjørnhov	Member	15	20
Terje Sommer	Deputy Member	119	-
Total		279	40

STAFF

	2015		2014	
All amounts in thousands of NOK	Number of employees as of 31.12	FTE year as of 31.12	Number of employees as of 31.12	FTE year as of 31.12
Norway	585	500	364	339
Sweden	391	335	95	87
Denmark	279	244	89	88
Finland	155	132	117	104
Total	1 410	1 212	665	618

AUDIT SERVICES AND ADVISORY SERVICES (WITHOUT VAT) *

All amounts in thousands of NOK	2015	2014
Audit services	13 538	4 490
Other certification services	310	459
Tax advice	2 561	313
Other non-audit services	543	52
Total	16 952	5 313

NOTE 21 Ownership interests in group companies

Santander Consumer Bank AS owns 100% of the shares in Santander Consumer Finance OY. Santander Consumer Bank AS retains most of the risk and rewards of the sale of loans to the securitization-vehicles Bilkreditt 1 Ltd, Bilkreditt 2 Ltd, Bilkreditt 3 Ltd, Bilkreditt 4 Ltd, Bilkreditt 5 Ltd, Bilkreditt 6 Ltd, Bilkreditt 7 Ltd, Svensk Autofinans 1 Ltd, Svensk Autofinans WH Ltd, Dansk Auto Finansiering 1 Ltd, SCF Ajoneuvohallinto Ltd, SCF Rahoituspalvelut Ltd, SCF Ajoneuvohallinta Ltd, SCF Rahoituspalvelut 2013 Ltd, SCFI Ajoneuvohallinto Ltd, SCFI Rahoituspalvelut Ltd, SCF Rahoituspalvelut 1 DAC and SCF Ajoneuvohallinto 1 Ltd, all registered in Ireland, and therefore consolidates these into the group accounts.

To reduce the risk related to changes in foreign exchange values it is established a net investment hedge loan of MEUR 149. The ownership in Santander Consumer Finance OY is booked at historical cost adjusted for the effect of the hedge, according to IAS 39. Se note 22 for further details.

NOTE 22 Hedging

NET INVESTMENT HEDGE

The Group hedge the fx exposure on the equity in the Finnish subsidiary.

	2015		2014	
All amounts in thousands of NOK	Book value 31.12	Amount recognized in OCI	Book value 31.12	Amount recognized in OCI
Hedging instrument (EUR-loan)	-1 430 847	29 728	1 112 116	-112 532
Fx effect on equity in Finland	-	-15 605	-	99 194
Net exposure over OCI		14 123		-13 338

Fair value of instrument is equal to book value

CASH FLOW HEDGE

The Group has Cash flow hedges on one bond issue in EUR, and Cash flow hedge on the issued bonds in the SPV's.
Both hedges are intended to hedge interest rate risks.

	2015		2014	
All amounts in thousands of NOK	Book value 31.12	Amount recognized in OCI	Book value 31.12	Amount recognized in OCI
Hedge instrument (Bond)	7 575	-18 286	-1 657	564
Hedge instruments (SPV)	1 066 100	-6 722	1 248 274	-23 469
Net exposure over OCI		-25 008		-22 905

NOTE 23 Receivables and liabilities to related parties

DEBT TO RELATED PARTIES

All amounts in thousands of NOK	31.12.15	Accrued Interest 31.12.2015	31.12.14	Accrued Interest 31.12.2014
Balance sheet line: "Loans and deposits from credit institutions with an agreed term"				
Santander Benelux	5 876 906	21 670	21 633 569	-
Santander Consumer Finance S.A.	25 330 837	8 478	7 380 931	-
Banco Madesant	2 333 529	9	-	-
Total	33 541 272	30 156	29 014 500	-
Balance sheet line: "Subordinated loan capital" - Bonds				
MNOK 180, maturity September 2016, 3 months NIBOR +0.55% (Banco Santander S.A)	180 000	36	180 000	460
MNOK 80, maturity October 2017, 3 months NIBOR +1.75% (Santander Consumer Finance S.A)	80 000	399	80 000	41
MNOK 250, maturity March 2025, 3 months NIBOR + 2.2575% (Santander Consumer Finance S.A)	250 000	2 358	210 000	104
MNOK 210, maturity June 2019, 6 months NIBOR +3.43% (Santander Benelux)	-	-	117 546	23
MEUR 13 maturity December 2020 12 months EURIBOR +3,20% (Santander Consumer Finance S.A)	-	-	2 250 000	32 480
Hybrid capital - perpetual bond, 3M NIBOR + 6,50% (Santander Consumer Finance S.A)	2 250 000	30 440	-	-
MNOK 250, maturity July 2025, 3 months NIBOR+3.135% (Santander Consumer Finance S.A)	250 000	48	-	-
MSEK 750, maturity December 2024, 3 months STIBOR+2.2825% (Santander Consumer Finance S.A)	783 750	410	-	-
Total	3 793 750	33 691	2 837 546	33 109

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

NOTE 24 Transactions with related parties

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

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

Transactions with related parties in 2015 as presented in the table below:

All amounts in thousands of NOK	2015	2014
Interest income	22 674	306 501
Interest expenses	-663 292	-1 004 749
Fees	233 876	2 806
Net transactions	-406 742	-695 442

Santander Consumer Bank AS has had transactions with the following related parties in 2015.

- Banco Santander S.A
- Santander Benelux B.V.
- Santander Consumer Finance S.A.
- Santander Insurance Europe Ltd.
- Santander Insurance Services Ireland Ltd.

NOTE 25 Contingent liabilities, commitments and pledged assets

All amounts in thousands of NOK	2015	2014
Contingent liabilities*	138 683	120 941
Commitments		
Granted undrawn credits	17 801 874	11 803 351
Pledged assets	None	None

* Contingent liabilities relates mainly to payment guarantees issued to customers.

NOTE 26 Result over total assets

All amounts in thousands of NOK	2015	2014
Profit after tax (PAT)	1 507 229	956 408
Total assets (Assets)	135 936 375	96 251 608
PAT over Assets	1,11%	0,99%

NOTE 27 Specification of certain items in balance sheet and income statement

OTHER ASSETS

All amounts in thousands of NOK	2015	2014
Account receivables	171 870	284 624
Guarantees	823	625
Intercompany receivables	43 815	16
Total other assets	216 508	285 265

OTHER DEBT

All amounts in thousands of NOK	2015	2014
Accounts payable	792 870	486 955
Tax payable	63 842	173 873
Intercompany debt	0	-
Withholding tax	18 253	59 879
VAT payable	-11 504	-52 767
Total other debt	863 460	667 940

PREPAYMENTS AND EARNED INCOME

All amounts in thousands of NOK	2015	2014
Accrued interest	32 597	34 048
Insurance commission	87 290	71 038
Other prepaid expenses and accrued income	212 208	190 358
Total prepayments and earned income	332 094	295 444

INCURRED EXPENSES AND DEFERRED REVENUE

All amounts in thousands of NOK	2015	2014
Accrued interest	85 706	92 437
Prepaid insurance	181 825	78 406
Personnel costs	163 334	76 522
Sales commission	239 744	199 036
Other accrued expenses and deferred income	742 244	449 169
Total incurred expenses and deferred revenue	1 412 854	895 570

OTHER COMMISSIONS AND FEES INCOME

All amounts in thousands of NOK	2015	2014
Insurance commission	336 243	262 804
Other commissions and fees	188 635	127 838
Total other commissions and fees income	524 878	390 642

OTHER FEES AND COMMISSION EXPENSES

All amounts in thousands of NOK	2015	2014
Provision to Car dealers	141 375	126 626
Credit card fees paid by the bank	44 377	32 783
Other fees and commission expenses	57 753	38 793
Total other fees and commission expenses	243 505	198 202

OTHER OPERATING EXPENSES

All amounts in thousands of NOK	2015	2014
Capital loss from disposal of tangible assets	14 436	-
Rental costs	139 161	45 444
Other operating expenses	72 536	102 287
Total other operating expenses	226 133	147 731

Visa transaction
SCB AS own shares in Visa Norway, which is part of the transacation where Visa Inc. bought the shares in Visa Europe. SCB AS is entitled to a part of this transaction and has therefore reflected the estimated value in the balance sheet as an available for sale asset per 31.12.2015. The proceeds from the transactions are expected to be compensated by partly cash and shares in Visa Inc, but also through discounts on future fee payments to Visa. SCB AS' valuation of the future cashflows related to this transaction is performed on the available information in the market, and is the managements best estimate.

Portfolio sales
SCB AS performed two sales of portfolios in 2015, one in May 2015 for NOK 15,3 MM, and another sale in December 2015 of NOK 318,5 MM.
SCF OY performed one portfolio sale in 2015. The sales value was NOK 53 MM
SCB AS performed two sales of portfolios in 2014, one in May 2014 for NOK 17,7 MM, and another sale in December 2014 of NOK 14,6 MM.
SCF OY performed two portfolio sales in 2014, one in May 2014 for NOK 44 MM, and another sale in December 2014 of NOK 39 MM.

NOTE 28 Legal merger with Santander Consumer Bank AB

On July 1, the legal cross border merger with the sister company Santander Consumer Bank AB, organizational number 516401-9936 ("AB") was completed. All assets and liabilities of SCB AB was transferred to SCB AS measured at book value according to IFRS. The transfer of net assets resulted in an issuance of 310 394 930 new shares to the parent company of SCB AB. The issued shares had a par value of NOK 10 per share, increasing the share capital for NOK 3 103 MM, the merger lead to a merger difference of NOK 39,8 MM recognized in other equity.

The table below summarizes the assets and liabilities recognized in the balance sheet of SCB AS at the date of the merger.

