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it's time  
to build  
a better  
future.

Financial Report

Q1 | 2022



## Highlights Q1

In Q1 2022 the Group's outstanding loans increased with 0,8 Bn in local currencies. However gross outstanding loans have decreased with 1% (2,6 Bn NOK) compared to year end 2021, mainly driven by stronger NOK towards, SEK, DKK, and EUR.

The Group's new lending has increased with 13 % in Q1 2022 compared to Q1 2021. The increase in 2022 is driven by strong Auto sales (up 18% compared to Q1 2021) especially in the used cars and private leasing segment. Unsecured sales in Q1 2022 were equal to Q1 2021 in local currencies, but down 1% on a consolidated basis due to a stronger NOK.

Net interest income decreased with 5% in Q1 2022 compared to Q1 2021. A significantly stronger NOK and a shift from high yield unsecured products to secured products is having a negative impact on interest income.

Net impairment losses improved with 28 MM NOK compared to Q1 2021 due to better performance in the Norwegian and Finnish markets and lower unsecured volumes.

The Group's profit before tax was 550 MM NOK in Q1 2022, a decrease of 32% compared to the same period last year driven by lower interest income and trading losses.

Profit Before Tax	Gross Outstanding Loans	Net interest income	Deposits
<b>550</b>	<b>172 978</b>	<b>1 722</b>	<b>70 668</b>
<b>-32%</b>	<b>-1%</b>	<b>-5%</b>	<b>-4%</b>



Auto  
**82%**



Unsecured  
**18%**

**% of Gross Outstanding**

Letter from CEO

## A trusted partner in uncertain times

The pandemic and war in Ukraine challenge the perception of what we thought could happen in our lifetime. It makes priorities shift and demands a lot from all of us.



“ Responding to the effects of a crisis at the same time as we don't lose sight of the long-term challenges, is the important task at hand as we move through 2022.

Almost two years after the lockdown of society, COVID-19-restrictions have finally been removed in the Nordic region and we have returned to a more normal life.

It makes for time to reflect on what impact it has had on people and society. We know that the pandemic has hit differently. Many of us have been fortunate to continue to work safely from home, and maybe even had the ability to save up some money. Others have seen their life savings disappear as they were struggling to keep their business afloat. Some have had to leave a job they loved due to the restrictions. As we hopefully move forward with the most serious part of the pandemic in the rearview mirror, we should be mindful that we are starting our post-pandemic lives from different perspectives.

As restrictions were lifted and our lives came back to normal, Russia invaded Ukraine, and Europe was hurled into yet another unprecedented crisis. At Santander, we have followed the situation closely. Moved by the stories coming out of a war-torn country, focused on our business continuity and that we as a bank comply with the international sanctions.

Partly as a result of these crisis, we are now witnessing rising energy prices and interest rates and global supply-chain challenges. We know that this impacts people and businesses in the times ahead.

### Responsible and sustainable

In a time of crisis, making sure that the financial system works and deliver on the needs of people and business is essential. But it is equally important that we do not lose sight of our long-term-commitments. For us that means being a trusted partner for all our customers and deliver on our responsible banking agenda.

The latest climate report from the United Nations paints a grim outlook. It will demand a substantial common effort to deliver on the emission targets in the Paris agreement. Santander wants to be a part of the solution of our biggest challenges. That is why Santander globally has sustainability at the top of the agenda with strong commitments in the years ahead, including bringing green finance to the market and phase out financing of thermal coal-related power and mining.

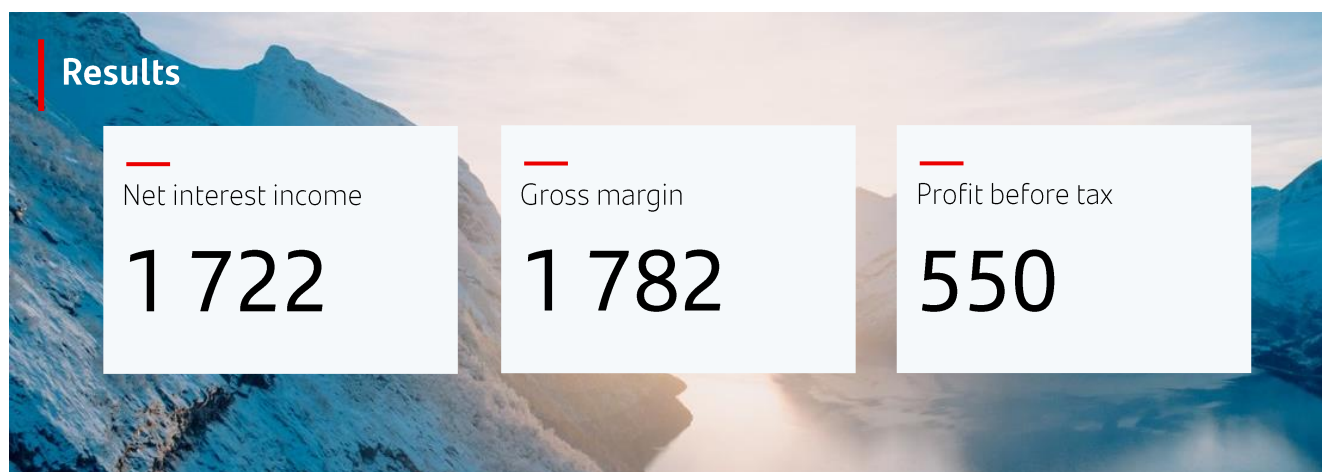
In the Nordics we are continuously learning more about our own carbon footprint and what we can do to reduce emissions. In the first quarter, our finance penetration is significantly higher for EVs than for non-EVs. So far in 2022, across the region, 36% of all new cars financed by Santander are EVs. 31% are hybrids. Our aim is as simple as it is hard; to establish an end-to-end sustainable value chain.

Responding to the effects of a crisis at the same time as we don't lose sight of the long-term challenges, is the important task at hand as we move through 2022.

Michael Hvidsten, CEO

# Q1 Financial Report of the Board of Directors 2022

Key figures Santander Consumer Bank Group



All amounts in millions of NOK	Q1 2022	Q1 2021	2021
<b>Net interest income</b>	<b>1 722</b>	<b>1 816</b>	<b>7 087</b>
Growth*	-5%	-4%	-7%
<b>Gross margin</b>	<b>1 782</b>	<b>1 949</b>	<b>7 406</b>
Growth*	-9%	4%	-5%
<b>Profit before tax</b>	<b>550</b>	<b>814</b>	<b>3 359</b>
Growth*	-32%	15%	24%
<b>Profit after tax</b>	<b>461</b>	<b>608</b>	<b>2 566</b>
Growth*	-24%	-4%	20%
<b>Total assets</b>	<b>182 793</b>	<b>192 626</b>	<b>192 357</b>
Growth*	-5%	-10%	-3%
<b>Net Loans to customers</b>	<b>168 095</b>	<b>168 808</b>	<b>170 640</b>
Growth*	0%	-10%	-3%
<b>Customer deposits</b>	<b>70 668</b>	<b>79 864</b>	<b>73 304</b>
Growth*	-12%	10%	-10%

\* Year on year

# Financial performance

## FINANCIAL PERFORMANCE FOR THE FIRST QUARTER OF 2022

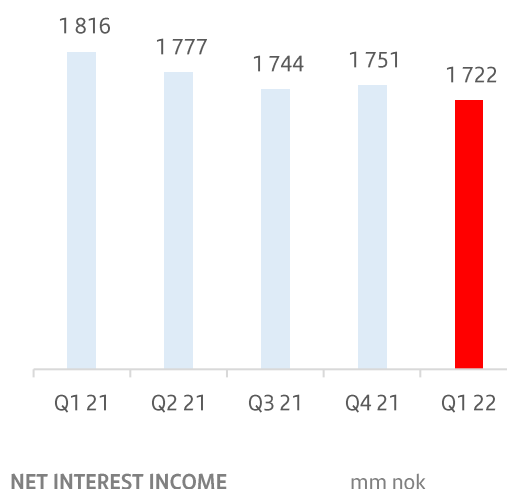
In Q1 2022 profit before tax for the Group amounted to 550 MM, down 32% compared to last year. The main driver of the decrease was lower interest income and trading losses, partly offset by lower losses due to better performance on the portfolio.

The Group's financial results for Q1 2022 showed a net interest income of 1 722 MM NOK, representing a decrease of 94 MM NOK from Q1 2021. The change in net interest income was due to lower interest income of 132 MM NOK, partly offset by lower interest expenses of 37 MM NOK compared to same period last year. Of the reduction in interest income, approximately 50 MM NOK was due to a decrease in outstanding loans to customers. 81 MM NOK was due to lower margins resulting from a shift in product mix towards more Auto loans with lower yields than Consumer lending. Lower outstanding loans in Q1 2022 compared to Q1 2021 have also resulted in lower need for funding that more than offset the increasing XIBORs resulting in the reduction of 37 MM NOK in total funding cost.

In the first quarter of 2022 the Group had a trading loss of 15 MM NOK compared to a trading gain of 68 MM NOK in Q1 2021. The change in trading gains from Q1 2021 to Q1 2022 is mainly due to foreign exchange (FX) effects on open positions in foreign currencies. At Q1 2021 the Group had an open liability position of 600 MM SEK with an appreciation of NOK versus SEK of 6%, resulting in a trading gain. In 2022 the Group do not have this open SEK position.

Operating expenses for the first quarter were 751 MM NOK, compared to 732 MM NOK in Q1 2021. The increase of 19 MM NOK was mainly driven by increased administrative expenses from IT license costs. On the other hand, the Group's Personnel expenses have been reduced due to fewer full-time employees after the reorganization.

Net impairment losses improved with 28 MM NOK, compared to Q1 2021 due to better performance in the Norwegian and Finnish markets and lower unsecured volumes.



# Loans and deposits performance

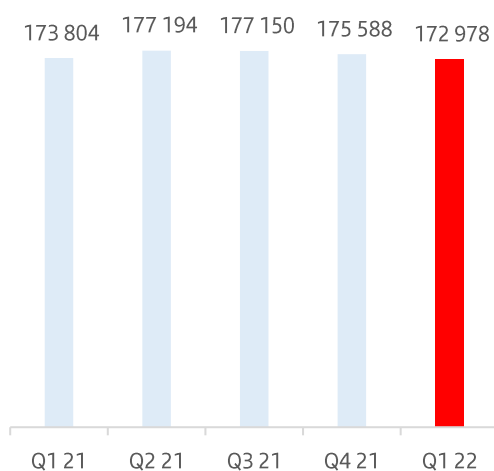
## LOANS TO CUSTOMERS

The Group's outstanding loans to customers were 173.0 Bn NOK at Q1 2022, a decrease of 1% (2.6 Bn NOK) compared to Q4 2021. A stronger NOK towards SEK, DKK and EUR lead to a decrease of 3.5 Bn NOK. There was an increase in the underlying lending in local currencies of 0.8 Bn NOK compared to year end 2021, mainly in the Norwegian and Swedish markets.

Loans to customers

1%

Decrease



GROSS LOANS TO CUSTOMERS

mm nok

## AUTO AND LEISURE FINANCING

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

In 2022 the demand for Hybrid and EV vehicles continues to rise. Recently rising fuel costs contribute to the trend. On the other hand the increased cost and shortage of raw materials and semi conductors, the war in the Ukraine and rising inflation all signal uncertainty in the market and postponement of major purchases by consumers.

Sales of new cars in 2022 started with 182 294 units (PC and LCV) in the Nordic markets, a decline of 21.9%. Used car sales decreased by 8% to 677 548 units compared to the previous year. In total the car sales have decreased 11.3%, but with major variations between the countries as well as between new and used cars.

### Financing the green shift

The CAFÉ regulations have come into effect in 2021, penalizing manufacturers which have a higher average CO2 emission. To meet the requirements, manufacturers increased production and registration of cars with zero and low CO2 emission, especially in markets with higher demand for EVs (including Norway and Sweden). Most manufacturers prioritize the vehicles with low emissions to meet requirements. A major push at the end of 2021 decreased the supply in the first months of 2022. Dealer stocks for most brands are at record low levels, also impacting the Wholesale Financing opportunity for the Group.

The acceleration of EV and Hybrid car adoption in the Nordic market will continue. While Norway leads with an EV share around 80%, the changes in the other markets are remarkable: In Q1 Sweden's EV share is well over 25%, Denmark nearing 20% and Finland is at 13%. So far in 2022, 36% of all new cars financed by Santander are EVs and 31% are hybrids. Finance penetration is significantly higher for EVs than for non-EVs, helped by the strong partnerships the Group has across the region.

## The Nordic market

The Swedish market, which is the largest in the Nordic shows a growing share of EV and Hybrids, both combined making up 60% of the market (EV 25%) in 2022. The total new car sales are down by 25.5% in new car sales. For used car sales the market is down by 14.4%. The Swedish market is prioritized by manufacturers due to high profit margins and growing EV and Hybrid sales.

In Norway sales were strong in 2021 and the drop in 2022 is significant. The new car registration went down by 14.3% and used car sales went down by 2.3%.

In Denmark sales decreased by 1.5% for used vehicles and 20.4% for new vehicles. Denmark is the only Nordic market where Diesel cars still have a sizeable presence although rapidly declining as well. The EV and Hybrid vehicles combined share increased to almost 40%. The Danish profit margins for original equipment manufacturer (OEMs) remains low and other markets continue to be prioritized.

Finland saw a decrease in new car sales of 23.1% and 9.4% in used cars. The EV and Hybrid vehicles made up 44% of car registrations in 2022.

## The Nordic market leader

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

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

Overall, in the Nordics, the Group is the market leader with a prime position in Finland, Norway and Denmark. The Swedish car finance market is dominated by captive lenders for the two largest brands, Volvo and Volkswagen. During Q1 however, the Group has become the market leader in Private Lease in Sweden.

Total outstanding on auto financing is 142.230 MM NOK, a decrease of 1.5% compared to last year.

## Future expectations

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



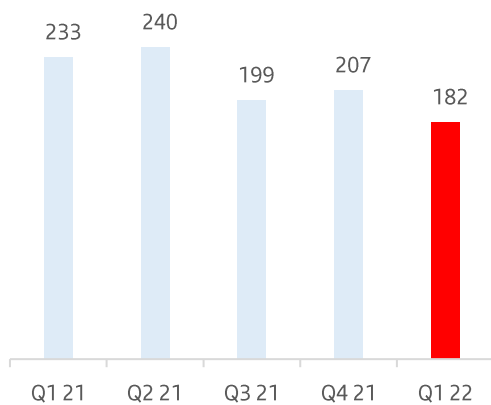
The demand for low emission cars will increase in all markets, supported by increased governmental incentives in most, for example revised taxation being more geared towards low emission vehicles. Exception will be Norway, which continues to phase out tax and other incentives on EV cars.