All amounts in thousands of NOK	1 July 2015
Deposits with and loans to financial institutions	1 326 883
Net loans	18 754 762
Goodwill	218 172
Deferred tax assets	81 547
Other intangible- and fixed assets	11 422
Other assets	49 240
Total assets	20 442 025
Loans and deposits from financial institutions	8 880 824
Deposits from customers	7 120 079
Other debt	437 394
Deferred tax liability	47 620
Provision for pension	96 842
Subordinated loan capital	715 512
Total liabilities	17 298 271
Net assets transferred to SCB AS	3 143 754
Share issuance	-3 103 949
Merger difference	39 805

The merger was booked to full continuance for both tax and accounting purposes. The profit after tax for the company Santander Consumer Bank AB for the period 01.01.2015 to 30.06.2015 was transferred to the equity for the merged bank. The lending portfolio in SCB AB was measured according to Santander loss methodology at the time of the merger

The profit and loss statement for Santander Consumer Bank as of 30.06.2015 was as follows:

All amounts in thousands of NOK	SCB AB
Net interest income	1 086 943
Net commission income and income from banking services	21 554
Value change and gain/loss on foreign exchange and securities	-2 190
Oher operating income	547
Operating expenses, salaries, depreciation	-772 821
Losses on loans, guarantees etc.	-516 915
Operating result	-182 882
Total tax	-44 601
Profit after tax	-138 281

NOTES

Santander Consumer Bank AS

NOTES - SANTANDER CONSUMER BANK AS

NOTE 1 Risk Management

The group's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), liquidity risk and operational risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central risk department under policies approved by the board of directors. The risk department identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as liquidity risk, foreign exchange risk, interest rate risk, credit risk and operational risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk/counterparty risk

Counterparty credit risk is considered to be the most significant risk for the bank. Credit risk is to be kept at a level that over time corresponds to the average of companies within the Santander Consumer Finance group, taking into account differences among the companies with regard to collection and product mix. The company has established credit policies that ensure a good diversification among the customers with regard to geography, occupation, or age among others. Single large credit exposures are to be reported to the Board.

Credit process and policies describe the guiding principles for the type of customer that Santander wants. Processes are divided into "Standardized" and "Non-Standardized"; where Standardized credit follows a standard, very much automated credit approval process and Non-Standardized (Credits which do not meet the score requirements, larger credit and credit limits, as well as stock finance) are handled individually. Such credits are granted according to delegated credit authorities in accordance with current credit policy.

The assessment of customers or transactions using rating or scoring systems constitutes a judgment of their credit quality, which is quantified through the probability of default (PD), in accordance with Basel II terminology. In addition to customer assessment, the quantification of credit risk requires the estimation of other parameters, such as exposure at default (EAD) and the percentage of EAD that will not be recovered (loss given default or LGD). Therefore, other relevant factors are taken into account in estimating the risk involved in transactions, such as the quantification of off-balance-sheet exposures, which depends on the type of product, or the analysis of expected recoveries, which is related to existing guarantees and other characteristics of the transaction: type of product, term, etc. These factors are the main credit risk parameters. Their combination facilitates calculation of the probable loss or expected loss (EL). This loss is considered to be an additional cost of the activity which is reflected in the risk premium and must be charged in the transaction price.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The group's strategy is to avoid taking on market risk in excess of what follows directly from the operation of the bank.

Market risk comprises three types of risk; interest rate risk, currency risk, and other price risk

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk affects, loans, deposits, debt securities, most financial assets and liabilities held for trading and derivatives.

The Group seeks to limit interest risk between asset and debt items by balancing time to interest regulation for the items. Treasury Policy limits interest risk exposure for each of the currencies the bank has operations in. Interest rate risk is assessed based on two methods; the Net Interest Margin (NIM) and the Market Value of balance sheet equity (MVE). SCB monitor the sensitivity of NIM and MVE for +/- 100 bp parallel shift in market interest rates. Note 5.

Currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group strives for a composition of the balance sheet that minimizes currency risk by ensuring that assets, liabilities and incoming and outgoing cash flows are, to a large extent, denominated in the same currency. Practical considerations and requirements laid down by the parent company will play a central role in connection with the management of currency risk.

For Santander Consumer Bank currency risk is connected to currency positions as a result of operations in Sweden, Finland, and Denmark. Treasury policy limits possible exposure for each currency and the same limit applies to the total net currency position. Treasury policy further specifies that currency risk should be minimized as far as possible through asset and debt items being in the same currency.

Routines which ensure that the bank's currency exposure is continuously monitored and controlled are in place. Treasury policy limits possible exposure in currencies upwards to NOK 200 million for each currency and a NOK 400 million limit applies to the total net currency position.

Other price risk
Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Santander Consumer Bank AS does not have a trading portfolio or positions in securities, commodities etc. Risk that follows from the company's net currency position is considered low in relation to the company's size, and is considered to involve an increased capital requirement in excess of the Pillar 1 requirement with 10 % of maximum allowed net position from currency in Treasury policy.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The risk includes the risk of having limited or no access to funding markets that are paramount to the bank. The group's liquidity situation is monitored continuously. Treasury policy lays down minimum levels for available liquidity and trigger levels for obtaining new liquidity. Santander Consumer Bank has a goal of establishing more financing from outside the Santander group through securitization, through unsecured issuance, and deposits. Reducing Santander Group dependencies and establishing the group as an issuer in the Nordic and International debt capital markets gives the bank on a standalone basis a better position to cope with a short to medium term liquidity crisis. The short dated nature of the bank's assets also constitutes a significant liquidity risk reducing factor. This gives a possibility to generate liquidity by reducing new business should the need arise. Note 4

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, 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 this risk. Operational risk is reduced through securing a good internal control environment. The Group continuously strives to improve the internal control environment.

The Group is using the Basic Indicator Approach for the calculation of regulatory capital for operational risk.

NOTE 2 Risk classification

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

	Balance		Write Downs	
All amounts in thousands of NOK	**31.12.15**	**31.12.14**	**31.12.15**	**31.12.14**
Current - not past due date	92 775 228	65 220 780	536 612	609 194
Current - past due date	4 967 730	3 713 251	237 088	114 761
Total impaired loans	2 312 695	1 140 156	1 453 240	510 323
Total loans	100 055 652	70 074 187	2 226 939	1 234 278
Ageing of past due but not impaired loans				
1 - 29 days	3 904 336	2 968 726	106 100	46 100
30 - 59 days	777 688	577 324	70 468	39 197
60 - 89 days	285 706	167 201	60 519	29 463
Total loans due but not impaired	4 967 730	3 713 251	237 088	114 761
Ageing of impaired loans				
90 - 119 days	182 507	90 674	65 192	24 527
120 - 149 days	152 436	67 818	80 445	21 310
150 - 179 days	119 260	48 044	89 095	19 567
180 + days	1 052 073	499 775	831 754	282 738
Economic doubtful*	806 420	433 845	386 754	162 181
Total impaired loans	2 312 695	1 140 156	1 453 240	510 323

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

After the acquisition of GE Money Bank AB, the SCB portfolio now consists of 71% of Auto Finance and 29% Unsecured finance (credit card and consumer loan); where for auto finance the underlying assets serve as collateral.

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

NOTE 3 Net foreign currency position

	Balance		Net Position	
All amounts in thousands of NOK	**Asset**	**Debt**	**in NOK**	**in currency**
SEK	26 279 206	26 248 488	30 718	29 395
DKK	22 886 504	22 652 762	233 742	181 644
EUR	24 094 840	24 160 407	-65 567	-6 828
Total 2015	73 260 549	73 061 657	198 893	-
Total 2014	26 259 809	26 135 187	124 622	-

A 5,00 % increase in SEK fx rate will result in a Agio gain of NOK 1 536 000 in the P&L
A 5,00 % decrease in SEK fx rate will result in a Agio loss of NOK 1 536 000 in the P&L
A 5,00 % increase in DKK fx rate will result in a Agio gain of NOK 11 687 000 in the P&L
A 5,00 % decrease in DKK fx rate will result in a Agio loss of NOK 11 687 000 in the P&L
A 5,00 % increase in EUR fx rate will result in a Agio loss of NOK 3 278 000 in the P&L
A 5,00 % decrease in EUR fx rate will result in a Agio gain of NOK 3 278 000 in the P&L

NOTE 4 Liquidity risk

Contractual cash flow at certain intervals of maturity presented in NOK. The net liquidity risk is the cash in from assets, minus the cash out from debt. Non liquidity items are included to reconcile the balance sheet in total.

The amounts related to deposits are split into the different time intervals based on historical movement of deposits.

All amounts in thousands of NOK	=< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	>5 years	With no specific maturity	Total
Cash and receivables on central banks	58 947	-	-	-	-	-	58 947
Deposits with and receivables on financial institutions	442 871	81 526	174 320	223 816	-	-	922 533
Net loans to customers	4 035 967	7 111 430	29 152 041	56 213 264	1 316 011	-	97 828 713
Commercial papers, bonds and other fixed-income securities	471 623	1 484 556	4 947 215	1 722 573	7 148 903	-	15 774 870
Derivatives	79 239	75 487	303 368	699 194	-	-	1 157 289
Consignments	479 119	355 739	233 514	-	-	-	1 068 372
Other assets (mostly accounts receivables)	6 626 699	-	-	-	-	-	6 626 699
Non liquidity generating assets	-	-	-	-	-	2 097 120	2 097 120
Total assets	12 194 465	9 108 738	34 810 457	58 858 848	8 464 915	2 097 120	125 534 543
Loans and deposits from financial institutions	10 898 893	14 531 855	16 483 763	4 678 423	-	-	46 592 933
Deposits from and debt to customers repayable on notice	3 121 767	2 649 916	9 986 696	18 786 218	2 836 238	-	37 380 836
Bonds and other long term loan raising	511 068	791 905	5 769 608	12 310 560	-	-	19 383 142
Subordinated loan capital	33 691	-	180 000	80 000	1 283 750	2 250 000	3 827 441
Derivatives	74 525	70 960	285 301	645 665	-	-	1 076 450
Other debt (mostly accounts payable)	667 717	-	-	-	-	-	667 717
Non liquidity risk related debt	-	-	-	-	-	2 362 130	2 362 130
Equity	-	-	-	-	-	14 243 893	14 243 893
Total debt and equity	15 307 662	18 044 635	32 705 368	36 500 866	4 119 988	18 856 023	125 534 542
Net liquidity risk	-3 113 197	-8 935 898	2 105 090	22 357 982	4 344 927	-	-

The Board of Santander Consumer Bank AS has decided limits for the liquidity risk to ensure the bank has a solid liquidity position. The limits for liquidity risk are reviewed at least on a yearly basis. The bank manages the liquidity position by matching maturities of the assets and the liabilities. The average duration of the asset side is low with a duration below two years.
The liabilities side is financed by customer deposits, secured bonds, unsecured bonds and intragroup loans.

NOTE 5 Interest rate risk

The table show the interest rate risk. Changes in market interest rates will affect our assets and debt by the timing displayed below due to fixed interest rate contracts. A change in market interest rate will affect our short term positions immediately, but our long term positions later.

SANTANDER CONSUMER BANK AS

All amounts in thousands of NOK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Cash and receivables on central banks	58 947	-	-	-	-	-	58 947
Deposits with and receivables on financial institutions	922 533	-	-	-	-	-	922 533
Net loans to customers	45 619 274	38 307 338	5 881 248	5 225 911	568 004	2 226 939	97 828 713
Commercial papers, bonds and other fixed-income securities	7 537 758	4 625 085	3 612 027				15 774 870
Derivatives	565 718	591 570	-	-	-	-	1 157 289
Consignments	673 600	394 773	-	-	-	-	1 068 372
							-
Other non interest bearing assets	-	-	-	-	-	8 723 819	8 723 819
Total assets	55 377 829	43 918 766	9 493 274	5 225 911	568 004	10 950 758	125 534 542
Debt to credit institutions	15 112 779	25 682 650	3 850 840	1 946 665	-	-	46 592 933
Deposits from and debt to customers repayable on notice	3 626 412	14 505 648	18 583 444	665 332	-	-	37 380 836
Bonds and other long term loan raising	4 334 545	9 132 439	2 659 159	3 256 998	-	-	19 383 142
Financial Derivatives	526 236	550 214	-	-	-	-	1 076 450
Subordinated loans	337 202	1 240 238	-	-	-	-	1 577 441
Hybrid capital	2 250 000	-	-	-	-	-	2 250 000
							0
Other non interest bearing debt	-	-	-	-	-	3 029 848	3 029 848
Equity	-	-	-	-	-	14 243 893	14 243 893
Total debt and equity	26 187 174	51 111 189	25 093 443	5 868 996	-	17 273 741	125 534 542
Net interest risk exposure	29 190 655	-7 192 423	-15 600 169	-643 085	568 004	-	-

The tables below show the same as the table above, but split per country. The accumulated tables below will not reconcile with the table above due to difference in classification between assets and liabilities in the presented tables.

SANTANDER CONSUMER BANK AS NORWAY

All amounts in millions of NOK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Assets	7 425	38 390	5 192	2 313	445	2 038	55 804
Liabilities	12 382	16 753	8 071	150	-	18 448	55 804
Net balance	-4 957	21 638	-2 879	2 163	445	-16 410	-
Repricing gap	-4 957	21 638	-2 879	2 163	445	-16 410	-

A +1,00% parallell increase in market rates will result in a 99,2 million NOK decrease in profit in Norway.

SANTANDER CONSUMER BANK AS NORWAY

All amounts in millions of EUR	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Assets	79	-	30	-	-	90	198
Liabilities	42	62	117	-	-	107	328
Net balance	37	-62	-87	-	-	-17	-130
Repricing gap	37	-62	-87	-	-	-17	-130

A +1,00% parallell increase in market rates will result in a 0,47 million EUR increase in profit in Norway.

SANTANDER CONSUMER BANK AS SWEDEN

All amounts in millions of SEK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Assets	27 505	2 125	1 805	466	30	251	32 182
Liabilities	8 979	13 513	7 054	1 533	-	1 102	32 182
Net balance	18 525	-11 388	-5 248	-1 067	30	-852	0
Repricing gap	18 525	-11 388	-5 248	-1 067	30	-852	0

A +1,00% parallell increase in market rates will result in a 37,47 million SEK increase in profit in Sweden.

SANTANDER CONSUMER BANK AS DENMARK

All amounts in millions of DKK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Total
Assets	13 288	2 305	1 836	2 052	90	807	20 378
Liabilities	6 234	6 452	4 854	1 949	-	890	20 378
Net balance	7 055	-4 147	-3 017	103	90	-83	0
Repricing gap	7 055	-4 147	-3 017	103	90	-83	0

A +1,00% parallell increase in market rates will result in a 12,2 million DKK decrease in profit in Denmark.

NOTE 6 Capital adequacy

BALANCE SHEET EQUITY

All amounts in thousands of NOK	31.12.15	31.12.14
Paid in equity	9 652 418	5 448 469
Share premium	891 314	891 314
Retained earnings	3 803 092	1 032 483
Other reserves	-102 931	1 265 843
Total Equity	14 243 893	8 638 109

COMMON EQUITY TIER 1 CAPITAL

All amounts in thousands of NOK	31.12.15	31.12.14
Cash-flow hedge adjustment	-	-
IRB Expected Loss - Reserves	-201 165	-
Goodwill	-369 105	-123 415
Other intangible assets	-243 132	-232 023
Deferred tax assets	-116 142	-75 846
Total common Equity Tier 1 Capital	13 314 350	8 206 825

TIER 1 CAPITAL

All amounts in thousands of NOK	31.12.15	31.12.14
Paid in Tier 1 capital instruments	2 250 000	2 250 000
Total Tier 1 Capital	15 564 350	10 456 825

TOTAL CAPITAL

All amounts in thousands of NOK	31.12.15	31.12.14
Paid up subordinated loans	1 471 000	575 170
Subordinated loans not eligible	-244 000	-234 000
Total Capital	16 791 350	10 797 995

RISK EXPOSURE

All amounts in thousands of NOK	31.12.15	31.12.14
Regional governments or local authorities	63 972	70 167
Institutions	217 101	1 872 856
Corporates	13 695 423	11 434 287
Retail Standard Approach	41 675 659	48 735 876
Retail Internal Rating Based	17 797 860	-
Exposures in default SA	673 301	624 858
Covered bonds	642 011	-
Other Exposures	8 553 313	2 748 641
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	83 318 640	65 486 684
Foreign exchange (zero if under threshold)	-	-
Risk exposure amount for position, foreign exchange and commodities risks	-	-
Basic indicator approach	5 810 540	5 010 803
Risk exposure amount for operational risk	5 810 540	5 010 803
Standardized method	161 305	289 340
Risk exposure amount for credit valuation adjustment	161 305	289 340
Allowance which apply on the standardized approach for credit risk	-	-
Deductions of risk exposure amount	-	-
Total risk exposure amount	89 290 484	70 786 827
Common equity tier 1 capital ratio	14,91%	11,59%
Tier 1 capital ratio	17,43%	14,77%
Total capital ratio	18,81%	15,25%

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

NOTE 7 Segment information

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

Segment information is based on the internal financial reporting as it is reported to SCB AS management. SCB AS management uses the segment reporting as an element to assess historical and expected future development and allocation of resources. Reporting from the segments is based on Santander's governance model and the SCB AS' accounting policies. The figures are based on a number of assumptions and estimates.

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

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

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

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

The following products are offered by each reportable segment:
Norway - car financing, leasing, consignment, consumer loans, credit cards and deposits.
Sweden - car financing, leasing, consignment, consumer loans, credit cards and deposits.
Denmark - car financing, leasing, consignment, consumer loans, credit cards and deposits.

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All amounts in thousands of NOK	Norway	Sweden	Denmark	Eliminations*	Total Group
Net interest income	2 252 841	899 721	906 715	-	4 059 277
Net commission income and income from banking services	127 483	115 531	111 009	-	354 023
Value change and gain/loss on foreign exchange and securities	-29 477	-1 209	4 525	-	-26 161
Other operating income	23 267	6 690	-1 289	-	28 669
Operating expenses, salaries, depreciation	-1 304 953	-537 418	-410 142	-	-2 252 513
Losses on loans, guarantees etc.	-120 738	-419 563	-109 874	-	-650 175
Operating result	948 423	63 753	500 945	-	1 513 121
Total tax	-296 096	-20 054	-37 808	-	-353 959
Profit after tax	652 327	43 698	463 137	-	1 159 162
Cash and receivables on central banks	58 947	-	-	-	58 947
Deposits with and loans to financial institutions	595 911	272 137	54 485	-	922 533
Total loans before write-downs	48 136 813	28 381 436	23 537 403	-	100 055 652
Write-downs	-1 397 547	-477 265	-352 278	150	-2 226 939
Repossessed assets	9 230			-	9 230
Commercial papers and bonds	8 313 959	3 610 848	3 850 063	-	15 774 870
Financial derivatives	1 144 639	137	12 512	-	1 157 289
Ownership interests in group companies and other entities	1 298 083	580		-	1 298 663
Other assets	6 108 230	1 370 553	1 009 172	-3 656	8 484 298
Total assets	64 268 265	33 158 426	28 111 358	-3 506	125 534 542
Debt to credit institutions	13 517 486	13 724 861	19 333 735	16 851	46 592 933
Deposits from customers	14 934 075	14 403 781	8 042 980	-	37 380 836
Financial derivatives	1 074 576	1 874	-	-	1 076 450
Debt issued by securities	15 725 642	3 657 500	-	-	19 383 142
Other liabilities	5 039 918	1 322 089	509 654	-14 372	6 857 288
Allocated capital	13 976 569	48 321	224 988	-5 985	14 243 893
Total liabilities and equity	64 268 265	33 158 426	28 111 358	-3 506	125 534 542