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

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

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

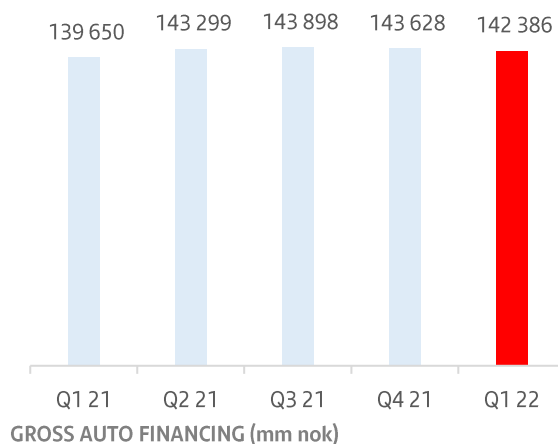
The Group has a strong position in the Nordic market and will further strengthen this position with its existing partnerships. In Q1 one of the key Nordic partnerships has been extended for five years, which underlines the Group's strong foundation within auto financing.



\*Personal cars and Light commercial vehicles

### SALES OF NEW CARS (PC AND LCV\*)

Units in thousands (Market in total)



## UNSECURED LENDING

During Q1 2022 Consumer Loans remain to be the main unsecured financing product. The Groups Consumer loans portfolio in Q1 2022 has decreased by -4,6% in outstanding volumes compared to Q4 2021.

The Norwegian Market has the largest portfolio decrease of -5,1% compared to Q4 2021. The Swedish Market is still the lead shareholder of the total Consumer loan portfolio with 56,5% of the total Nordic Market compared to 55,1% in Q4 2021.

The Group Consumer Loans sales increased by +3,6% in Q1 2022 compared to Q4 2021. In local currencies Consumer Loans sales increased by 31,8% in Norway, 14,1% in Denmark, 2,58% in Sweden and decreased by 6,3% in Finland.

The Groups Credit Card portfolio has decreased by -4,1% in Q1 2022 compared to Q4 2021, with the pandemic still in effect. Sales Finance is down -2,0%.

### Consumer Loans

The market dynamics of the past couple of years have intensified the need to adapt and improve products and digital processes to stay attractive and optimize business opportunities. During previous quarters and especially Q1 2022 the focus has been to adapt to these challenges. The Group have strengthened sales and market share in Denmark and grown sales in Norway, while maintaining a

strong position in Finland. There has been a decrease in sales and market share in Sweden driven by intensified competition.

### Adjusting to tightening regulations

Increased focus on consumer protection from the Financial Supervision Authorities (FSA) drives the shift towards debt-consolidation across the region. As a result, the expected growth in the broker channel is evident with the core customer value proposition being a price comparison agent for the customers. The Group have during Q1 onboarded additional brokers in the Danish market to strengthen market share and maintain market leader on Consumer loans.

The competition in the Consumer loans market in the region remains fierce. It is a constant battle to have the right products with the right prices, terms, tenors, and conditions as well as being compliant and on top of all regulatory requirements, always, and on time. The Group is well positioned to face the challenges ahead. During 2022 The Group will finalize the last migration of Consumer loans core systems in the region and by that strengthen the ability to change and reduce time to market on commercial initiatives.





## Sales Finance & Durables

The Group believes the consumer shift in consumer behavior moving to e-commerce will continue over the coming period and biggest growth for the retailers are within e-commerce sales channel.

The Group is well positioned to handle different segments challenges due the diversity of partners in the portfolio.

The Group continues to sign new deals in Denmark and Finland, and also expanding and leveraging existing deals in the different countries to a broader Nordic coverage. There is potential to explore and leverage for the future within existing partner portfolio to drive growth and enhance partner value, especially with the new target architecture for Sales Finance.

The focus on growing the Green energy financing sector will continue. The Group has continued the positive trend with growth in especially Denmark and Finland during Q1. There is more potential to grow in the whole region, especially within the solar panel and heat pump segments to further strengthen the position within the environmental, social, and governance (ESG) - area, and by that delivering on our responsible banking agenda.

The Nordic regulatory landscape has advanced the past couple of quarters to further strengthening consumer protection. The Group is determined to play an important role as a leading responsible bank and has hence, taken some relevant and responsible actions in Q1, leading to some negative impact for the approval rates in Sweden, Norway and Denmark.



## New platform to be introduced in the nordics

To meet changed consumer behavior moving more and more to e-commerce, The Group continues the journey to become a true regional financial supplier with strong product offer, and one single end point/API to drive enhanced value for the retailers on the Nordic market. Other strong market initiatives are also ongoing to further strengthen The Groups market position and growth ambitions. Grupo Santander has also launched a new Buy Now Pay Later platform – Zinia which is a very positive thing for the Group going forward leveraging a European payment platform, incorporating our strong local Nordic products into the partner offer.



## Cards & payments

During two years of restrictions due to Covid-19, new business volumes have been negatively affected by lockdowns and travel restrictions as the card offers are especially attractive for travelling, holidays and dining. With restrictions being eased in the region, the Group is experiencing a strong growth of volume. In Q1, the Norwegian market demonstrates solid growth, getting back to "normal" performance.

Whilst the Swedish unit is currently underperforming, we see future opportunities created through our migration to Salesforce. This will enable us to expand our sales channels and become more personalised in our customer offering and value proposition. This is part of the Groups strategy for Cards & Payments going forward. First in line is adding virtual capabilities to The Groups value proposition for Credit cards in Sweden.

The Group will continue to build a stronger card payment infrastructure with advanced data analytics to provide more commercially oriented and personalized campaigns. The Group continues the journey to be well positioned for challenges ahead and the strategy and initiatives for growth are solid.

## DEPOSITS

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

4%

Decrease

### Managing balances in a changing market

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

Total outstanding volumes for the Group is 70 668 MM NOK as of Q1 2022, representing a decrease of 2 618 MM NOK (-4%) compared to Q4 2021. The Group operates deposit platforms in three of its four home markets: Denmark, Norway and Sweden.

Volumes in the Danish platform represent the largest share of deposits within the three markets. Outstanding balances as of Q1 2022 were 28 168 MM NOK, ending the quarter 4% lower than Q4 2021. However, this decrease is largely due to the strengthening of the NOK compared to DKK. The high level of balances reflects the dynamics in the Danish deposit market, where the Group is one of the few banks offering non-negative yields. In 2020, the Group closed the Danish deposit products to new customers to maintain balances at current levels.

The Danish business offers both a demand product and a notification product. The notification product requires customers to notify any withdrawals 31 days in advance of the actual withdrawal.

The Norwegian business launched a notification product in Q3 2021 to complement its demand product offering and to align its product offerings with Sweden and Denmark. At the same time, the business also introduced a tiered structure to its pricing model to manage pricing competitively and to reward small savers. The Norwegian business had an outstanding balance of 22 457 MM NOK at the end of Q1 2022, representing a 1% reduction compared to Q4 2021.

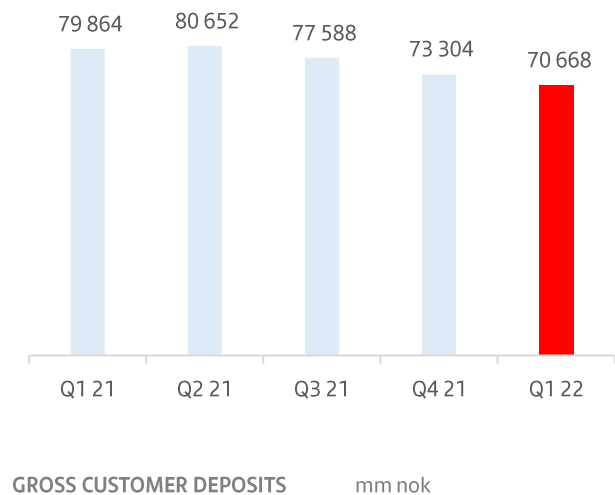
The Swedish business offers both a demand product and a notification product. In addition, the unit has an ongoing cooperation with a partner. While the Group's strategy is focused on building its in-house products, the cooperation provides additional flexibility for

managing the Swedish deposits portfolio. Outstanding volumes in Sweden stood at 20 043 MM NOK at the end of Q1 2022, which is approximately 6% lower compared to Q4 2021. Part of the reduction is due to the strengthening of the NOK compared to the SEK.

### Helping people prosper

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

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



# Insurance

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

225 000

Insured  
customers

## Enhancing digital capabilities

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

## New product for auto leasing in the Swedish market

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

## Point of sale in the Finnish market

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

## Digital point of sales for the Norwegian market

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

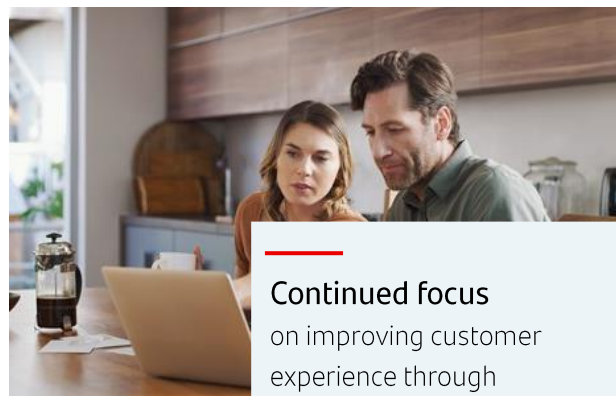
With the implementation of a digital point of sale solution, the Group will ensure that 100% of all auto customers are given a compliant insurance offer, which will decrease the acquisition cost, thereby making the point of sale channel more profitable.

## Enhanced regulations

The EU Insurance Distribution Directive regulate how insurance is distributed, with a goal of increasing consumer protection. It has as its

main aim to ensure that customers receive clear and adequate information provided by competent sales professionals. The Norwegian market has already responded to this regulation by adopting either free-start models or digital onboarding.

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

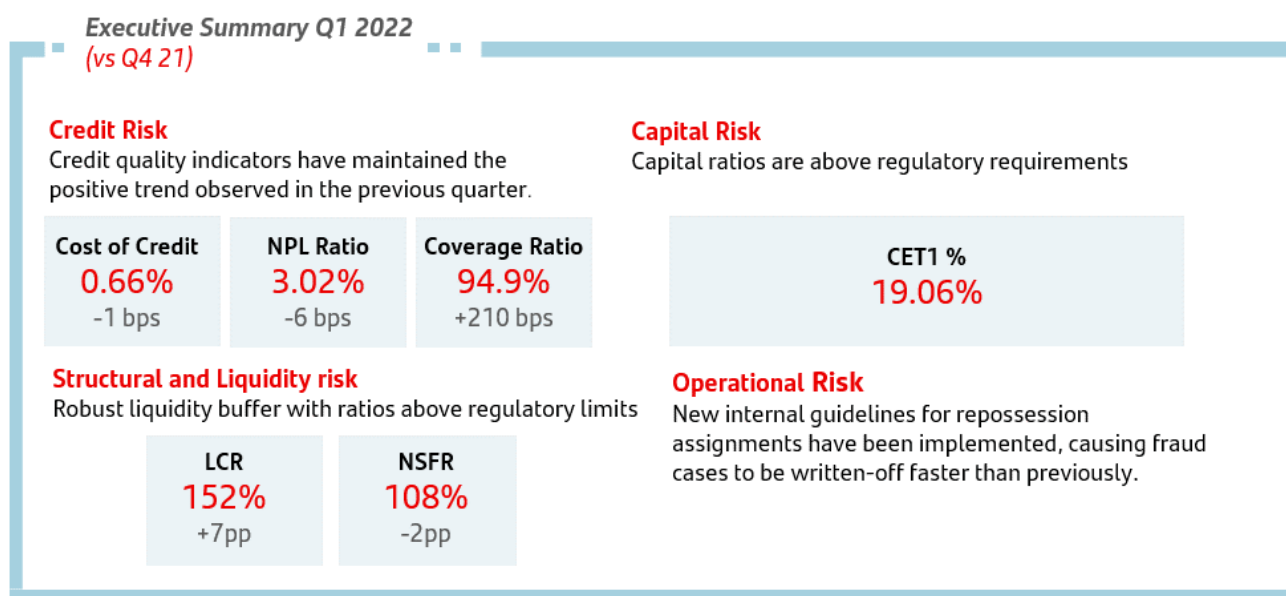


## Continued focus

on improving customer experience through optimization of current and new products

# Risk Management

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



The Nordic countries have mostly recovered from the COVID-19 pandemic and shown great resilience. Vaccination programmes have progressed successfully and made it possible to open up economies at a rapid pace. However, Russia's invasion of Ukraine has thrown the growth recovery from the COVID 19 pandemic into doubt: the economic damage is already being felt worldwide and risks are becoming increasingly severe and long-lasting. Amid the uncertainty, global economic growth is expected to be lower than was projected before the conflict, while inflation, already high at the start of the year, could be higher than it would have been if war had not broken out.

## Credit Risk

The Group's Credit Risk profile in Q1 2022 remained stable for the total portfolio, in line with business strategy. The consolidated Non-Performing Loans (NPL) Ratio ended at 3.02% (1.60% for Secured and 9.61% for Unsecured portfolios) in Q1 2022, compared to 3.08% in Q4 2021 (1.62% for Secured and 9.63% for Unsecured). The total loan loss reserves have slightly decreased from 5 015 MM NOK per Q4 2021 to 4 952 MM NOK per Q1 2022. The total reserves as of Q1 2022 of 4 952 MM NOK include 4 883 MM NOK related to loans to customers and 69 MM NOK connected to off-balance exposures. The group maintains its forward looking "post-COVID" model adjustments divided between specific customer

portfolio behaviors holding payment holidays and macroeconomic forward-looking factors.

The post model adjustments include reserves related to payment holiday of 109 MM NOK and forward-Looking factor reserves of 79 MM NOK. Payment holiday (PH) reserves are booked to cover the increased risk of future potential losses for customers that cannot deliver on upcoming payments after the PH expired. The macroeconomic forwards-looking factors scenario refers to the overall worsening of the macroeconomic indicators that lead to increased losses.

## Liquidity Risk and interest rate risk

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

The Group has a strong liquidity position, managed at Nordic level to ensure efficient use of liquidity across the Group and the liquidity risk management has been further strengthened during 2021. As of March 2022, the Group's LCR was 152 % and the NSFR was 108% (preliminary figure). Both metrics are comfortably exceeding the regulatory requirements.

As a result of the war in Ukraine, the financial markets have experienced high volatilities with elevated spread levels. Given the strong liquidity position for the Group, there is no immediate need

to access the funding markets in the shorter term. The Group also has a credit line with the parent company and can utilize this to manage short term liquidity needs also to the extent external funding might become unavailable or is considered unfavorable for a longer time period.

The Group's balance sheet composition is designed to ensure that interest rate risk is managed at prudent levels and within established limits. The Group policy is not to actively take on interest rate risk in its operations and continuously monitors the sensitivity of its net interest income (NIM) and equity value (MVE) to changes in interest rates. The exposure to interest changes on both metrics are within defined limits per end of March 2022

### Foreign currency risk

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

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

The total open currency exposure as of March 2022 was 2.175 MM NOK equivalent for consolidated SEK, DKK, and EUR exposures, which is comfortably inside the defined FX exposure limits for the Group in 2022.