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

31 DECEMBER 2014

All amounts in thousands of NOK	Norway	Sweden	Denmark	Eliminations*	Total Group
Net interest income	1 662 909	402 771	500 268	-	2 565 948
Net commission income and income from banking services	149 906	78 347	58 623	-	286 876
Value change and gain/loss on foreign exchange and securities	73 993	7 600	30 934	-	112 527
Other operating income	386 090	7 944	-2 729	-	391 305
Operating expenses, salaries, depreciation	-914 037	-226 145	-197 012	-	-1 337 194
Losses on loans, guarantees etc.	-539 761	-63 314	-86 273	-	-689 348
Operating result	819 100	207 203	303 811	-	1 330 114
Total tax	-230 937	-43 169	-23 524	-	-297 630
Profit after tax	588 163	164 034	280 287	-	1 032 484
Cash and receivables on central banks	56 462	-	-	-	56 462
Deposits with and loans to financial institutions	1 643 259	884 187	392 934	-	2 920 380
Total loans before write-downs	40 560 635	13 476 201	16 037 351	-	70 074 187
Write-downs	(979 147)	(91 553)	(163 579)	-	-1 234 278
Repossessed assets	5 372	-	-	-	5 372
Commercial papers and bonds	5 208 508	1 073 174	2 172 186	-	8 453 868
Financial derivatives	1 000 376	-	15 117	-	1 015 493
Ownership interests in group companies	1 173 850	-	-	-	1 173 850
Other assets	4 304 000	804 613	448 718	-2 382 775	3 174 556
Total assets	52 973 316	16 146 622	18 902 727	-2 382 775	85 639 890
Debt to credit institutions	21 591 317	10 839 661	15 297 658	-2 352 104	45 376 532
Deposits from customers	9 903 456	4 963 662	3 221 918	-	18 089 035
Financial derivatives	998 622	-	-	-	998 622
Debt issued by securities	7 399 366	-	-	-	7 399 366
Other liabilities	4 492 004	338 577	338 316	-30 671	5 138 226
Allocated capital	8 588 551	4 722	44 836	-	8 638 109
Total liabilities and equity	52 973 316	16 146 622	18 902 727	-2 382 775	85 639 890

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

NOTE 8 Losses and write-downs

SPECIFIC WRITE-DOWNS:

All amounts in thousands of NOK	31.12.15	31.12.14
Spesific write-downs 01.01.	515 299	55 498
+ Acquired through legal merger 01.07	4 279 512	-
+/- Rate adjustment opening balance	317 407	2 051
Reclassification between specific and generic write down	-164 570	433 522
Gross outstanding adjustment*	14 511	-
+ Individual write-downs for the period	-3 518 236	24 228
= Specific write-downs 31.12	1 443 923	515 299

GENERIC WRITE-DOWNS:

All amounts in thousands of NOK	31.12.15	31.12.14
Generic write-downs 01.01	718 979	787 172
+ Acquired through legal merger 01.07	373 997	-
+/- Rate adjustment opening balance	28 164	12 693
Reclassification between specific and generic write down	164 570	-433 522
+/- Write-downs for the year	-502 694	352 636
= Generic write-downs 31.12	783 016	718 979
Total Write down in Balance sheet	2 226 939	1 234 278

LOAN LOSSES EXPENSES:

All amounts in thousands of NOK	2015	2014
Change in write down	-4 020 929	391 608
+/- Fx rate adjustment opening balance	252 742	-14 744
+ Total recognized losses	4 939 298	402 251
- Recoveries on recognized losses	-520 936	-89 766
= Loan losses	650 175	689 349

* For more information see note 28.

Write-downs calculated separately for each business unit, using internal parameters.
- Specific write-downs calculated by arrears following portfolio ageing and specific assessment of the exposure by specific contracts, also referred to as non performing loans.
- Generic write-downs calculated by arrears, including incurred but not reported impaired loans following portfolio ageing, and reserves based on macro parameters.

NOTE 9 Loans and losses by main sectors

All amounts in thousands of NOK	Loans 31.12.15	Write-down 31.12.15	Loans 31.12.14	Write-down 31.12.14
Private individuals	84 964 173	-1 310 744	57 571 915	-420 527
Retail	335 554	-8 057	4 415 420	-43 631
Building and construction	2 602 255	-11 633	1 741 021	-8 251
Transportation	1 599 594	-30 677	1 571 994	-12 920
Industry	653 552	-1 268	471 982	-1 791
Public sector	4 638	-	288 859	-872
Proprietary management	2 995 564	-43 042	268 246	-1 646
Agriculture and forestry	151 745	-458	166 111	-1 412
Various	6 748 578	-38 043	3 578 638	-24 248
Total	100 055 652	-1 443 923	70 074 187	-515 299

Only specific write-downs on loans are listed. Generic write-downs are not separated by sector.
For comments on specific and generic write-down see note 8.

NOTE 10 Classification of financial instruments

CLASSIFICATION OF FINANCIAL ASSETS 31 DECEMBER 2015

All amounts in thousands of NOK	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Cash and receivables on central banks	-	-	-	58 947	58 947
Deposits with and receivables on financial institutions	-	-	-	922 533	922 533
Net loans to costumers	-	-	-	97 828 713	97 828 713
Commercial papers and bonds	-	8 613 296	7 161 574	-	15 774 870
Financial derivatives	1 157 289	-	-	-	1 157 289
Ownership interests in group companies and other entities	1 246 681	51 982	-	-	1 298 663
Consignments	-	-	-	1 068 372	1 068 372
Other Assets	-	-	-	6 401 701	6 401 701
Total financial assets	2 403 969	8 665 278	7 161 574	106 280 266	124 511 088
Non financial assets					1 023 455
Total assets					125 534 542

CLASSIFICATION OF FINANCIAL LIABILITIES 31 DECEMBER 2015

All amounts in thousands of NOK	Financial liabilities at fair value through P&L	Financial liabilities measured at amortized cost	Booked value
Loans and deposits from credit institutions	-	46 592 933	46 592 933
Deposits from and debt to customers repayable on notice	-	37 380 836	37 380 836
Financial derivatives	1 076 450	-	1 076 450
Bonds and other long term loan raising	-	19 383 142	19 383 142
Subordinated loan capital	-	3 827 441	3 827 441
Total financial liabilities	1 076 450	107 184 352	108 260 802
Non financial liabilities and equity			17 273 741
Total liabilities			125 534 542

CLASSIFICATION OF FINANCIAL ASSETS 31 DECEMBER 2014

All amounts in thousands of NOK	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Cash and receivables on central banks	-	-	-	56 463	56 463
Deposits with and receivables on financial institutions	-	-	-	2 920 380	2 920 380
Net loans to costumers	-	-	-	68 839 908	68 839 908
Commercial papers and bonds	-	2 042 744	6 411 126	-	8 453 870
Financial derivatives	1 015 493	-	-	-	1 015 493
Consignments	-	-	-	872 528	872 528
Other Assets	-	-	-	1 566 469	1 566 469
Total financial assets	1 015 493	2 042 744	6 411 126	74 255 748	83 725 111
Non financial liabilities and equity					1 914 779
Total liabilities					85 639 890

CLASSIFICATION OF FINANCIAL LIABILITIES 31 DECEMBER 2014

All amounts in thousands of NOK	Financial liabilities at fair value through P&L	Financial liabilities measured at amortized cost	Booked value
Loans and deposits from credit institutions	-	45 376 534	45 376 534
Deposits from and debt to customers repayable on notice	-	18 089 036	18 089 036
Financial derivatives	998 622	-	998 622
Bonds and other long term loan raising	-	7 399 366	7 399 366
Subordinated loan capital	-	2 857 663	2 857 663
Total financial liabilities	998 622	73 722 599	74 721 221
Non financial liabilities and equity			10 918 669
Total liabilities			85 639 890

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

NOTE 11 Issued securities

All amounts in thousands of NOK	2015	2014
Issued bonds	19 383 142	7 399 366
Total liability issued securities	19 383 142	7 399 366

CHANGES IN LIABILITY ISSUED SECURITIES

All amounts in thousands of NOK	Book value 31.12.14	New issues/ repurchase	Matured	Amortization	Book value 31.12.15
Issued bonds	7 399 366	13 088 776	-1 105 000	-	19 383 142
Total liability issued securities	7 399 366	13 088 776	-1 105 000	-	19 383 142

SPECIFICATION OF ISSUED SECURITIES

All amounts in thousands of NOK

Bonds *Issuer*	Net nominal value	Currency	Interest	Call date	Book value 31.12.15
Senior unsecured issued securities					
Santander Consumer Bank AS	1 505 000	NOK	Floating	18.11.2016	1 505 000
Santander Consumer Bank AS	2 200 000	NOK	Floating	19.02.2018	2 200 000
Santander Consumer Bank AS	500 000	EUR	Fixed	10.06.2016	4 809 500
Santander Consumer Bank AS	750 000	EUR	Fixed	20.04.2018	7 214 250
Santander Consumer Bank AS	1 000 000	SEK	Fixed	12.06.2017	1 045 000
Santander Consumer Bank AS	500 000	SEK	Fixed	12.06.2018	522 500
Santander Consumer Bank AS	500 000	SEK	Floating	12.06.2018	522 500
Santander Consumer Bank AS	1 500 000	SEK	Floating	10.08.2017	1 567 500
Totals issued bonds					19 386 250
Repurchase					
Repurchased own issued bond					3 108
Total repurchased own securities					3 108
Total issued securities					19 383 142

NOTE 12 Valuation Hierarchy

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

All amounts in thousands of NOK		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial assets					
Name:	**Type:**				
Bilkreditt 4	Fixed amort.profile BK4		179 050		179 050
Bilkreditt 5	Fixed amort.profile BK5		215 928		215 928
Bilkreditt 6	Fixed amort.profile BK6		571 460		571 460
Bilkreditt 7	Pass-through swap BK7		158 228		158 228
TIVOLI	Basis swap (Back)		12 853		12 853
EMTN Bond	DKK fixed to float		7 199		7 199
New EMTN	DKK fixed to float		12 434		12 434
SEK EMTN Bond	SEK IRS		137		137
Total financial derivatives			1 157 289		1 157 289
Name:	**Type:**				
Government bonds and Treasury Bills	Bonds	2 782 558	-		2 782 558
Covered Bonds	Bonds	5 830 738	-		5 830 738
Total commercial papers and bonds *		8 613 296	-		8 613 296
Total		8 613 296	1 157 289		9 770 585
Financial liabilities					
Name:	**Type:**				
Bilkreditt 4	Pass-through swap BK4		163 915		163 915
Bilkreditt 5	Pass-through swap BK5		204 093		204 093
Bilkreditt 6	Pass-through swap BK6		543 253		543 253
Bilkreditt 7	Fixed amort profile BK6		158 228		158 228
EMTN Bond	DKK fixed to fixed		4 247		4 247
EMTN2 Bond	DKK fixed to fixed		840		840
EMTN2 Bond	DKK Fixed to Float		1 874		1 874
Total financial derivatives		-	1 076 450		1 076 450
Total		-	1 076 450		1 076 450

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

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for at normal market conditions. Highest level of quality in relation to fair value is based on quoted prices in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory authority and these prices represent actual and regularly occurring transactions at arm's length.

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 obtained from observable market data; this includes mainly prices based on identical instruments, but where the instrument is not sufficiently high trading frequency, as well as prices based on corresponding assets and price leading indicators that can be confirmed from market information. 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 mainly known due to contractual conditions, in addition to a marked regulated interest rate element. (e.g. EURIBOR)

Level 3:
Instruments at Level 3 contain no observable market data or traded on markets that are considered inactive.
The price is based mainly on own calculations, where actual fair value may deviate if the instrument were to be traded.

NOTE 13 Securitization

The company securitizes auto loan to customers by selling the loans to a special purpose company, which funds the purchase by issuing bonds with security in the assets. The portfolio of auto loans consists of financing of motor vehicles (including but not limited to cars, light commercial vehicles, motor homes, motorcycles) and the related collateral. At 31.12.2015, Santander Consumer Bank AS has sold auto loan portfolio to ten different SPV's. (See note 24 for a list of SPVs, ten of the SPVs are SPVs in Norway, Sweden and Denmark)

According to IAS 39, no derecognition of these sold assets is done in the company, as the company retains basically all the risk and reward of the transferred assets. The risk is retained through the company's ownership in the most subordinated tranche of the issued notes. Through the priority of payments, these notes take on all the losses before the prioritized notes. The reward is retained as SCB AS receive the margin between car loan costumer payments and payments to bondholders.

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

The table below shows the amount of un-derecognized securitized loans as of 31.12.2015 and the size of the liability in relation to securitization:

All amounts in thousands of NOK	2015	2014
Sold portfolio retined in the balance sheet	21 570 202	23 548 139

NOTE 14 Interest Expenses

The table show average interest rate in 2015 and 2014.
Average interest is calculated as actual interest expense through the year in percent of weighted average balance.

TO CREDIT INSTITUTIONS

All amounts in thousands of NOK	2015	2014
Interest expenses	305 923	490 633
Average loan	45 984 734	48 125 312
Average nominal interest rate	0,67%	1,02%

TO CUSTOMERS

All amounts in thousands of NOK	2015	2014
Interest expenses	467 579	382 732
Average deposit	27 734 936	13 652 540
Average nominal interest rate	1,69%	2,80%

TO BONDHOLDERS

All amounts in thousands of NOK	2015	2014
Interest expenses	205 769	78 106
Average issued notes and bonds	13 391 254	5 552 190
Average nominal interest rate	1,54%	1,41%

SUBORDINATED LOAN CAPITAL

All amounts in thousands of NOK	2015	2014
Interest expenses	211 513	210 285
Average subordinated loan capital	3 342 552	2 857 663
Average nominal interest rate	6,33%	7,36%

TOTAL

All amounts in thousands of NOK	2015	2014
Interest expenses	1 190 784	1 161 756
Loan	90 453 475	70 187 704
Average nominal interest rate	1,32%	1,66%

NOTE 15 Tax

All amounts in thousands of NOK	2015	2014
Tax payable	175 011	239 404
Adjustments in respect of prior years	3 763	-
Total current tax	178 774	239 404
Change in temporary differences	237 648	24 167
Impact of change in the Norwegian tax rate	-56 429	-
Currency effects	-6 034	-2 930
Adjustments in respect of prior years **	-	36 990
Total change in deferred tax	175 185	58 227
Income tax expense	353 959	297 631

All amounts in thousands of NOK	2015	2014
Profit before tax	1 513 121	1 330 114
Estimated income tax at nominal tax rate 27%	408 543	359 131
Tax effects of:		
- Income not subject to tax*	-213	-98 675
- Non deductible expenses	4 330	3 115
- Remeasurement of deferred tax due to change in Norwegian tax rate	-56 429	-
Adjustments in respect of prior years **	3 763	36 990
Currency effects	-6 034	-2 930
Tax charge	353 959	297 631

* Non-taxable dividend from subsidiary 365 985 recognized through P&L in 2014 (27% = 98 815).

The tax charge/credit relating to components of other comprehensive income is as follows:

		2015	
All amounts in thousands of NOK	Before tax	Tax (charge) /credit	After tax
Actuarial assumption related to pension	165 433	39 844	125 589
Cash flow hedges	-18 675	-4 638	-14 037
Value change of assets held for sale	67 317	4 032	63 285
Currency translation differences	38 366	10 333	28 032
Other comprehensive income	252 441	49 572	202 869
Tax payable		10 333	
Deferred tax		39 238	
Tax in OCI		49 572	

All amounts in thousands of NOK	2015	2014
Deferred tax assets/deferred taxes as at 1 January	453 694	431 504
Changes recognized in income statement	181 220	24 167
Changes recognized in OCI	39 238	-38 967
Transfer due to legal merger	-33 927	-
Adjustment of OCI opening balances	11 642	-
Adjustments in respect of prior years **	-	36 990
Net Deferred tax assets/deferred taxes at 31 December	651 867	453 694

SIGNIFICANT COMPONENTS OF DEFERRED TAX ASSETS AND LIABILITIES

All amounts in thousands of NOK	2015	2014
Fixed assets	2 739 407	2 236 676
Net pension commitments	-276 778	-346 364
Financial instruments	-20 161	-18 305
Net other taxable temporary differences	165 000	-191 658
Total deferred tax position	2 607 469	1 680 349
Fixed assets	684 852	603 902
Net pension commitments	-69 194	-93 518
Financial instruments	-5 040	-4 942
Net other taxable temporary differences	41 250	-51 748
Net Deferred tax assets/deferred taxes at 31 December	651 867	453 694

** A technical adjustment to align the Annual report to the tax submission in 2014.

Tax effect of different tax rates in other countries
SCB AS has operations in a number of countries whose tax rates are different from that in Norway. Taxes are paid in Norway and later credited by amount paid in other countries.

Change in tax rate
2015 figures: Relevant deferred tax balances have been re-measured as a result of the change in Norwegian tax rate from 27% to 25% that was substantively enacted in 2015 and that will be effective from 1 January 2016. The Danish tax rate has been further reduced by 1% in 2015 to 23,5% and there will be a further reduction by 1,5% to 22% in 2016.

2014 figures: The Danish tax rate has been reduced to 24,5%

Estimated taxes on tax-related losses which cannot be utilized
No deferred taxes are calculated on tax-related losses if the Group considers the future scope of such losses to be uncertain.

NOTE 16 Fixed assets, intangible assets and lease financing

All amounts in thousands of NOK	Machine, fittings, equipment	Intangible assets	Leasing portfolio (operational)	Total	Goodwill
Acquisition cost 1.1	79 862	291 126	-	370 988	123 415
Rate difference opening balance	1 935	6 560	-	8 495	7 347
Acquisition cost 1.1 rate 31.12	81 797	297 686	-	379 483	130 762
+ Acquired through legal merger 01.07	35 729	115 405	-	151 133	763 657
Rate difference legal merger balance	131	306	-	437	70 609
Additions during the year	48 356	63 249	-	111 605	-
Disposals during the year	-58 410	-7 717	-	-66 127	-
Impairment	-	-		-	-
Acquisition cost 31.12	107 602	468 928	-	576 531	965 028
Acc. ordinary depreciation 1.1	-46 705	-59 103	-	-105 808	-
Rate difference 01.01	-1 037	-3 441	-	-4 478	-
Acc. ordinary depreciation 1.1 rate 31.12	-47 741	-62 544	-	-110 285	-
+ Acquired through legal merger 01.07	-34 097	-105 614	-	-139 712	-545 486
Rate difference legal merger balance	-13	-247	-	-261	-50 438
Year's ordinary depreciation	-15 705	-56 758	-	-72 463	-
Impairment	-	-	-	-	-
Rate difference year's depreciation average rate	-507	-1 394	-	-1 901	-
Reversed depreciation on disposals	51 310	761	-	52 072	-
Acc. depreciation 31.12	-46 753	-225 797	-	-272 550	-595 924
Accrued fees and provisions	-	-	-	-	-
Book value in the balance sheet 31.12	60 849	243 132	-	303 980	369 105
Method on measurement	Acquisition cost	Acquisition cost	Acquisition cost		Acquisition cost
Depreciation method	Linear	Linear	Linear		-
Plan of depreciation and useful life	3 – 10 years	3 – 7 years	1 month – 10 years		-
Average useful life	5 years	5 years	3 years		-

Intangible assets include software. The useful life is evaluated annually.
Goodwill is related to purchase of the portfolio from Eik Sparebank in 2007.