### Operational risk

The Group defines operational risk as the risk of losses from defects or failures in internal processes, people, systems, or external events. It covers risk categories such as fraud, technological, cyber-risk, legal<sup>1</sup> and conduct risk, however it does not include events arising due to strategic or reputational risk. Operational risk is inherent to all products, activities, processes, and systems. It is generated in all business and support areas. Our Operational risk management and control model is based on a continual process of identifying, evaluating, reporting, and mitigating sources of risk, regardless of whether they have materialized or not, ensuring that risk management priorities are established appropriately.

The operational risk focus in 2021 was on adequate management of continuity risks due to the COVID-19 outbreak, as well as bringing attention towards special operational risk areas such as fraud, cyber security, and vendor risk management in relation to monitoring and management of ongoing projects. In 2022, the focus on these areas continues, as well as continuous monitoring of the situation in Ukraine. Two Operational risk related events were internally identified and reported to the parent company, one of the events was also reported to the Norwegian FSA. An improvement initiative is ongoing with the aim of addressing the identified deficiencies under the close monitoring of management. Overall, however, SBC's operational risk profile is expected to remain stable within medium-low risk profile in 2022.

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<sup>1</sup> Legal processes with an operational risk root cause

# Funding

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

80%  
Self-funding

## SELF-FUNDING RATIO

### A diversified funding platform

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

Self-funding sources totaled 80% per Q1 2022, with parent company loans providing the remaining 20%. Customer deposits is the largest funding source, comprising 48% of total funding at end of Q1 2022 and have a total outstanding volume of 70 668 MM NOK across the three Nordic markets where the Group is present. Conversely, unsecured issuance has been limited to offset the strong amount of deposits funding. Total outstanding bond and certificate issuance increased in Q1 2022, standing at 35 133MM NOK or 24% of total funding. Senior unsecured issuance and certificates outstanding end of Q1 2022 include 2 500 MM EUR in the Euro market, 6 853 MM SEK in the Swedish market, 750 MM DKK in the Danish market and 3 599 MM NOK in the Norwegian market. The Group have temporarily scaled back our presence in the certificates of deposits market in Norway and Sweden, and currently do not have any outstanding certificates as of end Q1 2022.

The weighted average remaining term to maturity, excluding certificate issuances, is 1.74 years. This number fluctuates somewhat and typically remains around 2 years.



### The Green Bond program

The Group launched its inaugural Green Bond issuance in February 2020, following the publication of the Green Bond Framework in December 2019. The transaction was issued in the Swedish market, with a size of 1 000 MM SEK. In Q1, there have been no new issuances. Consistent with the Framework, the transactions are supported solely by the sizeable EV portfolio in the Norwegian market.

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

### Ratings

The Group is rated by Fitch (A-/F2/Outlook Stable) and Moody's (A3/P2/Outlook Stable). The rating was first received in 2016 and has been maintained at the same level since then.

## Securitisations

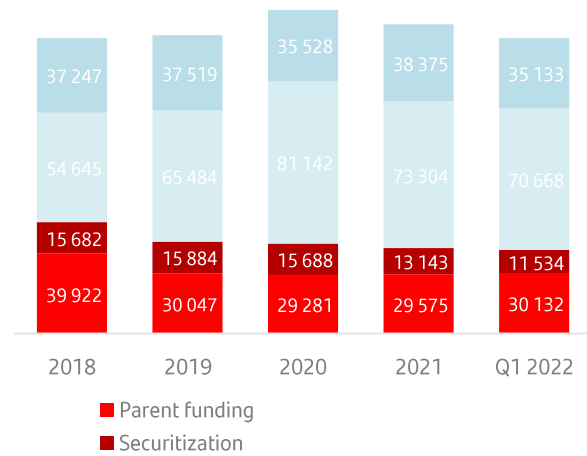
The Group has not accessed the asset-backed securities market year-to-date Q1 2022. Securitisation issuance in Norway has been paused due to the change in Norwegian law in 2016. Securitizing the Finnish portfolio, however, remains a consistent source of funding, since SCF OY was not impacted by the regulatory change. As a result, the amount of funding received from the securitisation markets has remained stable over the past five years, providing approximately 10% of the Group's funding since 2016. The last Finnish transaction closed in October 2021. Total outstanding volumes in securitisations currently equals 11 300 MM NOK.

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

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

FUNDING COMPOSITION

mm nok



# Solvency and Capital Adequacy

The Group closed the first quarter of 2022 with a good margin above the minimum regulatory capital requirements and is well positioned to meet present and future increases in capital requirements. Following a dividend distribution of 1.7 Bn NOK to its main shareholder Santander Consumer Finance S.A. in Q4 2021, the General Meeting has approved a further 2.0 Bn NOK dividend payment in February earlier this year.

## Capital position

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

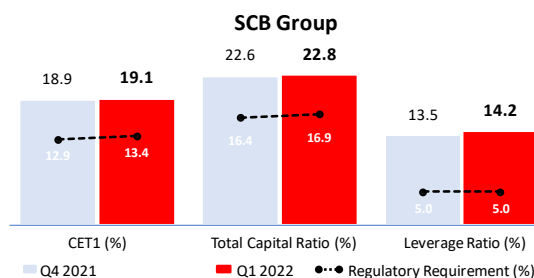
Since December 2018, the Group has elected capital ratios using IFRS9 transitional rules as the official ratios required to meet the minimum capital requirements set forth by regulatory authorities. From Q1 2022 and going forward, the Group will report its official capital ratios under the fully loaded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

The common equity Tier 1 (CET1) ratio of the Group has slightly increased from 18.89% per 31.12.21 to 19.06% per 31.03.22. The corresponding numbers for SCB AS is an increase from 18.34% to 18.86%. The improvement is driven by a decrease in risk weighted assets mostly explained by NOK strengthening versus SEK, DKK and EUR.

Following the dividend payment of 1.7 Bn NOK in Q4 2021, the General Meeting has approved in February earlier this year, a dividend distribution of 2.0 Bn NOK. The dividend relates to almost 100% of profit after tax for SCB AS for the financial year 2021. Both dividend payments have impacted Q4 2021 capital ratios.

The leverage ratio for the Group has increased from 13.52% per 31.12.21 to 14.18% per 31.03.22. The corresponding numbers for SCB AS is an improvement from 13.84% to 14.52%.

The bank remains with a solid capital position and has a healthy buffer above capital requirements. The CET1 ratio for the Group was 5.66%-points above the regulatory requirements (including Pillar 2 guidance) per 31.03.22, while SCB AS had a CET1 ratio which was 5.63%-points above the regulatory requirement. The leverage ratios are well above the 5% regulatory requirement.



## CAPITAL ADEQUACY



### SCB Group

Actuals	Q4 2021	Q1 2022
<b>CET1 capital ratio</b>	<b>18.9 %</b>	<b>19.1 %</b>
<b>Tier 1 capital ratio</b>	<b>20.6 %</b>	<b>20.9 %</b>
<b>Total capital ratio</b>	<b>22.6 %</b>	<b>22.8 %</b>
<b>Leverage ratio</b>	<b>13.5 %</b>	<b>14.2 %</b>
Capital requirements	Q4 2021	Q1 2022
<b>CET1 capital ratio</b>	<b>12.9 %</b>	<b>13.4 %</b>
Minimum Core Equity	4.5 %	4.5 %
Pillar 2 Requirement	3.3 %	3.3 %
Pillar 2 Guidance	1.0 %	1.5 %
Countercyclical Buffer (combined)	0.3 %	0.3 %
Conservation Buffer	2.5 %	2.5 %
Systemic Risk Buffer (combined)	1.3 %	1.3 %
<b>Tier 1 capital ratio</b>	<b>14.4 %</b>	<b>14.9 %</b>
<b>Total capital ratio</b>	<b>16.4 %</b>	<b>16.9 %</b>
<b>Leverage ratio</b>	<b>5.0 %</b>	<b>5.0 %</b>

Capital ratios SCB Group

### SCB AS

Actuals	Q4 2021	Q1 2022
<b>CET1 capital ratio</b>	<b>18.3 %</b>	<b>18.9 %</b>
<b>Tier 1 capital ratio</b>	<b>20.2 %</b>	<b>20.8 %</b>
<b>Total capital ratio</b>	<b>22.2 %</b>	<b>22.8 %</b>
<b>Leverage ratio</b>	<b>13.8 %</b>	<b>14.5 %</b>
Capital requirements	Q4 2021	Q1 2022
<b>CET1 capital ratio</b>	<b>13.0 %</b>	<b>13.6 %</b>
Minimum Core Equity	4.5 %	4.5 %
Pillar 2 Requirement	3.3 %	3.3 %
Pillar 2 Guidance	1.0 %	1.5 %
Countercyclical Buffer (combined)	0.3 %	0.3 %
Conservation Buffer	2.5 %	2.5 %
Systemic Risk Buffer (combined)	1.4 %	1.4 %
<b>Tier 1 capital ratio</b>	<b>14.5 %</b>	<b>15.1 %</b>
<b>Total capital ratio</b>	<b>16.5 %</b>	<b>17.1 %</b>
<b>Leverage ratio</b>	<b>5.0 %</b>	<b>5.0 %</b>

Capital ratios SCB AS

### Current and future capital requirements

Following communications from Nordic regulators, countercyclical buffer requirements ("CCyB") will increase and are expected to reach 2.5% in Norway and Denmark in 2023 and in Sweden in 2024. The Group continuously updates developments on buffer requirements in its capital planning and is well positioned to meet present and future increases in capital requirements.

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

### Regulatory

In the spring of 2019, the EU adopted what is collectively called the "Banking Package", including changes to EU's capital requirements legislation and the Bank Recovery and Resolution Directive, CRR II, CRD V and BRRD II, which entered into force in the EU from the spring of 2021. The Norwegian implementation has been delayed but the Norwegian FSA has now confirmed that it will enter into force in Norway from June 2022. The bank is well positioned to meet the changes to capital requirements and do not expect the changes to have material impact on the bank's capital position.

The Group uses the advanced IRB-approach for the private auto portfolios in Norway, Sweden and Finland. In July 2021, the Group submitted updated IRB models to the Joint Supervisory Team incorporating new regulations and guidelines.

The Norwegian FSA has informed that the bank should expect to receive a formal MREL requirement once the BRRD II enters into force in Norway from June 2022. The bank should expect to meet full MREL requirement by January 2024 with linear phase-in. MREL eligible debt will be internal funding provided by the Santander Group.

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

# Regulatory Changes

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

## Consumer protection

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

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

The new Norwegian Financial Agreements Act is expected to enter into force 1.1.2023. The new Norwegian Insurance Distribution Act has been adopted and will enter into force on 1 July 2022. In Sweden, a proposal for the implementation of EU's directive on modernized consumer protection has been issued. In Finland, there are several proposals for amendments to the consumer protection legislation.

## Data privacy

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

## Implementation of the EU's "Banking Package"

In the spring of 2019, the EU adopted what is collectively called the "Banking Package" or the "Risk Reduction Package", including changes to EU's capital requirements legislation and the Bank Recovery and Resolution Directive, CRR II, CRD V and BRRD II. The Norwegian implementation has been delayed but it has now been communicated that the requirements implementing the "Banking Package" will enter into force 1 June 2022.

## Increase in countercyclical capital buffer in Norway

The countercyclical capital buffer in Norway will gradually increase from 1 % to 1,5 % effective from 30 June 2022, to 2,0 % effective from 31 December 2022 and to 2,5 % with effect from 31 March 2023.

## Responsible banking

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

# Strategic priorities to stay in the lead

## THE BANKING SECTOR LANDSCAPE

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

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

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

### Corporate strategy

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

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

As part of the Group corporate strategy, four long-term primary measures were determined that reflects the commitment to delivering long term stakeholder value.

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

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



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



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



**Work collaboratively** – Organisational model underpinned by collaboration and engagement.

### Strategic focus areas

During Q1 2022, the Group continue to operationalise and execute on its corporate strategy Key areas of progress made include:

Developed and communicated Nordic product strategies aligned to corporate strategy that outlines the Group's commercial value propositions and clearly defines how, and where, stakeholder value will be created.

As a key objective within the Nordic Responsible Banking agenda, initiated the development of an inaugural Nordic Sustainability Report. The report will be constructed in line with established international standards including the Task Force on Climate Disclosures (TCFD) and the Global Reporting Initiative (GRI).

The Group continued to support mobility electrification, a strategic focus area, by financing 4 613 new electric vehicles ("EVs"), representing 16,17% of all EVs purchased in the Nordic region in Q1 2022.

Maintained good progress with respect to digital capability transformation, ensuring that the Group possesses a modern infrastructure that will enable greater connectivity to customers and partners whilst releasing desired efficiencies.