NOTE 17 Financial lease

Santander Consumer Bank AS owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as loans to costumers included in "Financial leasing " in the balance sheet, and are valued at the present value of future cash flows.

PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS RECEIVABLE

All amounts in thousands of NOK	2015	2014
Due in less than 1 year	5 210 546	4 581 978
Due in 1 - 5 years	8 462 925	7 870 973
Due later than 5 years	44 451	36 454
Total present value of gross receivable from Financial lease	13 717 922	12 489 405

NOTE 18 Repossessed assets

All amounts in thousands of NOK	31.12.15	31.12.14
Vehicles	9 230	5 372
Net	9 230	5 372

The company classifies vehicles as repossessed assets where it is a court ruling or consent regarding transfer of property of the object. Repossessed assets are booked at the lowest value of book value of the default contract or the fair value according to an external valuation.

When sold the difference between the transaction price and booked value is recognized in the profit and loss statement.

NOTE 19 Pension

In Norway Santander Consumer Bank AS has a collective defined benefit pension scheme under the Act of Occupational Pension insured through DNB, which is closed to new entrants since 1 April 2007. In addition employees can take an early retirement pension at the age of 62 through the collectively agreed AFP scheme. This scheme only applies to employees in Norway and forms part of a collective agreement. The scheme gives the right to defined future benefits, which are mainly dependent on number of years worked, salary level at time of retirement and the amount of payment from national insurance fund. The agreement also includes a disability pension, a spouse's pension and a child pension. There are pension commitments to certain employees that comes in addition to the ordinary collective agreements. This applies to employees with salary above 12 G and others with supplementary pensions. Employees hired after 1 April 2007, has defined contribution pension schemes.

In Sweden Santander Consumer Bank AS has a collectively agreed pension scheme for the banking sector, the BTP plan.
The plan includes both defined benefit and defined contribution sections. Old-age, early retirement, disability and death benefits are provided under the BTP plan which are funded via insurance with different insurance providers.

The defined benefit pension schemes expose Santander Consumer Bank AS to risks associated with increased longevity, inflation and salaries and also market risks on plan assets.

Denmark and have defined contribution plans.

Starting 1 July 2015, the results below include the former GE Money Bank pension schemes acquired in Norway (supplementary pensions for employees with salary over 12G and certain employees between ages 65 and 67) and Sweden (BTP plan consistent with description above).

PENSION EXPENSES FOR DEFINED BENEFIT PLANS

All amounts in thousands of NOK	2015	2014
Present value of year's pension earnings	34 380	21 957
Curtailment (gain) / loss	615	-
Settlement (gain) / loss	-2 791	-
Interest cost on accrued liability	15 627	16 893
Interest income on plan assets	-8 087	-9 863
Allowance for taxes	7 176	4 404
Net Pension expenses	46 919	33 392

PENSION EXPENSES FOR DEFINED CONTRIBUTION PLANS

All amounts in thousands of NOK	2015	2014
Total expences	65 640	26 726

PENSION LIABILITIES IN BALANCE SHEET

All amounts in thousands of NOK	31.12.15	31.12.14
Pension funds at market value	444 914	272 443
Estimated pension liability	-721 692	-618 805
Net pension liability	-276 778	-346 362

The movement in the defined benefit obligation and fair value of plan assets over the year is as follows:

All amounts in thousands of NOK	Present value of obligation	Fair value of plan assets	Net pension liability
At 1 January 2014	-470 210	247 139	-223 071
Current service cost	-21 957	-	-21 957
Curtailment gain / (loss)	-	-	-
Settlement gain / (loss)	-	-	-
Interest expense / Income	-16 893	9 863	-7 030
	-38 850	9 863	-28 988
Remeasurements:			
- Return on plan assets	-	-4 694	-4 694
- Loss from change in demographic assumptions	-3 000	-	-3 000
- Loss from change in financial assumptions	-97 580	-	-97 580
- Loss from plan experience	-21 306	-	-21 306
- Change in asset ceiling		-	-
	-121 886	-4 694	-126 581
Exchange rate differences	-1 172	781	-391
Contributions:			
- Employer	5 963	36 265	42 229
- Plan participants	-	-	-
Payments from plans:			
- Benefit payments	11 754	-16 911	-5 156
Acquired in a business combination	-	-	-
Others	-4 404	-	-4 404
	12 141	20 135	32 277
At 31 December 2014	-618 805	272 443	-346 362

The movement in the defined benefit obligation and fair value of plan assets over the year is as follows:

All amounts in thousands of NOK	Present value of obligation	Fair value of plan assets	Net pension liability
At 1 January 2015	-618 805	272 443	-346 362
Current service cost	-34 380	-	-34 380
Curtailment gain / (loss)	-615	-	-615
Settlement gain / (loss)	2 791	-	2 791
Interest expense / Income	-15 627	8 087	-7 539
	-47 831	8 087	-39 743
Remeasurements:			
- Return on plan assets		665	665
- Gain/(Loss) from change in demographic assumptions	-260		-260
- Gain/(Loss) from change in financial assumptions	159 774		159 774
- Gain/(Loss) from plan experience	5 254		5 254
- Change in asset ceiling			-
	164 768	665	165 433
Exchange rate differences	-20 678	17 418	-3 260
Contributions:			
- Employer	18 670	32 634	51 304
- Plan participants			-
Payments from plans:			
- Benefit payments	15 559	-15 559	-
Acquired in a business combination	-226 166	129 226	-96 940
Others	-7 210		-7 210
	-219 825	163 719	-56 106
At 31 December 2015	-721 692	444 914	-276 778

The defined benefit obligation and plan assets are composed by country as follows:

	2015			2014		
All amounts in thousands of NOK	Norway	Sweden	Total	Norway	Sweden	Total
Present value of obligation	-471 534	-250 158	-721 692	-510 324	-108 481	-618 805
Fair value of plan assets	237 476	207 438	444 914	219 827	52 616	272 443
Total	-234 058	-42 720	-276 778	-290 497	-55 865	-346 362

The following assumptions have been used calculating future pensions:

	2015		2014	
	Norway	Sweden	Norway	Sweden
Discount rate	2,50%	3,50%	2,30%	2,50%
Inflation	N/A	1,75%	N/A	2,00%
Salary growth rate	2,50%	3,25%	2,75%	3,50%
Pension growth rate	2,10%	1,75%	2,35%	2,00%
Rate of social security increases	2,25%	2,75%	2,50%	3,00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2015		2014	
	Norway	Sweden	Norway	Sweden
Retiring at the end of the reporting period:				
- Male	21,9	22,1	21,8	21,1
- Female	25,2	24,9	25,0	23,6
Retiring 20 years after the end of the reporting period:				
- Male	23,8	23,8	23,7	23,1
- Female	27,2	26,0	27,1	25,5

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

IMPACT ON DEFINED BENEFIT OBLIGATION - NORWAY

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 19,67%	Increase by 26,37%
Salary growth rate	1,00%	Increase by 13,84%	Decrease by 10,98%

IMPACT ON DEFINED BENEFIT OBLIGATION - SWEDEN

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 27,33%	Increase by 38,58%
Salary growth rate	1,00%	Increase by 15,27%	Decrease by 13,12%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognized within the statement of financial position.

The main defined benefit pension schemes in Norway and Sweden are funded via insurance policies. The insurance companies have placed the assets in the consolidated portfolios of domestic and foreign interest bearing securities, shares, properties and other investment instruments.

The group's expected contributions for defined benefit plans, including pension payments paid directly by the company and pension related taxes, for the next financial year amount to 51,962 TNOK.

The weighted average duration of the defined benefit obligation is 22.6 years in Norway and 33.2 years in Sweden.

Expected maturity analysis of undiscounted pension benefit payments:

	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
At 31 December 2015					
Pension benefit payments	21 304	19 215	59 701	120 335	220 555

NOTE 20 Information on related parties

All values in thousands of NOK
Santander Consumer Bank has established a Remuneration Committee, and the Company established Remuneration Guidelines in 2011 to be aligned with FSA regulations. The Guidelines were updated in 2013 in accordance with the changes in the variable remuneration scheme for Senior Management Team.

The Guidelines apply to employees in the Company's operations in Norway, Denmark and Sweden, as well as the subsidiary in Finland. In addition, there are regulations for Senior Management employees with duties of material importance to risk exposure, employees heading the main control functions and directors.

The overall objectives are to support the Company's strategies for recruiting, retaining, developing and rewarding employees who contribute to creating shareholder value at the Company and to support the Company's performance culture. The Guidelines are intended to ensure the credibility, effectiveness and fairness of the Company's remuneration practices and the adequacy, proportionality and balance of the ratio of fixed versus variable salary. Additionally, the Guidelines intend to ensure that the overall remuneration structure reflects sound and effective risk management principles. As a result, a key element in these Guidelines is to counteract risk-taking that exceeds the level of tolerated risk at the Bank while, at the same time, offer a flexible remuneration structure.