Lysaker, 13<sup>th</sup> May 2022

# The Board of Directors of Santander Consumer Bank

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**Jørn Borchgrevink**  
Chair

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**Federico Ysart**  
Deputy Chair

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**Pedro de Elejabeitia**  
Board Member

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**Anne Kvam**  
Board Member

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**Ramón Billordo**  
Board Member

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**Tina Stiegler**  
Board Member

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**Tone Bergsaker Strømsnes**  
Employee Representative

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**Sara Norberg**  
Employee Representative

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**Michael Hvidsten**  
Chief Executive Officer

## Profit and Loss - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q1 2022	Q1 2021	FY 2021
Total interest income*		1 925	2 057	7 982
Total interest expenses		-203	-241	-895
<b>Net interest income</b>	9	<b>1 722</b>	<b>1 816</b>	<b>7 087</b>
Fee and commission income		118	136	556
Fee and commission expenses		-52	-63	-238
Value change and gain/loss on foreign exchange and securities		-15	68	30
Other operating income		85	75	317
Other operating expenses		-77	-83	-345
<b>Gross margin</b>	9	<b>1 782</b>	<b>1 949</b>	<b>7 406</b>
Salaries and personnel expenses		-331	-371	-1 360
Administrative expenses		-355	-300	-1 265
Depreciation and amortisation		-65	-62	-246
<b>Net operating income**</b>		<b>1 031</b>	<b>1 216</b>	<b>4 536</b>
Other income and costs		-106	0	-10
Impairment losses on loan, guarantees etc.	3, 4, 5, 13	-375	-403	-1 166
<b>Profit before tax</b>		<b>550</b>	<b>814</b>	<b>3 359</b>
Income tax expense		-89	-205	-793
<b>Profit after tax</b>		<b>461</b>	<b>608</b>	<b>2 566</b>
<b>Allocation of profit after tax</b>				
Transferred to other earned equity		428	579	2 448
Transferred to additional Tier 1 capital	16	32	30	118
<b>Total allocations</b>		<b>461</b>	<b>608</b>	<b>2 566</b>
<b>Profit after tax</b>		<b>461</b>	<b>608</b>	<b>2 566</b>
<i>Items not to be recycled to profit and loss</i>				
Actuarial gain/loss on post-employment benefit obligations		-	-	58
<i>Items to be recycled to profit and loss</i>				
Net exchange differences on translating foreign operations		-108	-268	-278
Measured at FVTOCI		0	-1	-18
Cash flow hedge		20	10	38
Net investment hedge		25	158	150
<b>Other comprehensive income for the period net of tax</b>		<b>-62</b>	<b>-100</b>	<b>-49</b>
<b>Total comprehensive income for the period</b>		<b>399</b>	<b>508</b>	<b>2 517</b>

\* Total interest income calculated using the effective interest method

\*\* Net operating income before impairment losses on loans

## Balance Sheet - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q1 2022	Q1 2021	2021
<b>Assets</b>				
Cash and receivables on central banks	10	2 656	4 886	3 784
Deposits with and receivables on financial institutions	10	3 733	10 043	4 391
Loans to customers	3, 4, 5, 10, 12	168 095	168 808	170 640
Commercial papers and bonds	10	4 649	4 392	9 672
Financial derivatives	10, 11	173	13	59
Reposessed assets		49	50	62
Other ownership interests	10, 11	20	37	20
Intangible assets		1 222	1 263	1 276
Fixed assets		954	1 142	1 014
Other assets		1 240	1 992	1 440
<b>Total assets</b>		<b>182 793</b>	<b>192 626</b>	<b>192 357</b>
<b>Liabilities</b>				
Debt to credit institutions	10, 15	30 207	28 580	30 443
Deposits from customers		70 668	79 864	73 304
Debt established by issuing securities	10, 14	46 667	47 569	51 518
Financial derivatives	10, 11	172	5	53
Tax payable		166	9	192
Other financial liabilities		342	359	402
Deferred tax		1 174	982	1 277
Pension liabilities		48	139	49
Other liabilities		2 713	3 010	2 801
Subordinated loan capital	10, 15	2 414	2 474	2 463
<b>Total liabilities</b>		<b>154 572</b>	<b>162 992</b>	<b>162 502</b>
<b>Equity</b>				
Share capital		10 618	10 618	10 618
Share capital premium		1 926	1 926	1 926
Additional Tier 1 capital		2 250	2 250	2 250
Other equity		13 413	14 815	14 985
OCI items		14	26	76
<b>Total equity</b>		<b>28 221</b>	<b>29 634</b>	<b>29 855</b>
<b>Total liabilities and equity</b>		<b>182 793</b>	<b>192 626</b>	<b>192 357</b>

## Cash Flow - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q1 2022	Q1 2021	FY 2021
<b>Cash flow from operations</b>				
Profit before tax		550	814	3 359
Adjustments for:				
- Depreciation, amortisation and impairment on fixed and intangible assets		65	101	246
- Net interest income	9	-1 722	-1 816	-7 087
- Value change and gain/loss on foreign exchange and securities		15	-68	-30
- Dividends on financial assets at FVOCI		-	-	-
Changes in:				
- Loans to customers	12	-843	1 319	-840
- Operating lease assets		35	75	161
- Repossessed assets		18	-33	-56
- Other assets		200	283	1 141
- Deposits from customers		-1 114	1 549	-4 856
- Other liabilities and provisions		-124	-643	-336
Interests received		1 925	2 057	7 982
Dividends received		-	-	-
Interests paid		-203	-290	-895
Net income taxes paid		-155	-223	-361
<b>Net cash flow from operations</b>		<b>-1 354</b>	<b>3 123</b>	<b>-1 572</b>
<b>Cash flow from investments</b>				
Purchase of bonds		-11 662	-855	-20 454
Proceeds from matured bonds		16 801	3 138	17 077
Purchase of fixed and intangible assets		-19	-31	-233
Proceeds from sale of fixed and intangible assets		23	1	19
<b>Net cash flow from investments</b>		<b>5 144</b>	<b>2 254</b>	<b>-3 591</b>
<b>Cash flow from financing</b>				
Proceeds from issued securities		5 019	489	12 518
Repayments of issued securities		-8 988	-2 076	-9 813
Payments related to leasing liabilities		-25	-	-80
Change in loans and deposits from credit institutions		688	769	2 718
Proceeds from issue of subordinated loans	15	-	-	-
Repayment of subordinated loans	15	-	-250	-250
Dividend payments		-2 000	-	-1 700
Interest payments on additional Tier 1 capital	16	-32	-30	-118
<b>Net cash flow from financing</b>		<b>-5 338</b>	<b>-1 097</b>	<b>3 276</b>

	Note	Q1 2022	Q1 2021	FY 2021
<b>Exchange gains / (losses) on cash and cash equivalents</b>		-237	48	-539
Net change in cash and cash equivalents		-1 785	4 328	-2 426
Cash and cash equivalents at the beginning of the period		8 175	10 601	10 601
<b>Cash and cash equivalents at the end of the period</b>		<b>6 390</b>	<b>14 929</b>	<b>8 175</b>



## Statement of changes in equity - Santander Consumer Bank Nordic Group

Q1 2022

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured at FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
<b>Balance at 1 January 2022</b>	<b>10 618</b>	<b>1 926</b>	<b>2 250</b>	<b>14 985</b>	<b>140</b>	<b>20</b>	<b>27</b>	<b>-43</b>	<b>-68</b>	<b>29 855</b>
Profit for the period	-	-	32	428	-	-	-	-	-	461
OCI movements (net of tax)	-	-	-	-	-108	0	20	25	-	-62
Interest payments additional Tier 1 capital	-	-	-32	-	-	-	-	-	-	-32
Dividend	-	-	-	-2 000	-	-	-	-	-	-2 000
<b>Balance at 31 March 2022</b>	<b>10 618</b>	<b>1 926</b>	<b>2 250</b>	<b>13 413</b>	<b>32</b>	<b>20</b>	<b>47</b>	<b>-18</b>	<b>-68</b>	<b>28 221</b>

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

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

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

## Financial Year 2021

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

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

Restricted capital as at December 31, 2021, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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

## Profit and Loss - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q1 2022	Q1 2021	FY 2021
Total interest income*		1 649	1 754	6 781
Total interest expenses		-190	-221	-834
<b>Net interest income</b>	9	<b>1 459</b>	<b>1 533</b>	<b>5 948</b>
Fee and commission income		102	119	491
Fee and commission expenses		-47	-58	-217
Value change and gain/loss on foreign exchange and securities		-9	52	8
Other operating income		58	40	191
Other operating expenses		-45	-45	-205
<b>Gross margin</b>		<b>1 519</b>	<b>1 641</b>	<b>6 216</b>
Salaries and personnel expenses		-283	-308	-1 180
Administrative expenses		-305	-254	-1 063
Depreciation and amortisation		-59	-53	-210
<b>Net operating income**</b>		<b>871</b>	<b>1 026</b>	<b>3 764</b>
Other income and costs		-99	-0	-15
Impairment losses on loan, guarantees etc.	3, 4, 5, 13	-334	-331	-1 039
<b>Profit before tax</b>		<b>438</b>	<b>694</b>	<b>2 709</b>
Income tax expense		-104	-181	-690
<b>Profit after tax</b>		<b>334</b>	<b>513</b>	<b>2 020</b>
<b>Allocation of profit after tax</b>				
Transferred to other earned equity		302	483	1 902
Transferred to additional Tier 1 capital	16	32	30	118
<b>Total allocations</b>		<b>334</b>	<b>513</b>	<b>2 020</b>
<b>Profit after tax</b>		<b>334</b>	<b>513</b>	<b>2 020</b>
<i>Items not to be recycled to profit and loss</i>				
Actuarial gain/loss on post-employment benefit obligations		-	-	58
<i>Items to be recycled to profit and loss</i>				
Net exchange differences on translating foreign operations		-0	-84	-74
Measured at FVTOCI		0	-1	-18
Cash flow hedge		-14	13	31
Net investment hedge		0	10	-1
<b>Other comprehensive income for the period net of tax</b>		<b>-14</b>	<b>-61</b>	<b>-3</b>
<b>Total comprehensive income for the period</b>		<b>320</b>	<b>452</b>	<b>2 016</b>

\*Total interest income calculated using the effective interest method

\*\*Net operating income before impairment losses on loans

## Balance Sheet - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q1 2022	Q1 2021	2021
<b>Assets</b>				
Cash and receivables on central banks	10	2 656	4 886	3 784
Deposits with and receivables on financial institutions	10	2 238	7 454	3 188
Loans to customers	3, 4, 5, 10, 12	135 087	132 359	136 057
Commercial papers and bonds	10	4 696	4 297	8 275
Financial derivatives	10, 11	-	1	-
Reposessed assets		10	13	17
Loans to subsidiaries and SPV's	10, 15	16 023	13 507	18 498
Investments in subsidiaries		1 614	1 652	1 647
Other ownership interests	10, 11	20	37	20
Intangible assets		820	844	863
Fixed assets		525	650	568
Other assets		1 174	2 038	1 378
<b>Total assets</b>		<b>164 864</b>	<b>167 737</b>	<b>174 296</b>
<b>Liabilities</b>				
Debt to credit institutions	10, 15	27 016	19 570	28 400
Deposits from customers		70 668	79 864	73 304
Debt established by issuing securities	10, 14	35 133	34 013	38 375
Financial derivatives	10, 11	-	-	-
Tax payable		145	9	133
Other financial liabilities		339	348	393
Deferred tax		1 431	1 243	1 574
Pension liabilities		48	139	49
Other liabilities		2 000	2 472	2 222
Subordinated loan capital	10, 15	2 414	2 474	2 463
<b>Total liabilities</b>		<b>139 194</b>	<b>140 132</b>	<b>146 914</b>
<b>Equity</b>				
Share capital		10 618	10 618	10 618
Share capital premium		1 926	1 926	1 926
Additional Tier 1 capital		2 250	2 250	2 250
Other equity		10 914	12 893	12 612
OCI items		-38	-81	-24
<b>Total equity</b>		<b>25 670</b>	<b>27 606</b>	<b>27 382</b>
<b>Total liabilities and equity</b>		<b>164 864</b>	<b>167 737</b>	<b>174 296</b>

## Cash Flow - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q1 2022	Q1 2021	FY 2021
<b>Cash flow from operations</b>				
Profit before tax		438	694	2 709
Adjustments for:				
- Depreciation, amortisation and impairment on fixed and intangible assets		59	67	210
- Net interest income	9	-1 459	-1 533	-5 948
- Value change and gain/loss on foreign exchange and securities		9	-52	-8
- Dividends on financial assets at FVOCI		-	-	-
Changes in:				
- Loans to customers	12	-1 706	9	-4 661
- Operating lease assets		24	40	80
- Repossessed assets		11	-16	-30
- Other assets		204	191	1 154
- Deposits from customers		-1 114	1 549	-4 856
- Other liabilities and provisions		-251	-758	-362
Interests received		1 649	1 748	6 781
Dividends received		-	-	-
Interests paid		-190	-287	-834
Net income taxes paid		-147	-161	-225
<b>Net cash flow from operations</b>		<b>-2 472</b>	<b>1 490</b>	<b>-5 991</b>
<b>Cash flow from investments</b>				
Purchase of bonds		-11 372	-855	-18 275
Proceeds from matured bonds		15 242	2 487	15 570
Purchase of fixed and intangible assets		-18	-31	-225
Proceeds from sale of fixed and intangible assets		12	1	10
<b>Net cash flow from investments</b>		<b>3 864</b>	<b>1 602</b>	<b>-2 920</b>
<b>Cash flow from financing</b>				
Proceeds from issued securities		5 019	489	8 024
Repayments of issued securities		-7 963	-490	-3 537
Payments related to leasing liabilities		-25	-	-78
Change in loans and deposits from credit institutions		1 738	722	5 362
Proceeds from issue of subordinated loans	15	-	-	-
Repayment of subordinated loans	15	-	-250	-250
Dividend payments		-2 000	-	-1 700
Interest payments on additional Tier 1 capital	16	-32	-30	-118
<b>Net cash flow from financing</b>		<b>-3 264</b>	<b>442</b>	<b>7 704</b>

	Note	Q1 2022	YTD Q1 2021	FY 2021
<b>Exchange gains / (losses) on cash and cash equivalents</b>		-205	182	-445
Net change in cash and cash equivalents		-2 077	3 716	-1 652
Cash and cash equivalents at the beginning of the period		6 972	8 624	8 624
<b>Cash and cash equivalents at the end of the period</b>		<b>4 895</b>	<b>12 340</b>	<b>6 972</b>

## Statement of changes in equity - Santander Consumer Bank AS

Q1 2022

All amounts in millions of NOK	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
<b>Balance at 1 of January 2022</b>	<b>10 618</b>	<b>1 926</b>	<b>2 250</b>	<b>12 612</b>	<b>-12</b>	<b>20</b>	<b>15</b>	<b>21</b>	<b>-68</b>	<b>27 382</b>
Profit for the period	-	-	32	302	-	-	-	-	-	334
OCI movements (net of tax)	-	-	-	-	-0	0	-14	0	-	-14
Interest payments additional Tier 1 capital	-	-	-32	-	-	-	-	-	-	-32
Dividend	-	-	-	-2 000	-	-	-	-	-	-2 000
<b>Balance at 31 of March 2022</b>	<b>10 618</b>	<b>1 926</b>	<b>2 250</b>	<b>10 914</b>	<b>-12</b>	<b>20</b>	<b>1</b>	<b>21</b>	<b>-68</b>	<b>25 670</b>

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

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

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

## Financial Year 2021

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

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

Restricted capital as at December 31, 2021, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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



Lysaker, 13<sup>th</sup> May 2022

# The Board of Directors of Santander Consumer Bank

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**Jørn Borchgrevink**  
Chair

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**Federico Ysart**  
Deputy Chair

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**Pedro de Elejabeitia**  
Board Member

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**Anne Kvam**  
Board Member

---

**Ramón Billordo**  
Board Member

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**Tina Stiegler**  
Board Member

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**Tone Bergsaker Strømsnes**  
Employee Representative

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**Sara Norberg**  
Employee Representative

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**Michael Hvidsten**  
Chief Executive Officer

# 1 | Notes

Santander Consumer Bank Nordic Group



## Note 1 - Basis of preparation

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

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

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

The annual report for 2021 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting [www.santanderconsumer.no](http://www.santanderconsumer.no).

These interim financial statements were authorised by the Board of Directors on May 15, 2022.