The Guidelines are further intended to ensure that the total variable remuneration that the Company is committed to pay out will not conflict with the requirement of maintaining a sound capital base. Fixed salary to Senior Management Team is approved by the Corporate Compensation Committee and fixed salary to CEO Nordic is approved by the Board of Directors. Variable compensation to Identified Staff shall each year after being approved by the Corporate Compensation Committee be presented to the Remuneration Committee for approval before implementation. Variable compensation to the rest of the Senior Management Team is approved by the Corporate Compensation Committee only.

Senior Management Team is included in the Corporate Bonus Scheme (CBS). The CBS is decided by the Banco Santander S.A. Board of Directors and the Group Remuneration Committee on an annual basis. Each participant of the bonus scheme has a Base Bonus level which is the reference bonus.

Principles for Bonus Schemes to identified staff:
The scheme consists of four equal elements; 1) cash bonus, 2) unrestricted shares subject to 1 year of holding, 3) cash bonus subject to 1 year of holding with three years deferral and 4) shares subject to 1 year of holding with three years deferral. Based on this 50 % of the CBS bonus is awarded in shares and 50 % of the bonus is deferred.

Conditions for bonus scheme are to be based on a combination of an individual appraisal of each employee, the performance of the Company and Business Unit (except for those in Control functions), as well as the business of the Bank as a whole measured over a two year period, but the pool calculation is still measured against annual results, hereunder Annual Targets set each year in compliance with legislation.

The bonus scheme is based on the different methods for measuring results, such as Net Income, Risk adjusted PBT, Risk adjusted VMG targets etc. In addition, non-financial measures are employed, such as Employee satisfaction with leadership style and work environment, Compliance and Level of delivery of non-financial targets.

Granted options are not part of the corporate plan.

Remuneration for members of the Board of directors etc. is to be decided by the Supervisory Board (Representantskapet) subject to approval of the General Assembly.

Pension schemes
The Company offers different pension and insurance schemes in the Nordic countries:

Norway
1. Defined Benefit - Up to approximately 70 per cent of the final salary maximized to 12 G (G = Grunnbeløp, Base amount)
2. Contribution Benefit - Contribution is 5 per cent of salary between 1 G and 6 G, plus 8 per cent of salary between 6 G and 12 G, or 5 per cent of up to 7.1 G and 14 per cent of salary over 12 G
3. Pensions Scheme for wages above 12 G - Approximately 70 per cent of the final salary that exceeds 12 G

Sweden
The pension scheme is according to the collective agreement and is defined by promising different per cent of the pension entitling salary:
1. 10 % on salary up to 7,5 "Inkomstbasbelopp" (IBB)
2. 65 % of the salary-parts between 7,5 and 20 IBB
3. 32.5 % on salary-parts between 20 and 30 IBB

The pension is normally paid from the age of 65.

Denmark
Pensions Scheme with employer contribution 11.0 % of salary, and employee contribution 5.25 % of salary (Optional additional payment).

KEY MANAGEMENT COMPENSATION

Key management includes the Bank's identified staff. The tables below show the accrued salary, bonus, pension and compensations for CEO and other Key management:

All amounts in thousands of NOK	Salary	Bonus	Pension	Share based payments	Other benefits	Total 2015	Total 2014
Chief Executive Officer	2 450	467	57	467	627	4 068	4 119
* The current CEO, Michael Hvidsten, since March 28 2012.							

OTHER KEY MANAGEMENT

All amounts in thousands of NOK	2015	2014
Salary	14 412	9 852
Bonus *	2 142	1 113
Shares (see further details below) *	2 142	1 113
Pension	1 630	1 044
Other benefits	6 982	3 269
Total	27 308	16 391

In addition to the amounts above, the group is committed to pay the members of the Executive Committee in the event of a change of control in the group.

BONUS SHARES (PART OF CBS PROGRAM)

	CEO	Other key management	Total
Number of shares earned in 2015 *	12 182	55 901	68 083
Number of the shares earned in 2015 issued in 2015	0	0	0
Number of shares issued in 2015 based on deferrals from 2013	2 168	8 779	10 947
Number of shares issued in 2015 based on deferrals from 2012	748	2 432	3 180
Total Number of shares earned, but not issued per 31.12.2015 *	23 847	81 278	105 125

DEFINED SHARE VALUE

	2015	2014	2013
Share value - Banco Santander (EUR) *	3,97	6,19	6,68
Share value - Banco Santander (NOK) *	38	56	56

VALUE OF OUTSTANDIG SHARES 31.12.2015*

All amounts in thousands of NOK	CEO	Other key management	Total
Value of the shares earned, but not issued per 31.12.2015	906	3 089	3 995

Value of the shares earned, but not issued per 31.12.2015.

Value of shares is an estimate based on the share price decided by corporate level and the currency exchange rate per 22.01.16 .

BOARD OF DIRECTORS

All amounts in thousands of NOK		2015	2014
Erik Kongelf	Chairman	-	-
Bruno Montalvo Wilmot	Deputy Chairman	-	-
Javier Anton San Pablo	Member	-	-
Manuel Mendez	Member	-	-
Maria Del Rosario Vacas Roldan	Member (not a member 31.12.2015)	-	-
Bjørn Elvestad	Member (not a member 31.12.2015)	617	200
Henning Strøm	Member	617	200
Niels Aall	Member	595	-
Vibeke Hamre Krey	Employee representative	200	200
Stine Camilla Rygh	Deputy Employee representative	100	100
Ola Tillberg	Employee representative	67	-
Bent Ole Petersen	Deputy Employee representative	17	-
Ulla Aronen	Observer	17	-
Total		2230	700

SUPERVISORY BOARD

All amounts in thousands of NOK	Fees 2015	Fees 2014
Total	67	70

* Subject to change due to final approvals and fx rate at time of approval.

CONTROL COMMITTEE

All amounts in thousands of NOK		Fees 2015	Fees 2014
Finn Myhre	Chairman	145	
Egil Dalviken	Deputy Chairman	-	20
Tone Bjørnhov	Member	15	20
Terje Sommer	Deputy Member	119	-
Total		279	40

STAFF

	2015		2014	
All amounts in thousands of NOK	Number of employees as of 31.12	FTE year as of 31.12	Number of employees as of 31.12	FTE year as of 31.12
Norway	585	500	364	339
Sweden	391	335	95	87
Denmark	279	244	89	88
Total	1 255	1 080	548	514

AUDIT SERVICES AND ADVISORY SERVICES (WITHOUT VAT)

All amounts in thousands of NOK	2015	2014
Audit services	12 723	3 563
Other certification services	310	459
Tax advice	2 561	313
Other non-audit services	543	52
Total	16 137	4 386

NOTE 21 Ownership interests in group companies

Santander Consumer Bank AS owns 100% of the shares in Santander Consumer Finance OY. The address is Hermannin Rantatie 10, 00580 Helsinki, Finland. To reduce the risk related to changes in foreign exchange values it is established a hedge loan in EUR.

As of 31.12.2015 the following changes on the hedge loan and the owner interests in Santander Consumer Finance OY are booked:

All amounts in millions of NOK	
Historical cost price of the shares in Santander Consumer Finance OY	1 159
Change in value of hedge object	15
Book value of investment as 31.12.2014	1 174
Change in value of hedge object	73
Book value of investment as 31.12.2015	1 247

COMPANY NAME

All amounts in thousands of NOK	Share capital	Number of shares	Book value	Equity	Result 2015	Result 2014
	(1,2)		(1)	(1)	(1)	(1)
Santander Consumer Finance OY	692 529	600 000	1 246 681	1 895 564	336 035	287 495

(1) amounts in thousands of NOK
(2) Incl share capital premium

Investment is hedged with a fair value hedge, se note 22 for further details.

NOTE 22 Hedging

SCB AS has a fair value hedge on the investment in the subsidiary in Finland to hedge the fx risk on the investment.

FAIR VALUE HEDGE

	2015		2014	
All amounts in thousands of NOK	Book value 31.12	Amount recognized in P&L	Book value 31.12	Amount recognized in P&L
Hedging instrument (EUR-loan)	-1 238 787	-83 906	1 112 116	-112 532
Fx effect on equity in Finland	1 246 681	72 830	1 173 851	88 149
Net exposure over P&L		-11 076		-24 383

Fair value of instrument is equal to book value

The Group has Cashflow hedges on one bond issue in EUR to hedge value change due to interest rate changes.

CASH FLOW HEDGE

	2015		2014	
All amounts in thousands of NOK	Book value 31.12	Amount recognized in OCI	Book value 31.12	Amount recognized in OCI
Hedge instrument (SWAP)	7 575	-18 286	-1 657	564
Net exposure over OCI		-18 286		564

Fair value of instrument is equal to book value.

NOTE 23 Receivables and liabilities to related parties

DEBT TO RELATED PARTIES

All amounts in thousands of NOK	31.12.15	Accrued Interest 31.12.2015	31.12.15	Accrued Interest 31.12.2014
Balance sheet line: "Loans and deposits from credit institutions with an agreed term"				
Santander Benelux	5 876 906	21 670	21 633 569	43 993
Santander Consumer Finance S.A.	19 139 630	5 187	180 840	12
Debt to SPV on future cash flow of securitized loans	21 549 541	-	23 557 823	-
Total	46 566 077	26 857	45 372 232	44 005
Balance sheet line: "Subordinated loan capital" - Bonds				
MNOK 180, maturity September 2016, 3 months NIBOR +0.55% (Banco Santander S.A)	180 000	36	180 000	460
MNOK 80, maturity October 2017, 3 months NIBOR +1.75% (Santander Consumer Finance S.A)	80 000	399	80 000	41
MNOK 250, maturity March 2025, 3 months NIBOR + 2.2575% (Santander Consumer Finance S.A)	250 000	2 358	210 000	104
MNOK 210, maturity June 2019, 6 months NIBOR +3.43% (Santander Benelux)	-	-	117 546	23
MEUR 13 maturity December 2020 12 months EURIBOR +3,20% (Santander Consumer Finance S.A)	-	-	2 250 000	32 480
Hybrid capital - perpetual bond, 3M NIBOR + 6,50% (Santander Consumer Finance S.A)	2 250 000	30 440	-	-
MNOK 250, maturity July 2025, 3 months NIBOR+3.135% (Santander Consumer Finance S.A)	250 000	48	-	-
MSEK 750, maturity December 2024, 3 months STIBOR+2.2825% (Santander Consumer Finance S.A)	783 750	410	-	-
Total	3 793 750	33 691	2 837 546	33 109

RECEIVABLES ON RELATED PARTIES

All amounts in thousands of NOK	31.12.15	Accrued Interest 31.12.2015	31.12.15	Accrued Interest 31.12.2014
Balance sheet line: "Commercial papers and bonds"				
B and C notes issued by SPVs	7 161 574	1 769	6 451 550	904
Balance sheet line: "Deposits with and receivables on financial institutions"				
Subordinated loan to SPVs	-	-	2 202 248	663
Balance sheet line :"Other assets"	-	-	-	-
Loan to subsidiary (Santander Consumer Bank OY)	4 321 235	20 622	1 356 300	7 573
Subordinated loan to SPVs	1 885 448	1 521	-	-

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

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

NOTE 24 Transactions with related parties

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

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

Transactions with related parties in 2015 as presented in the table below:

All amounts in thousands of NOK	2015	2014
Interest income	999 808	1 655 091
Interest expenses	-1 550 328	-907 639
Fees	233 876	126 184
Net transactions	-316 644	873 636

Santander Consumer Bank AS has had transactions with the following related parties in 2015:

- Banco Santander S.A
- Santander Benelux B.V.
- Santander Consumer Finance S.A.
- Santander Consumer Bank OY
- Santander Insurance Europe Ltd.
- Santander Insurance Services Ireland Ltd.

SPV:
- Bilkreditt 1 Ltd.
- Bilkreditt 2 Ltd.
- Bilkreditt 3 Ltd.
- Bilkreditt 4 Ltd.
- Bilkreditt 5 Ltd.
- Bilkreditt 6 Ltd.
- Bilkreditt 7 Ltd.
- Dansk Auto Finansiering 1 Ltd.
- SV Autofinans 1 Ltd.
- SV Autofinans Warehousing 1 Ltd.
- SCF Ajoneuvohallinto Ltd.
- SCF Rahoituspalvelut Ltd.
- SCF Ajoneuvohallinta Ltd.
- SCF Rahoituspalvelut 2013 Ltd.
- SCFI Ajoneuvohallinto Ltd.
- SCFI Rahoituspalvelut Ltd.
- SCF Ajoneuvohallinto I Ltd.
- SCF Rahoituspalvelut I DAC

NOTE 25 Guarantee liabilities

All amounts in thousands of NOK	2015	2014
Contingent liabilities *	137 880	120 335
Commitments		
Granted undrawn credits	16 824 321	10 870 822
Pledged assets	257 649	160 586

* Contingent liabilities relates mainly to payment guarantees issued to customers.

NOTE 26 Result over total assets

All amounts in thousands of NOK	2015	2014
Profit after tax (PAT)	1 159 162	1 032 483
Total assets (Assets)	125 534 542	85 639 890
PAT over Assets	0,92%	1,21%

NOTE 27 Specification of certain items in balance sheet and income statement

OTHER ASSETS

All amounts in thousands of NOK	2015	2014
Account receivables	108 370	113 231
Guarantees	20	19
Intercompany receivables	6 293 312	1 453 219
Total other assets	6 401 701	1 566 469

OTHER DEBT

All amounts in thousands of NOK	2015	2014
Accounts payable	648 024	372 787
Tax payable	15 417	176 108
Intercompany debt	2 880	16 929
Withholding tax	12 869	61 325
VAT payable	-11 473	-
Total other debt	667 717	627 149

PREPAYMENTS AND EARNED INCOME

All amounts in thousands of NOK	2015	2014
Accrued interest	34 118	34 029
Insurance commission	87 290	71 038
Other prepaid expenses and accrued income	103 590	166 047
Total prepayments and earned income	224 998	271 115

INCURRED EXPENSES AND DEFERRED REVENUE

All amounts in thousands of NOK	2015	2014
Accrued interest	81 841	79 719
Prepaid insurance	176 451	75 513
Personnel costs	150 992	65 754
Sales commission	239 744	199 036
Other accrued expenses and deferred income	668 315	357 488
Total incurred expenses and deferred revenue	1 317 343	777 511

OTHER COMMISSIONS AND FEES INCOME

All amounts in thousands of NOK	2015	2014
Insurance commission	323 206	252 301
Other commissions and fees	252 344	221 210
Total other commissions and fees income	575 550	473 511

OTHER FEES AND COMMISSION EXPENSES

All amounts in thousands of NOK	2015	2014
Provision to Car dealers	141 375	126 626
Credit card fees paid by the bank	44 377	32 783
Other fees and commission expenses	37 579	28 799
Total other fees and commission expenses	223 331	188 208

OTHER OPERATING EXPENSES

All amounts in thousands of NOK	2015	2014
Capital loss from disposal of tangible assets	14 705	-
Rental costs	135 236	42 407
Other operating expenses	16 835	58 181
Total other operating expenses	166 776	100 588

Visa transaction

SCB AS own shares in Visa Norway, which is part of the transacation where Visa Inc. bought the shares in Visa Europe. SCB AS is entitled to a part of this transaction and has therefore reflected the estimated value in the balance sheet as an available for sale asset per 31.12.2015. The proceeds from the transactions are expected to be compensated by partly cash and shares in Visa Inc, but also through discounts on future fee payments to Visa. SCB AS' valuation of the future cashflows related to this transaction is performed on the available information in the market, and is the managements best estimate.

Portfolio sales

SCB AS performed two sales of portfolios in 2015, one in May 2015 for NOK 15,3 MM, and another sale in December 2015 of NOK 318,5 MM.

SCB AS performed two sales of portfolios in 2014, one in May 2014 for NOK 17,7 MM, and another sale in December 2014 of NOK 14,6 MM.

NOTE 28 Legal merger with Santander Consumer Bank AB

On July 1, the legal cross border merger with the sister company Santander Consumer Bank AB, organizational number 516401-9936 ("AB") was completed. All assets and liabilities of SCB AB was transferred to SCB AS measured at book value according to IFRS. The transfer of net assets resulted in an issuance of 310 394 930 new shares to the parent company of SCB AB. The issued shares had a par value of NOK 10 per share, increasing the share capital for NOK 3 103 MM, the merger lead to a merger difference of NOK 39,8 MM recognized in other equity.

All amounts in thousands of NOK	1 July 2015
Deposits with and loans to financial institutions	1 326 883
Net loans	18 754 762
Goodwill	218 172
Deferred tax assets	81 547
Other intangible- and fixed assets	11 422
Other assets	49 240
Total assets	20 442 025
Loans and deposits from financial institutions	8 880 824
Deposits from customers	7 120 079
Other debt	437 394
Deferred tax liability	47 620
Provision for pension	96 842
Subordinated loan capital	715 512
Total liabilities	17 298 271
Net assets transferred to SCB AS	3 143 754
Share issuance	-3 103 949
Merger difference	39 805

The merger was booked to full continuance for both tax and accounting purposes. The profit after tax for the company Santander Consumer Bank AB for the period 01.01.2015 to 30.06.2015 was transferred to the equity for the merged bank. The lending portfolio in SCB AB was measured according to Santander loss methodology at the time of the merger

The profit and loss statement for Santander Consumer Bank as of 30.06.2015 was as follows:

All amounts in thousands of NOK	SCB AB
Net interest income	1 086 943
Net commission income and income from banking services	21 554
Value change and gain/loss on foreign exchange and securities	-2 190
Oher operating income	547
Operating expenses, salaries, depreciation	-772 821
Losses on loans, guarantees etc.	-516 915
Operating result	-182 882
Total tax	-44 601
Profit after tax	-138 281

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To the Annual Shareholders' Meeting of Santander Consumer Bank AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Santander Consumer Bank AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company and the financial statements of the group comprise the balance sheet as at December 31, 2015, and profit and loss account, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Santander Consumer Bank AS and of the group as at December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Page 2
Independent Auditor's Report to the Annual Shareholders' Meeting of Santander Consumer Bank AS

Deloitte.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statement on Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and in the statement on Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, February 12, 2016
Deloitte AS

Jørn Borchgrevink
State Authorized Public Accountant (Norway)

Santander Consumer Bank

Santander Consumer Bank AS is a wholly-owned subsidiary of Santander Consumer Finance S.A. which is part of Grupo Santander, one of the world's leading banking groups. Santander Consumer Finance number one in the Eurozone within car and leisure finance. The company is represented in 14 countries in Europe, and the Nordic region is an area of prioritization.

Santander Consumer Bank AS's main products are auto and leisure finance, as well as consumer loans and credit cards (Gebyrfri Visa, Flexi Visa and Santander Red). The company is the Norwegian market leader in auto finance, and holds substantial operations in Sweden, Finland and Denmark.

The goal of Santander Consumer Bank AS is to be one of the leading companies in the Nordics. The company has 1 410 employees in Norway, Sweden, Finland and Denmark, and its total assets is NOK 135 billion.

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