## Note 2 - Accounting principles

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

## Note 3 - Credit risk exposure

All amounts in millions of NOK

### Maximum exposure to credit risk - Financial instruments subject to impairment

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

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

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
	ECL	ECL	ECL		ECL	ECL	ECL	
<b>Unsecured loans</b>								
<b>Credit grade</b>								
Loans not past due date	24 718	1 643	-	26 361	27 975	1 357	-	29 332
Standard monitoring	429	618	-	1 046	713	817	-	1 530
Special monitoring	-	244	-	244	-	253	-	253
Default	-	-	2 941	2 941	-	-	3 039	3 039
<b>Gross carrying amount</b>	<b>25 147</b>	<b>2 504</b>	<b>2 941</b>	<b>30 592</b>	<b>28 688</b>	<b>2 427</b>	<b>3 039</b>	<b>34 154</b>
Loss allowance	-596	-401	-1 809	-2 806	-660	-397	-1 875	-2 932
<b>Carrying amount</b>	<b>24 551</b>	<b>2 103</b>	<b>1 132</b>	<b>27 786</b>	<b>28 028</b>	<b>2 030</b>	<b>1 164</b>	<b>31 222</b>
Loss allowance (off balance exposures)	-30	-9	-30	-69	-21	-8	-18	-47
Loss allowance (%)				9,17%				8,59%

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
	ECL	ECL	ECL		ECL	ECL	ECL	
<b>Secured loans</b>								
<b>Credit grade</b>								
Loans not past due date	134 551	2 080	21	136 652	130 266	2 320	-	132 586
Standard monitoring	2 080	1 117	-	3 196	3 353	1 373	-	4 726
Special monitoring	-	283	-	283	-	428	-	428
Default	-	-	2 255	2 255	-	-	1 911	1 911
<b>Gross carrying amount</b>	<b>136 631</b>	<b>3 479</b>	<b>2 275</b>	<b>142 386</b>	<b>133 619</b>	<b>4 121</b>	<b>1 911</b>	<b>139 651</b>
Loss allowance	-828	-251	-998	-2 077	-798	-234	-1 031	-2 063
<b>Carrying amount</b>	<b>135 803</b>	<b>3 228</b>	<b>1 277</b>	<b>140 308</b>	<b>132 821</b>	<b>3 887</b>	<b>880</b>	<b>137 588</b>
Loss allowance (%)				1,46%				1,48%

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

	Q1 2022				Q1 2021				Total
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3		
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL		
<b>Commercial papers and bonds</b>									
<b>Credit grade</b>									
Investment grade	4 649	-	-	4 649	4 393	-	-	4 393	
Standard monitoring	-	-	-	-	-	-	-	-	
Special monitoring	-	-	-	-	-	-	-	-	
Default	-	-	-	-	-	-	-	-	
<b>Gross carrying amount</b>	<b>4 649</b>	<b>-</b>	<b>-</b>	<b>4 649</b>	<b>4 393</b>	<b>-</b>	<b>-</b>	<b>4 393</b>	
Loss allowance	-	-	-	-	-	-	-	-	
<b>Carrying amount</b>	<b>4 649</b>	<b>-</b>	<b>-</b>	<b>4 649</b>	<b>4 393</b>	<b>-</b>	<b>-</b>	<b>4 393</b>	
Loss allowance (%)				0,00%				0,00%	

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

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

Maximum exposure to credit risk	Q1 2022	Q1 2021
Financial derivatives Assets	173	13
Financial derivatives Liabilities	172	5

## Note 4 - Risk classification

All amounts in millions of NOK

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

	Gross outstanding			Loss reserves		
	Q1 2022	Q1 2021	FY 2021	Q1 2022	Q1 2021	FY 2021
Current - not past due date	163 519	162 593	165 910	-1 757	-1 771	-1 880
Current - past due date	4 243	6 259	4 276	-319	-349	-313
Total impaired loans	5 216	4 952	5 402	-2 807	-2 922	-2 756
<b>Total gross loans to customers</b>	<b>172 978</b>	<b>173 804</b>	<b>175 588</b>	<b>-4 883</b>	<b>-5 042</b>	<b>-4 949</b>

<i>Ageing of past due but not impaired loans</i>	Gross outstanding			Loss reserves		
	Q1 2022	Q1 2021	FY 2021	Q1 2022	Q1 2021	FY 2021
1 - 29 days	3 098	4 795	3 168	-114	-121	-120
30 - 59 days	739	1 042	738	-129	-150	-125
60 - 89 days	405	422	370	-77	-78	-68
<b>Total loans due but not impaired</b>	<b>4 243</b>	<b>6 259</b>	<b>4 276</b>	<b>-319</b>	<b>-349</b>	<b>-313</b>

<i>Ageing of impaired loans</i>	Gross outstanding			Loss reserves		
	Q1 2022	Q1 2021	FY 2021	Q1 2022	Q1 2021	FY 2021
90 - 119 days	303	292	318	-117	-132	-125
120 - 149 days	222	227	204	-93	-112	-84
150 - 179 days	157	179	123	-65	-92	-50
180 + days	1 768	2 327	1 852	-1 095	-1 478	-1 137
Economic doubtful*	2 766	1 927	2 905	-1 437	-1 108	-1 360
<b>Total impaired loans</b>	<b>5 216</b>	<b>4 952</b>	<b>5 402</b>	<b>-2 807</b>	<b>-2 922</b>	<b>-2 756</b>

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

## Note 5 - Loss allowance

All amounts in millions of NOK

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

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
<b>Unsecured loans</b>								
<b>Loss allowance at 1 January</b>	<b>622</b>	<b>388</b>	<b>1 874</b>	<b>2 884</b>	<b>712</b>	<b>452</b>	<b>1 838</b>	<b>3 002</b>
Transfers:								
Transfer from Stage 1 to Stage 2	-45	246	-	201	-41	285	-	244
Transfer from Stage 1 to Stage 3	-1	-	20	18	-2	-	31	29
Transfer from Stage 2 to Stage 3	-	-104	179	75	-	-140	234	94
Transfer from Stage 2 to Stage 1	26	-129	-	-103	28	-204	-	-176
Transfer from Stage 3 to Stage 2	-	23	-55	-32	-	21	-62	-41
Transfer from Stage 3 to Stage 1	0	-	-1	-1	-	-	-	-
Assets remaining in same Stage	-74	-8	43	-40	-12	5	86	79
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-22	-5	-19	-46	-30	-14	-49	-93
<i>of which 'accounts that have closed in the period'</i>	-22	-5	-19	-46	-30	-14	-49	-93
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-194	-194	-	-	-136	-136
New financial assets originated or purchased	100	-	-	100	36	-	-	36
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-9	-9	-38	-56	-31	-8	-67	-106
<b>Loss allowance at 31 March</b>	<b>596</b>	<b>401</b>	<b>1 809</b>	<b>2 806</b>	<b>660</b>	<b>397</b>	<b>1 875</b>	<b>2 932</b>



	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
<b>Loss allowance at 1 January</b>	<b>822</b>	<b>247</b>	<b>995</b>	<b>2 064</b>	<b>794</b>	<b>240</b>	<b>968</b>	<b>2 002</b>
Transfers:								
Transfer from Stage 1 to Stage 2	-26	185	-	<b>159</b>	-25	167	-	<b>142</b>
Transfer from Stage 1 to Stage 3	-9	-	50	<b>41</b>	-5	-	90	<b>85</b>
Transfer from Stage 2 to Stage 3	-	-94	194	<b>99</b>	-	-52	159	<b>107</b>
Transfer from Stage 2 to Stage 1	16	-93	-	<b>-77</b>	17	-120	-	<b>-103</b>
Transfer from Stage 3 to Stage 2	-	57	-153	<b>-96</b>	-	26	-123	<b>-97</b>
Transfer from Stage 3 to Stage 1	0	-	-1	<b>-1</b>	-	-	-2	<b>-2</b>
Assets remaining in same Stage	-74	-35	50	<b>-59</b>	-19	-1	196	<b>176</b>
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-50	-17	-49	<b>-116</b>	-53	-25	-153	<b>-231</b>
<i>of which 'accounts that have closed in the period'</i>	-50	-17	-49	<b>-116</b>	-53	-25	-153	<b>-231</b>
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-76	<b>-76</b>	-	-	-89	<b>-89</b>
New financial assets originated or purchased	166	-	-	<b>166</b>	107	-	-	<b>107</b>
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-19	1	-10	<b>-28</b>	-18	-1	-15	<b>-34</b>
<b>Loss allowance at 31 March</b>	<b>828</b>	<b>251</b>	<b>998</b>	<b>2 077</b>	<b>798</b>	<b>234</b>	<b>1 031</b>	<b>2 063</b>

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Commercial papers and bonds	ECL	ECL	ECL		ECL	ECL	ECL	
<b>Loss allowance at 1 January</b>	-	-	-	-	-	-	-	-
Transfers:								
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Assets remaining in same Stage	-	-	-	-	-	-	-	-
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-	-	-	-	-	-	-	-
<i>of which 'accounts that have closed in the period'</i>	-	-	-	-	-	-	-	-
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	-	-	-	-
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-	-	-	-	-	-	-	-
<b>Loss allowance at 31 March</b>	-	-	-	-	-	-	-	-

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Off balance exposure*	ECL	ECL	ECL		ECL	ECL	ECL	
<b>Loss allowance at 1 January</b>	<b>29</b>	<b>9</b>	<b>29</b>	<b>66</b>	<b>21</b>	<b>7</b>	<b>18</b>	<b>46</b>
Transfers:								
Transfer from Stage 1 to Stage 2	-0	3	-	2	-1	6	-	5
Transfer from Stage 1 to Stage 3	-0	-	5	5	-	-	2	2
Transfer from Stage 2 to Stage 3	-	-0	2	1	-	-1	3	2
Transfer from Stage 2 to Stage 1	1	-4	-	-4	1	-6	-	-5
Transfer from Stage 3 to Stage 2	-	2	-3	-1	-	2	-4	-2
Transfer from Stage 3 to Stage 1	0	-	-0	-0	-	-	-	-
Assets remaining in same Stage	-3	1	5	3	1	-	2	3
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-1	-1	-7	-9	-2	-1	-3	-6
<i>of which 'accounts that have closed in the period'</i>	-1	-1	-7	-9	-2	-1	-3	-6
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-1	-1	-	-	-	-
New financial assets originated or purchased	5	-	-	5	1	-	-	1
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-0	-0	-0	-0	-	1	-	1
<b>Loss allowance at 31 March</b>	<b>30</b>	<b>9</b>	<b>30</b>	<b>69</b>	<b>21</b>	<b>8</b>	<b>18</b>	<b>47</b>

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

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

## Note 6 - Liquidity coverage ratio

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Liquidity Coverage Ratio (LCR) measures the capability to meet obligations in the next 30 days by means of liquidity assets. It is defined as  $LCR = \text{liquidity assets} / (\text{cash outflows} - \text{cash inflows})$ . The minimum LCR level (CRD IV) is 100% for SEK, DKK and EUR, and 50% for NOK. With a stable basis of High Quality Liquid Assets, the Group fulfills the minimum LCR requirements.

<b>Liquidity Coverage Ratio (LCR) %</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Q4 2021</b>
Liquidity Coverage Ratio (LCR) Total	152%	242%	144%
Liquidity Coverage Ratio (LCR) NOK	81%	246%	77%
Liquidity Coverage Ratio (LCR) SEK	221%	164%	208%
Liquidity Coverage Ratio (LCR) DKK	150%	1103%	201%
Liquidity Coverage Ratio (LCR) EUR	273%	225%	124%

## Note 7 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	Q1 2022	Q1 2021	FY 2021
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	13 413	14 815	14 985
Tier 1 Capital	2 250	2 250	2 250
Other reserves	14	26	76
<b>Total Equity</b>	<b>28 221</b>	<b>29 634</b>	<b>29 855</b>

### Common Equity Tier 1 Capital

(-) Profit not eligible as capital	-461	-608	-2 000
Cash-flow hedge adjustment	-29	-	-
IRB Expected Loss - Reserves	-368	-359	-392
Goodwill	-774	-797	-795
Other intangible assets	-448	-465	-482
Deferred tax assets	-	-	-
Adjustment Prudent Valuation (AVA)	-4	-4	-8
Tier 1 Capital	-2 250	-2 250	-2 250
<b>Total common Equity Tier 1 Capital</b>	<b>23 887</b>	<b>25 151</b>	<b>23 929</b>

### Tier 1 Capital

Paid in Tier 1 capital instruments	2 250	2 250	2 250
<b>Total Tier 1 Capital</b>	<b>26 137</b>	<b>27 401</b>	<b>26 179</b>

### Total Capital

Paid up subordinated loans	2 408	2 469	2 461
Subordinated loans not eligible	-	-	-
<b>Total Capital</b>	<b>28 545</b>	<b>29 869</b>	<b>28 639</b>

### Risk exposure on Standard Approach

Regional governments or local authorities	65	64	66
Institutions	622	716	700
Corporates	7 577	9 325	7 899
Retail Standard Approach	52 793	55 899	54 105
Exposures in default SA	3 519	3 430	3 229
Covered bonds	103	96	64
Other Exposures	3 625	4 328	3 512
<b>Total Risk exposure amount on Standard Approach</b>	<b>68 303</b>	<b>73 858</b>	<b>69 574</b>

<b>Risk exposure on Internal Rating Based Approach</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>FY 2021</b>
Retail Other	40 605	36 339	41 141
<b>Total Risk exposure amount on Internal Rating Based Approach</b>	<b>40 605</b>	<b>36 339</b>	<b>41 141</b>
<b>Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries</b>	<b>108 908</b>	<b>110 197</b>	<b>110 716</b>
Foreign exchange (zero if under threshold)	2 175	2 719	2 684
<b>Risk exposure amount for position, foreign exchange and commodities risks</b>	<b>2 175</b>	<b>2 719</b>	<b>2 684</b>
Basic indicator approach	14 261	14 247	14 261
<b>Risk exposure amount for operational risk</b>	<b>14 261</b>	<b>14 247</b>	<b>14 261</b>
Standardized method	6	41	30
<b>Risk exposure amount for credit valuation adjustment</b>	<b>6</b>	<b>41</b>	<b>30</b>
<b>Total risk exposure amount</b>	<b>125 350</b>	<b>127 204</b>	<b>127 690</b>
<b>Total exposure for Leverage Ratio</b>			
Derivatives: Add-on under market-to-market method	398	426	467
Off-balance sheet items with 10% CCF	3 044	2 875	3 033
Off-balance sheet items with 20% CCF	1 007	357	740
Off-balance sheet items with 50% CCF	37	37	37
Adjusted On balance sheet exposure	179 895	191 001	190 681
<b>Total exposure for Leverage Ratio</b>	<b>184 381</b>	<b>194 696</b>	<b>194 959</b>
<b>Minimum Regulatory Capital</b>			
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	3,30%	3,30%	3,30%
Pillar 2 Guidance	1,50%	1,00%	1,00%
Countercyclical Buffer (combined)	0,29%	0,28%	0,29%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	1,33%	1,24%	1,30%
<b>Minimum Regulatory Capital ratio (CET1)</b>	<b>13,42%</b>	<b>12,82%</b>	<b>12,89%</b>
<b>Minimum Regulatory Capital</b>			
Minimum Core Equity	5 641	5 724	5 746
Pillar 2 Requirement	4 137	4 198	4 214
Pillar 2 Guidance	1 880	1 272	1 277
Countercyclical Buffer (combined)	370	351	370
Conservation Buffer	3 134	3 180	3 192
Systemic Risk Buffer (combined)	1 664	1 582	1 665
<b>Minimum Regulatory Capital amount</b>	<b>16 825</b>	<b>16 306</b>	<b>16 464</b>

	Q1 2022	Q1 2021	FY 2021
Surplus of Core Equity Tier 1 capital	7 062	8 844	7 464
<b>Common equity tier 1 capital ratio</b>	<b>19,06%</b>	<b>19,77%</b>	<b>18,74%</b>
<b>Common equity tier 1 capital ratio (with IFRS9 transitional rules)</b>		<b>19,92%</b>	<b>18,89%</b>
CET1 regulatory requirements	13,42%	12,82%	12,89%
<b>Tier 1 capital ratio</b>	<b>20,85%</b>	<b>21,54%</b>	<b>20,50%</b>
<b>Tier 1 capital ratio (with IFRS9 transitional rules)</b>		<b>21,69%</b>	<b>20,65%</b>
Tier 1 regulatory requirements	14,92%	14,32%	14,39%
<b>Total capital ratio</b>	<b>22,77%</b>	<b>23,48%</b>	<b>22,43%</b>
<b>Total capital ratio (with IFRS9 transitional rules)</b>		<b>23,62%</b>	<b>22,57%</b>
Total capital regulatory requirements	16,92%	16,32%	16,39%
<b>Leverage ratio</b>	<b>14,18%</b>	<b>14,07%</b>	<b>13,43%</b>
<b>Leverage ratio (with IFRS9 transitional rules)</b>		<b>14,17%</b>	<b>13,52%</b>
LR regulatory requirements	5,00%	5,00%	5,00%

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

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

Financial information in accordance with the capital requirement regulation is published at [www.santanderconsumer.no](http://www.santanderconsumer.no). The Pillar 3 Disclosure report is published at [www.santanderconsumer.no](http://www.santanderconsumer.no).

## Note 8 - Segment information

All amounts in millions of NOK

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

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

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

### Product segmentation per country (gross lending before expected losses)

#### Q1 2022

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

#### Q1 2021

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	7 701	38 860	11 718	-	58 279
Sweden	15 618	18 947	9 492	-	44 057
Denmark	6 305	24 937	3 092	419	34 753
Finland	4 529	29 823	2 782	496	37 630
<b>Total</b>	<b>34 153</b>	<b>112 567</b>	<b>27 084</b>	<b>915</b>	<b>174 719</b>



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

Profit and Loss per Country	Q1 2021					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	805	519	453	522	-242	2 057
Total interest expenses	-137	-85	-18	-242	241	-241
<b>Net interest income</b>	<b>668</b>	<b>434</b>	<b>435</b>	<b>280</b>	<b>-1</b>	<b>1 816</b>
Fee and commission income	44	46	30	38	-21	137
Fee and commission expenses	-29	-25	-7	-22	20	-63
Value change and gain/loss on foreign exchange and securities	53	-	-1	17	-1	68
Other operating income	9	3	27	36	-	75
Other operating expenses	-12	-8	-25	-38	-	-83
<b>Gross margin</b>	<b>733</b>	<b>450</b>	<b>459</b>	<b>311</b>	<b>-3</b>	<b>1 951</b>
Salaries and personnel expenses	-138	-95	-75	-64	-	-372
Administration expenses	-102	-87	-65	-47	-	-301
Depreciation and amortisation	-27	-18	-8	-9	-	-62
<b>Net operating income</b>	<b>466</b>	<b>250</b>	<b>310</b>	<b>191</b>	<b>-3</b>	<b>1 216</b>
Other income and costs	-1	-	1	-	-	-
Impairment losses on loan, guarantees etc.	-153	-109	-70	-69	-	-401
<b>Profit before taxes</b>	<b>312</b>	<b>141</b>	<b>242</b>	<b>122</b>	<b>-3</b>	<b>815</b>
Income tax expense	-98	-30	-53	-26	-	-207
<b>Profit after tax</b>	<b>214</b>	<b>111</b>	<b>189</b>	<b>96</b>	<b>-3</b>	<b>608</b>

**Balance Sheet per Country**
**Q1 2022**

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

**Balance Sheet per Country**
**Q1 2021**

	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Cash and receivables on central banks	65	4 821	-	-	-	4 886
Deposits with and receivables on financial institutions	3 899	836	2 907	2 401	-	10 043
Total gross loans to customers	58 279	44 057	34 334	37 134	-	173 804
Write-downs	-1 811	-1 206	-1 294	-685	-	-4 996
Commercial papers and bonds	2 403	948	945	572	-476	4 392
Financial derivatives	1	-	-	12	-	13
Investments in subsidiaries	1 652	-	-	-	-1 652	-
Other assets	21 547	694	2 611	22 024	-42 392	4 484
<b>Total assets</b>	<b>86 035</b>	<b>50 150</b>	<b>39 503</b>	<b>61 458</b>	<b>-44 520</b>	<b>192 626</b>
Debt to credit institutions	4 305	14 002	7 175	24 141	-21 043	28 580
Deposits from customers	26 695	23 943	29 226	-	-	79 864
Debt established by issuing securities	25 330	8 739	1 723	12 253	-476	47 569
Financial derivatives	-	-	-	5	-	5
Other liabilities	2 874	3 322	748	21 815	-21 785	6 974
Equity	26 831	144	631	3 244	-1 216	29 634
<b>Total liabilities and equity</b>	<b>86 035</b>	<b>50 150</b>	<b>39 503</b>	<b>61 458</b>	<b>-44 520</b>	<b>192 626</b>

## Note 9 - Net interest income

All amounts in millions of NOK

	Q1 2022	Q1 2021	FY 2021
Interest and similar income on loans to and receivables from credit institutions	3	5	32
Interest and similar income on loans to and receivables from customers	1 906	2 031	7 881
Interest and similar income on comm. paper, bonds and other securities	3	5	6
Interest and similar income on loans to subsidiaries, branches and SPVs	13	16	63
Other interest income and similar income	-	-	-
<b>Total interest income</b>	<b>1 925</b>	<b>2 057</b>	<b>7 982</b>
Interest and similar expenses on debt to credit institutions	-17	-15	-59
Interest and similar expenses on deposits from and debt to customers	-96	-127	-438
Interest and similar expenses on issued securities	-69	-79	-315
Interest on subordinated loan capital	-14	-14	-56
Other interest expenses and similar expenses	-7	-7	-26
<b>Total interest expense</b>	<b>-203</b>	<b>-241</b>	<b>-895</b>
<b>Net interest income</b>	<b>1 722</b>	<b>1 816</b>	<b>7 087</b>

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

<b>To credit institutions</b>	Q1 2022	Q1 2021	FY 2021
Interest expenses	-17	-15	-59
Average loan over the period	30 325	28 971	29 903
<b>Average nominal interest rate</b>	<b>0,23%</b>	<b>0,20%</b>	<b>0,20%</b>

<b>To customers</b>	Q1 2022	Q1 2021	FY 2021
Interest expenses	-96	-127	-438
Average deposit over the period	71 986	80 503	77 223
<b>Average nominal interest rate</b>	<b>0,53%</b>	<b>0,63%</b>	<b>0,57%</b>

<b>To bondholders</b>	Q1 2022	Q1 2021	FY 2021
Interest expenses	-69	-79	-315
Average issued notes and bonds	49 093	49 392	51 367
<b>Average nominal interest rate</b>	<b>0,57%</b>	<b>0,64%</b>	<b>0,61%</b>

<b>Subordinated loan capital</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>FY 2021</b>
Interest expenses	-14	-14	-56
Average subordinated loan capital	2 439	2 648	2 642
<b>Average nominal interest rate</b>	<b>2,27%</b>	<b>2,12%</b>	<b>2,14%</b>

<b>Total of tables above</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>FY 2021</b>
Interest expenses	-196	-234	-869
Loan	153 842	161 515	161 134
<b>Average nominal interest rate</b>	<b>0,51%</b>	<b>0,58%</b>	<b>0,54%</b>

## Note 10 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 31 March 2022	Financial assets	Financial assets	Amortized cost	Book value
	at fair value	at fair value		
	through P&L	through OCI		
Cash and receivables on central banks	-	-	2 656	2 656
Deposits with and receivables on financial institutions	-	-	3 733	3 733
Loans to customers	-	-	168 095	168 095
Commercial papers and bonds	-	-	4 649	4 649
Financial derivatives	173	-	-	173
Other ownership interests	-	20	-	20
<b>Total financial assets</b>	<b>173</b>	<b>20</b>	<b>179 133</b>	<b>179 327</b>

Non financial assets	3 466
<b>Total assets</b>	<b>182 793</b>

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

Non financial liabilities and equity	32 322
<b>Total liabilities and equity</b>	<b>182 793</b>

<b>Classification of financial assets 31 March 2021</b>	<b>Financial assets</b>	<b>Financial assets</b>	<b>Amortized cost</b>	<b>Book value</b>
	<b>at fair value</b>	<b>at fair value</b>		
	<b>through P&amp;L</b>	<b>through OCI</b>		
Cash and receivables on central banks	-	-	4 886	4 886
Deposits with and receivables on financial institutions	-	-	10 043	10 043
Loans to customers	-	-	168 808	168 808
Commercial papers and bonds	-	-	4 392	4 392
Financial derivatives	13	-	-	13
Other ownership interests	-	37	-	37
<b>Total financial assets</b>	<b>13</b>	<b>37</b>	<b>188 130</b>	<b>188 179</b>

Non financial assets	4 447
<b>Total assets</b>	<b>192 626</b>

<b>Classification of financial liabilities 31 March 2021</b>	<b>Financial liabilities</b>	<b>Financial liabilities</b>	<b>Amortized cost</b>	<b>Book value</b>
	<b>at fair value</b>	<b>at fair value</b>		
	<b>through P&amp;L</b>	<b>through OCI</b>		
Debt to credit institutions	-	-	28 580	28 580
Deposits from customers	-	-	79 864	79 864
Debt established by issuing securities	-	-	47 569	47 569
Financial derivatives	5	-	-	5
Other financial liabilities	-	-	359	359
Subordinated loan capital	-	-	2 474	2 474
<b>Total financial liabilities</b>	<b>5</b>	<b>-</b>	<b>158 847</b>	<b>158 852</b>

Non financial liabilities and equity	33 774
<b>Total liabilities and equity</b>	<b>192 626</b>

## Note 11 - Valuation Hierarchy

All amounts in millions of NOK

Q1 2022			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
<b>Financial instruments measured at fair value</b>						
<b>Financial assets</b>						
<b>Name</b>	<b>Type</b>	<b>Notional</b>				
KIMI7 Pass Through	Interest Rate Swap	MM EUR 62	-	1	-	1
KIMI8A Fixed	Interest Rate Swap	MM EUR 179	-	8	-	8
KIMI8B Fixed	Interest Rate Swap	MM EUR 20	-	1	-	1
KIMI9A Fixed	Interest Rate Swap	MM EUR 363	-	41	-	41
KIMI9B Fixed	Interest Rate Swap	MM EUR 31	-	4	-	4
KIMI10	Interest Rate Cap	MM EUR 435	-	118	-	118
<b>Total financial trading derivatives</b>			-	<b>173</b>	-	<b>173</b>
<b>Name</b>	<b>Type</b>					
VN Norge	Equity		-	20	-	20
<b>Total other ownership interests</b>			-	<b>20</b>	-	<b>20</b>
<b>Total Assets</b>			-	<b>193</b>	-	<b>193</b>
<b>Financial liabilities</b>						
<b>Name</b>	<b>Type</b>	<b>Notional</b>				
KIMI7 Fixed	Interest Rate Swap	MM EUR 65	-	0	-	0
KIMI8A Pass Through	Interest Rate Swap	MM EUR 176	-	8	-	8
KIMI8B Pass Through	Interest Rate Swap	MM EUR 19	-	1	-	1
KIMI9A Pass Through	Interest Rate Swap	MM EUR 363	-	41	-	41
KIMI9B Pass Through	Interest Rate Swap	MM EUR 31	-	4	-	4
KIMI10 Pass Through	Interest Rate Cap	MM EUR 435	-	118	-	118
<b>Total financial derivatives</b>			-	<b>172</b>	-	<b>172</b>
<b>Total Liabilities</b>			-	<b>172</b>	-	<b>172</b>

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
<b>Derivatives designated for hedge accounting - assets</b>						
<i>Name</i>	<i>Type</i>	<i>Notional</i>				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	27	-	27
Kimi8A	Interest Rate Swap	MM EUR 176	-	8	-	8
Kimi8B	Interest Rate Swap	MM EUR 19	-	1	-	1
Kimi9A	Interest Rate Swap	MM EUR 363	-	42	-	42
Kimi9B	Interest Rate Swap	MM EUR 31	-	4	-	4
<b>Total derivatives designated for hedging - assets*</b>			-	<b>82</b>	-	<b>82</b>

#### Derivatives designated for hedge accounting - liabilities

<i>Name</i>	<i>Type</i>	<i>Notional</i>				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	54	-	54
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	49	-	
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	90	-	
KIMI7	Interest Rate Swap	MM EUR 62	-	0	-	0
<b>Total derivatives designated for hedging - liabilities*</b>			-	<b>193</b>	-	<b>54</b>

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

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

#### Level 1:

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

#### Level 2:

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

#### Level 3:

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



Q1 2021			Quoted	Using	With	
			market	observable	significant	
			price	inputs	unobservable	
			Level 1	Level 2	Level 3	Total
<b>Financial instruments measured at fair value</b>						
<b>Financial assets</b>						
<i>Name</i>	<i>Type</i>	<i>Notional</i>				
KIMI7 Pass Through	Interest Rate Swap	MM EUR 143	-	3	-	3
KIMI8A Pass Trough	Interest Rate Swap	MM EUR 335	-	3	-	3
KIMI8B Pass Trough	Interest Rate Swap	MM EUR 37	-	-	-	-
KIMI9A Pass Trough	Interest Rate Swap	MM EUR 592	-	4	-	4
KIMI9A Fixed	Interest Rate Swap	MM EUR 592	-	1	-	1
KIMI9B Fixed	Interest Rate Swap	MM EUR 31	-	-	-	-
FX Swap EUR/DKK	Cross Currency Swap	MM EUR 100	-	1	-	1
<b>Total financial trading derivatives</b>			-	13	-	13
<i>Name</i>	<i>Type</i>					
VN Norge	Equity		-	37		37
<b>Total other ownership interests</b>			-	37		37
<b>Total Assets</b>			-	50	-	50
<b>Financial liabilities</b>						
<i>Name</i>	<i>Type</i>	<i>Notional</i>				
KIMI7 Fixed	Interest Rate Swap	MM EUR 140	-	4	-	4
KIMI8A Fixed	Interest Rate Swap	MM EUR 320	-	1	-	1
KIMI8B Fixed	Interest Rate Swap	MM EUR 35	-	-	-	-
KIMI8B Pass Through	Interest Rate Swap	MM EUR 31	-	-	-	-
<b>Total financial derivatives</b>			-	5	-	5
<b>Total Liabilities</b>			-	5	-	5

			Quoted	Using	With	Total
			market	observable	significant	
			price	inputs	unobservable	
			Level 1	Level 2	Level 3	
<b>Derivatives designated for hedge accounting - assets</b>						
<i>Name</i>	<i>Type</i>	<i>Notional</i>				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	34	-	34
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	2	-	2
<b>Total derivatives designated for hedging - assets*</b>			-	36	-	36

#### Derivatives designated for hedge accounting - liabilities

<i>Name</i>	<i>Type</i>	<i>Notional</i>				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	1	-	1
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	10	-	10
KIMI7	Interest Rate Swap	MM EUR 143	-	3	-	3
KIMI8A	Interest Rate Swap	MM EUR 335	-	4	-	4
KIMI8B	Interest Rate Swap	MM EUR 37	-	-	-	-
KIMI9A	Interest Rate Swap	MM EUR 592	-	4	-	4
KIMI9B	Interest Rate Swap	MM EUR 31	-	-	-	-
<b>Total derivatives designated for hedging - liabilities*</b>			-	22	-	22

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

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

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

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

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

## Note 12 - Loans to customers

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All amounts in millions of NOK

	Q1 2022	Q1 2021	FY 2021
Credit Card	5 041	5 698	5 274
Unsecured loans	25 551	28 457	26 686
Auto loans	142 386	139 650	143 628
- <i>Installment loans</i>	110 264	112 566	112 060
- <i>Finance leases</i>	32 122	27 085	31 568
<b>Total gross loans to customers</b>	<b>172 978</b>	<b>173 804</b>	<b>175 588</b>
- Loan loss allowance - Stage 1	-1 424	-1 458	-1 444
- Loan loss allowance - Stage 2	-652	-632	-636
- Loan loss allowance - Stage 3	-2 807	-2 906	-2 869
<b>Total net loans to customers</b>	<b>168 095</b>	<b>168 808</b>	<b>170 640</b>

## Note 13 - Impairment losses on loan, guarantees etc.

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All amounts in millions of NOK

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

	Q1 2022	Q1 2021
Change in loss allowance - Unsecured loans	9	-51
Change in loss allowance - Secured loans	-38	-104
Change in loss allowance - Commercial papers and bonds	-0	-
+ Total realized losses	-393	-301
- Recoveries on previously realized losses	48	52
- Gain on sold portfolios	-	-
<b>Impairment losses on loan, guarantees etc.</b>	<b>-375</b>	<b>-403</b>

## Note 14 - Issued securities

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All amounts in millions of NOK

	Q1 2022	Q1 2021	FY 2021
Senior unsecured issued securities	35 133	34 013	38 375
Asset backed issued securities	11 534	13 556	13 143
<b>Total issued securities</b>	<b>46 667</b>	<b>47 569</b>	<b>51 518</b>

Issued securities by currency in NOK	Q1 2022	Q1 2021	FY 2021
DKK	982	1 686	1 008
EUR	35 381	32 300	37 658
NOK	3 606	6 627	5 711
SEK	6 699	6 956	7 141
<b>Total issued securities</b>	<b>46 667</b>	<b>47 569</b>	<b>51 518</b>

## Note 15 - Receivables and liabilities to related parties

All amounts in millions of NOK

		Accrued Interest		Accrued Interest	
	Q1 2022	Q1 2022	Q1 2021	Q1 2021	FY 2021
<b>Debt to related parties:</b>					
Santander Consumer Finance S.A.	30 122	10	28 537	2	29 573
<b>Total</b>	<b>30 122</b>	<b>10</b>	<b>28 537</b>	<b>2</b>	<b>29 573</b>

		Accrued Interest		Accrued Interest	
	Q1 2022	Q1 2022	Q1 2021	Q1 2021	FY 2021
<b>Balance sheet line: "Subordinated loan capital" - Bonds</b>					
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	1	500	1	500
MSEK 750, maturity December 2029, 3 months STIBOR + 2.08% (Santander Consumer Finance S.A)	704	1	734	1	730
MSEK 750, maturity December 2030, 3 months STIBOR + 2.29% (Santander Consumer Finance S.A)	704	-	734	-	730
MNOK 500, maturity June 2031, 3 months NIBOR + 2.62% (Santander Consumer Finance S.A)	500	4	500	4	500
<b>Total</b>	<b>2 408</b>	<b>6</b>	<b>2 469</b>	<b>5</b>	<b>2 461</b>

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

Financial information in accordance with the capital requirement regulation is published at [www.santanderconsumer.no](http://www.santanderconsumer.no)

## Note 16 - Transactions with related parties

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All amounts in millions of NOK

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

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

The following transactions were carried out with related parties:

	Q1 2022	Q1 2021	FY 2021
Interest income	2	2	6
Interest expenses	-28	-21	-79
Interest payments additional Tier 1 capital	-32	-30	-118
Fees	-	-	-
Other	-182	-5	-80
<b>Net transactions</b>	<b>-240</b>	<b>-53</b>	<b>-271</b>

The Group had transactions with the following related parties as at 31 March 2022:

Banco Santander S.A.

Santander Consumer Finance S.A.

Santander Seguros Y Reaseguros S.A.

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

# 2 | Notes

Santander Consumer Bank AS





## Note 1 - Basis of preparation

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

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

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

The annual report for 2021 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting [www.santanderconsumer.no](http://www.santanderconsumer.no).

These interim financial statements were authorised by the Board of Directors on May 15, 2022.

## Note 2 - Accounting principles

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

## Note 3 - Credit risk exposure

All amounts in millions of NOK

### Maximum exposure to credit risk - Financial instruments subject to impairment

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

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

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Unsecured loans	ECL	ECL	ECL		ECL	ECL	ECL	
<b>Credit grade</b>								
Loans not past due date	20 843	1 597	-	22 439	24 118	1 306	-	25 424
Standard monitoring	281	538	-	819	503	718	-	1 221
Special monitoring	-	240	-	240	-	244	-	244
Default	-	-	2 600	2 600	-	-	2 735	2 735
<b>Gross carrying amount</b>	<b>21 123</b>	<b>2 375</b>	<b>2 600</b>	<b>26 098</b>	<b>24 621</b>	<b>2 268</b>	<b>2 735</b>	<b>29 624</b>
Loss allowance	-485	-375	-1 602	-2 461	-555	-365	-1 720	-2 640
<b>Carrying amount</b>	<b>20 639</b>	<b>2 001</b>	<b>998</b>	<b>23 637</b>	<b>24 066</b>	<b>1 903</b>	<b>1 015</b>	<b>26 984</b>
Loss allowance (off balance exposures)	-30	-9	-30	-69	-21	-8	-18	-47
Loss allowance (%)				9,43%				8,91%

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
<b>Credit grade</b>								
Loans not past due date	107 376	1 806	21	109 203	100 557	1 684	-	102 241
Standard monitoring	1 222	803	-	2 025	1 995	890	-	2 885
Special monitoring	-	238	-	238	-	400	-	400
Default	-	-	1 723	1 723	-	-	1 520	1 520
<b>Gross carrying amount</b>	<b>108 598</b>	<b>2 846</b>	<b>1 744</b>	<b>113 188</b>	<b>102 552</b>	<b>2 974</b>	<b>1 520</b>	<b>107 046</b>
Loss allowance	-662	-214	-862	-1 738	-613	-191	-868	-1 672
<b>Carrying amount</b>	<b>107 936</b>	<b>2 632</b>	<b>882</b>	<b>111 450</b>	<b>101 939</b>	<b>2 783</b>	<b>652</b>	<b>105 374</b>
Loss allowance (%)				1,54%				1,56%

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

	Q1 2022				Q1 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Commercial papers and bonds</b>								
<b>Credit grade</b>								
Investment grade	4 696	-	-	4 696	4 297	-	-	4 297
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>	<b>4 696</b>	<b>-</b>	<b>-</b>	<b>4 696</b>	<b>4 297</b>	<b>-</b>	<b>-</b>	<b>4 297</b>
Loss allowance	-	-	-	-	-	-	-	-
<b>Carrying amount</b>	<b>4 696</b>	<b>-</b>	<b>-</b>	<b>4 696</b>	<b>4 297</b>	<b>-</b>	<b>-</b>	<b>4 297</b>
Loss allowance (%)				0,00%				0,00%

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

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

<b>Maximum exposure to credit risk</b>	Q1 2022	Q1 2021
Financial derivatives Assets	-	1
Financial derivatives Liabilities	-	-

## Note 4 - Risk classification

All amounts in millions of NOK

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

	Gross outstanding			Loss reserves		
	Q1 2022	Q1 2021	FY 2021	Q1 2022	Q1 2021	FY 2021
Current - not past due date	132 099	128 311	133 035	-1 475	-1 471	-1 595
Current - past due date	2 844	4 103	2 802	-261	-283	-254
Total impaired loans	4 343	4 256	4 466	-2 464	-2 604	-2 398
<b>Total gross loans to customers</b>	<b>139 286</b>	<b>136 670</b>	<b>140 303</b>	<b>-4 200</b>	<b>-4 358</b>	<b>-4 246</b>

<i>Ageing of past due but not impaired loans</i>	Gross outstanding			Loss reserves		
	Q1 2022	Q1 2021	FY 2021	Q1 2022	Q1 2021	FY 2021
1 - 29 days	1 976	3 045	1 978	-88	-94	-95
30 - 59 days	558	745	536	-108	-123	-102
60 - 89 days	310	313	287	-65	-66	-58
<b>Total loans due but not impaired</b>	<b>2 844</b>	<b>4 103</b>	<b>2 802</b>	<b>-261</b>	<b>-283</b>	<b>-254</b>

<i>Ageing of impaired loans</i>	Gross outstanding			Loss reserves		
	Q1 2022	Q1 2021	FY 2021	Q1 2022	Q1 2021	FY 2021
90 - 119 days	230	222	241	-101	-109	-109
120 - 149 days	167	196	153	-80	-101	-71
150 - 179 days	125	155	92	-58	-83	-42
180 + days	1 429	2 099	1 490	-915	-1 359	-949
Economic doubtful*	2 391	1 584	2 489	-1 311	-952	-1 227
<b>Total impaired loans</b>	<b>4 343</b>	<b>4 256</b>	<b>4 466</b>	<b>-2 464</b>	<b>-2 604</b>	<b>-2 398</b>

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

## Note 5 - Loss allowance

All amounts in millions of NOK

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

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
<b>Unsecured loans</b>								
<b>Loss allowance at 1 January</b>	<b>510</b>	<b>365</b>	<b>1 657</b>	<b>2 532</b>	<b>608</b>	<b>421</b>	<b>1 687</b>	<b>2 716</b>
Transfers:								
Transfer from Stage 1 to Stage 2	-39	222	-	<b>183</b>	-35	257	-	<b>222</b>
Transfer from Stage 1 to Stage 3	-1	-	16	<b>15</b>	-2	-	29	<b>27</b>
Transfer from Stage 2 to Stage 3	-	-89	158	<b>69</b>	-	-127	212	<b>85</b>
Transfer from Stage 2 to Stage 1	24	-117	-	<b>-94</b>	25	-192	-	<b>-167</b>
Transfer from Stage 3 to Stage 2	-	11	-39	<b>-28</b>	-	20	-56	<b>-36</b>
Transfer from Stage 3 to Stage 1	0	-	-1	<b>-1</b>	-	-	-	<b>-</b>
Assets remaining in same Stage	-58	-5	38	<b>-25</b>	-19	6	82	<b>69</b>
Methodological changes	-	-	-	<b>-</b>	-	-	-	<b>-</b>
Financial assets derecognised that are not write-offs	-15	-5	-18	<b>-38</b>	-26	-14	-46	<b>-86</b>
<i>of which 'accounts that have closed in the period'</i>	-15	-5	-18	<b>-38</b>	-26	-14	-46	<b>-86</b>
<i>of which 'foreclosed'</i>	-	-	-	<b>-</b>	-	-	-	<b>-</b>
<i>of which 'sold'</i>	-	-	-	<b>-</b>	-	-	-	<b>-</b>
<i>of which 'change of perimeter'</i>	-	-	-	<b>-</b>	-	-	-	<b>-</b>
Write-offs	-	-	-175	<b>-175</b>	-	-	-129	<b>-129</b>
New financial assets originated or purchased	79	-	-	<b>79</b>	31	-	-	<b>31</b>
Changes in PDs/LGDs/EADs	-	-	-	<b>-</b>	-	-	-	<b>-</b>
Modification of contractual cash flows of financial assets	-	-	-	<b>-</b>	-	-	-	<b>-</b>
FX and other movements	-14	-8	-33	<b>-56</b>	-27	-6	-59	<b>-92</b>
<b>Loss allowance at 31 March</b>	<b>485</b>	<b>375</b>	<b>1 602</b>	<b>2 461</b>	<b>555</b>	<b>365</b>	<b>1 720</b>	<b>2 640</b>

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
<b>Loss allowance at 1 January</b>	<b>651</b>	<b>210</b>	<b>853</b>	<b>1 714</b>	<b>599</b>	<b>197</b>	<b>817</b>	<b>1 613</b>
Transfers:								
Transfer from Stage 1 to Stage 2	-22	155	-	<b>133</b>	-20	129	-	<b>109</b>
Transfer from Stage 1 to Stage 3	-8	-	45	<b>37</b>	-4	-	80	<b>76</b>
Transfer from Stage 2 to Stage 3	-	-77	163	<b>86</b>	-	-42	119	<b>77</b>
Transfer from Stage 2 to Stage 1	13	-77	-	<b>-64</b>	14	-94	-	<b>-80</b>
Transfer from Stage 3 to Stage 2	-	49	-126	<b>-77</b>	-	23	-101	<b>-78</b>
Transfer from Stage 3 to Stage 1	0	-	-1	<b>-1</b>	-	-	-2	<b>-2</b>
Assets remaining in same Stage	-62	-32	35	<b>-60</b>	-11	1	174	<b>164</b>
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-34	-13	-40	<b>-87</b>	-38	-22	-139	<b>-199</b>
<i>of which 'accounts that have closed in the period'</i>	-34	-13	-40	<b>-87</b>	-38	-22	-139	<b>-199</b>
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-62	<b>-62</b>	-	-	-69	<b>-69</b>
New financial assets originated or purchased	132	-	-	<b>132</b>	87	-	-	<b>87</b>
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-7	-1	-6	<b>-14</b>	-14	-1	-11	<b>-26</b>
<b>Loss allowance at 31 March</b>	<b>662</b>	<b>214</b>	<b>862</b>	<b>1 738</b>	<b>613</b>	<b>191</b>	<b>868</b>	<b>1 672</b>

	Q1 2022				Q1 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Commercial papers and bonds	ECL	ECL	ECL		ECL	ECL	ECL	
<b>Loss allowance at 1 January</b>	-	-	-	-	-	-	-	-
Transfers:								
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Assets remaining in same Stage	-	-	-	-	-	-	-	-
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-	-	-	-	-	-	-	-
<i>of which 'accounts that have closed in the period'</i>	-	-	-	-	-	-	-	-
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	-	-	-	-
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-	-	-	-	-	-	-	-
<b>Loss allowance at 31 March</b>	-	-	-	-	-	-	-	-



	Q1 2022				Q1 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Off balance exposure*</b>								
<b>Loss allowance at 1 January</b>	<b>29</b>	<b>9</b>	<b>29</b>	<b>66</b>	<b>21</b>	<b>7</b>	<b>18</b>	<b>46</b>
Transfers:								
Transfer from Stage 1 to Stage 2	-0	3	-	2	-1	6	-	5
Transfer from Stage 1 to Stage 3	-0	-	5	5	-	-	2	2
Transfer from Stage 2 to Stage 3	-	-0	2	1	-	-1	3	2
Transfer from Stage 2 to Stage 1	1	-4	-	-4	1	-6	-	-5
Transfer from Stage 3 to Stage 2	-	2	-3	-1	-	2	-4	-2
Transfer from Stage 3 to Stage 1	0	-	-0	-0	-	-	-	-
Assets remaining in same Stage	-3	1	5	3	1	-	2	3
Methodological changes	-	-	-	-	-	-	-	-
Financial assets derecognised that are not write-offs	-1	-1	-7	-9	-2	-1	-3	-6
<i>of which 'accounts that have closed in the period'</i>	-1	-1	-7	-9	-2	-1	-3	-6
<i>of which 'foreclosed'</i>	-	-	-	-	-	-	-	-
<i>of which 'sold'</i>	-	-	-	-	-	-	-	-
<i>of which 'change of perimeter'</i>	-	-	-	-	-	-	-	-
Write-offs	-	-	-1	-1	-	-	-	-
New financial assets originated or purchased	5	-	-	5	1	-	-	1
Changes in PDs/LGDs/EADs	-	-	-	-	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-	-	-	-	-
FX and other movements	-0	-0	-0	-0	-	1	-	1
<b>Loss allowance at 31 March</b>	<b>30</b>	<b>9</b>	<b>30</b>	<b>69</b>	<b>21</b>	<b>8</b>	<b>18</b>	<b>47</b>

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

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

## Note 6 - Liquidity Coverage Ratio

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Liquidity Coverage Ratio (LCR) measures the capability to meet obligations in the next 30 days by means of liquidity assets. It is defined as  $LCR = \text{liquidity assets} / (\text{cash outflows} - \text{cash inflows})$ . The minimum LCR level (CRD IV) is 100% for SEK, DKK and EUR, and 50% for NOK. With a stable basis of High Quality Liquid Assets, the Bank fulfills the minimum LCR requirements.

Liquidity Coverage Ratio (LCR) %	Q1 2022	Q1 2021	Q4 2021
Liquidity Coverage Ratio (LCR) Total	148%	267%	189%
Liquidity Coverage Ratio (LCR) NOK	81%	246%	77%
Liquidity Coverage Ratio (LCR) SEK	228%	166%	212%
Liquidity Coverage Ratio (LCR) DKK	150%	1103%	201%
Liquidity Coverage Ratio (LCR) EUR	210%	519%	169%

## Note 7 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	Q1 2022	Q1 2021	FY 2021
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	10 914	12 893	12 612
Tier 1 Capital	2 250	2 250	2 250
Other reserves	-38	-81	-24
<b>Total Equity</b>	<b>25 670</b>	<b>27 606</b>	<b>27 382</b>

Common Equity Tier 1 Capital			
(-) Profit not eligible as capital	-334	-513	-2 000
Cash-flow hedge adjustment	-22	-30	-36
IRB Expected Loss - Reserves	-91	-105	-110
Goodwill	-372	-384	-382
Other intangible assets	-448	-461	-481
Deferred tax assets	-	-	-
Adjustment Prudent Valuation (AVA)	-4	-3	-6
Tier 1 Capital	-2 250	-2 250	-2 250
<b>Total common Equity Tier 1 Capital</b>	<b>22 149</b>	<b>23 861</b>	<b>22 117</b>

Tier 1 Capital			
Paid in Tier 1 capital instruments	2 250	2 250	2 250
<b>Total Tier 1 Capital</b>	<b>24 399</b>	<b>26 111</b>	<b>24 367</b>

Total Capital			
Paid up subordinated loans	2 408	2 469	2 461
Subordinated loans not eligible	-	-	-
<b>Total Capital</b>	<b>26 807</b>	<b>28 579</b>	<b>26 828</b>

Risk exposure on Standard Approach			
Regional governments or local authorities	59	58	59
Institutions	251	378	409
Corporates	6 802	7 550	6 808
Retail Standard Approach	45 696	48 324	46 764
Exposures in default SA	3 022	2 962	2 760
Covered bonds	103	96	64
Other Exposures	20 153	20 901	22 482
<b>Total Risk exposure amount on Standard Approach</b>	<b>76 085</b>	<b>80 269</b>	<b>79 346</b>

<b>Risk exposure on Internal Rating Based Approach</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>FY 2021</b>
Retail Other	29 014	24 414	29 084
<b>Total Risk exposure amount on Internal Rating Based Approach</b>	<b>29 014</b>	<b>24 414</b>	<b>29 084</b>
<b>Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries</b>	<b>105 099</b>	<b>104 683</b>	<b>108 430</b>
Foreign exchange (zero if under threshold)	-	1 135	620
<b>Risk exposure amount for position, foreign exchange and commodities risks</b>	<b>-</b>	<b>1 135</b>	<b>620</b>
Basic indicator approach	12 314	12 354	12 314
<b>Risk exposure amount for operational risk</b>	<b>12 314</b>	<b>12 354</b>	<b>12 314</b>
Standardized method	6	41	30
<b>Risk exposure amount for credit valuation adjustment</b>	<b>6</b>	<b>41</b>	<b>30</b>
<b>Total risk exposure amount</b>	<b>117 419</b>	<b>118 213</b>	<b>121 395</b>
<b>Total exposure for Leverage Ratio</b>			
Derivatives: Add-on under market-to-market method	221	281	300
Off-balance sheet items with 10% CCF	2 823	2 722	2 823
Off-balance sheet items with 20% CCF	997	346	731
Off-balance sheet items with 50% CCF	37	37	37
Adjusted On balance sheet exposure	163 949	166 819	173 317
<b>Total exposure for Leverage Ratio</b>	<b>168 026</b>	<b>170 205</b>	<b>177 209</b>
<b>Minimum Regulatory Capital</b>			
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	3,30%	0,00%	3,30%
Pillar 2 Guidance	1,50%	0,00%	1,00%
Countercyclical Buffer (combined)	0,32%	0,46%	0,31%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	1,44%	2,09%	1,40%
<b>Minimum Regulatory Capital ratio (CET1)</b>	<b>13,56%</b>	<b>9,55%</b>	<b>13,01%</b>
<b>Minimum Regulatory Capital</b>			
Minimum Core Equity	5 284	5 320	5 463
Pillar 2 Requirement	4 000	4 000	4 006
Pillar 2 Guidance	1 761	-	1 214
Countercyclical Buffer (combined)	376	548	377
Conservation Buffer	2 935	2 955	3 035
Systemic Risk Buffer (combined)	1 692	2 465	1 696
<b>Minimum Regulatory Capital amount</b>	<b>16 049</b>	<b>15 287</b>	<b>15 791</b>

	Q1 2022	Q1 2021	FY 2021
Surplus of Core Equity Tier 1 capital	6 100	8 573	6 326
<b>Common equity tier 1 capital ratio</b>	<b>18,86%</b>	<b>20,18%</b>	<b>18,22%</b>
<b>Common equity tier 1 capital ratio (with IFRS9 transitional rules)</b>		<b>20,31%</b>	<b>18,34%</b>
CET1 regulatory requirements	13,56%	9,55%	13,01%
<b>Tier 1 capital ratio</b>	<b>20,78%</b>	<b>22,09%</b>	<b>20,07%</b>
<b>Tier 1 capital ratio (with IFRS9 transitional rules)</b>		<b>22,21%</b>	<b>20,20%</b>
Tire 1 regulatory requirements	15,06%	11,05%	14,51%
<b>Total capital ratio</b>	<b>22,83%</b>	<b>24,18%</b>	<b>22,10%</b>
<b>Total capital ratio (with IFRS9 transitional rules)</b>		<b>24,30%</b>	<b>22,22%</b>
Total capital regulatory requirements	17,06%	13,05%	16,51%
<b>Leverage ratio</b>	<b>14,52%</b>	<b>15,34%</b>	<b>13,75%</b>
<b>Leverage ratio (with IFRS9 transitional rules)</b>		<b>15,43%</b>	<b>13,84%</b>
LR regulatory requirements	5,00%	5,00%	5,00%

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

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

Financial information in accordance with the capital requirement regulation is published at [www.santanderconsumer.no](http://www.santanderconsumer.no). The Pillar 3 Disclosure report is published at [www.santanderconsumer.no](http://www.santanderconsumer.no).

## Note 8 - Segment information

All amounts in millions of NOK

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

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

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

### Product segmentation per country (gross lending before expected losses)

#### Q1 2022

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

#### Q1 2021

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	7 701	38 860	11 718	-	58 279
Sweden	15 618	18 947	9 492	-	44 057
Denmark	6 305	24 937	3 092	419	34 753
<b>Total</b>	<b>29 624</b>	<b>82 744</b>	<b>24 302</b>	<b>419</b>	<b>137 089</b>

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

Profit and Loss per Country	Q1 2021				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Total interest income	805	496	453	-	1 754
Total interest expenses	-137	-65	-18	-1	-221
<b>Net interest income</b>	<b>668</b>	<b>431</b>	<b>435</b>	-1	<b>1 533</b>
Fee and commission income	44	45	30	-	119
Fee and commission expenses	-29	-22	-7	-	-58
Value change and gain/loss on foreign exchange and securities	53	-	-1	-	52
Other operating income	9	3	27	1	40
Other operating expenses	-12	-8	-25	-	-45
<b>Gross margin</b>	<b>733</b>	<b>449</b>	<b>459</b>	-	<b>1 641</b>
Salaries and personnel expenses	-138	-95	-75	-	-308
Administration expenses	-102	-87	-65	-	-254
Depreciation and amortisation	-27	-18	-8	-	-53
<b>Net operating income</b>	<b>466</b>	<b>249</b>	<b>311</b>	-	<b>1 026</b>
Other income and costs	-1	-	1	-	-
Impairment losses on loan, guarantees etc.	-153	-108	-70	-1	-332
<b>Profit before taxes</b>	<b>312</b>	<b>141</b>	<b>242</b>	-1	<b>694</b>
Income tax expense	-98	-30	-53	-	-181
<b>Profit after tax</b>	<b>214</b>	<b>111</b>	<b>189</b>	-1	<b>513</b>

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

Balance Sheet per Country	Q1 2021				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Cash and receivables on central banks	65	4 820	-	1	4 886
Deposits with and receivables on financial institutions	3 899	648	2 907	-	7 454
Total gross loans to customers	58 279	42 433	34 334	1 624	136 670
Write-downs	-1 811	-1 207	-1 293	-	-4 311
Commercial papers and bonds	2 403	949	945	-	4 297
Financial derivatives	1	-	-	-	1
Investments in subsidiaries	1 652	-	-	-	1 652
Other assets	21 547	694	2 610	-7 763	17 088
<b>Total assets</b>	<b>86 035</b>	<b>48 337</b>	<b>39 503</b>	<b>-6 138</b>	<b>167 737</b>
Debt to credit institutions	4 305	14 002	7 174	-5 911	19 570
Deposits from customers	26 695	23 943	29 226	-	79 864
Debt established by issuing securities	25 330	6 960	1 723	-	34 013
Financial derivatives	0	-	-	-	-
Other liabilities	2 874	3 288	749	-227	6 684
Equity	26 831	144	631	-	27 606
<b>Total liabilities and equity</b>	<b>86 035</b>	<b>48 337</b>	<b>39 503</b>	<b>-6 138</b>	<b>167 737</b>



## Note 9 - Net interest income

All amounts in millions of NOK

	Q1 2022	Q1 2021	FY 2021
Interest and similar income on loans to and receivables from credit institutions	3	5	25
Interest and similar income on loans to and receivables from customers	1 611	1 710	6 596
Interest and similar income on comm. paper, bonds and other securities	3	5	10
Interest and similar income on loans to subsidiaries, branches and SPVs	32	34	150
Other interest income and similar income	-	-	-
<b>Total interest income</b>	<b>1 649</b>	<b>1 754</b>	<b>6 781</b>
Interest and similar expenses on debt to credit institutions	-26	-20	-90
Interest and similar expenses on deposits from and debt to customers	-92	-124	-427
Interest and similar expenses on issued securities	-55	-61	-251
Interest on subordinated loan capital	-14	-14	-56
Other interest expenses and similar expenses	-3	-1	-8
<b>Total interest expense</b>	<b>-190</b>	<b>-221</b>	<b>-834</b>
<b>Net interest income</b>	<b>1 459</b>	<b>1 533</b>	<b>5 948</b>

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

To credit institutions	Q1 2022	Q1 2021	FY 2021
Interest expenses	-26	-20	-90
Average loan over the period	27 708	19 999	24 414
<b>Average nominal interest rate</b>	<b>0,38%</b>	<b>0,40%</b>	<b>0,37%</b>

To customers	Q1 2022	Q1 2021	FY 2021
Interest expenses	-92	-124	-427
Average deposit over the period	71 986	80 503	77 223
<b>Average nominal interest rate</b>	<b>0,51%</b>	<b>0,62%</b>	<b>0,55%</b>

To bondholders	Q1 2022	Q1 2021	FY 2021
Interest expenses	-55	-61	-251
Average issued notes and bonds	36 754	34 771	36 951
<b>Average nominal interest rate</b>	<b>0,60%</b>	<b>0,70%</b>	<b>0,68%</b>

<b>Subordinated loan capital</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>FY 2021</b>
Interest expenses	-14	-14	-56
Average subordinated loan capital	2 439	2 648	2 642
<b>Average nominal interest rate</b>	<b>2,26%</b>	<b>2,12%</b>	<b>2,14%</b>

<b>Total of tables above</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>FY 2021</b>
Interest expenses	-187	-219	-825
Loan	138 887	137 920	141 230
<b>Average nominal interest rate</b>	<b>0,54%</b>	<b>0,64%</b>	<b>0,58%</b>

## Note 10 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 31 March 2022	Financial assets	Financial assets	Amortized cost	Book value
	at fair value through P&L	at fair value through OCI		
Cash and receivables on central banks	-	-	2 656	2 656
Deposits with and receivables on financial institutions	-	-	2 238	2 238
Loans to customers	-	-	135 087	135 087
Commercial papers and bonds	-	-	4 696	4 696
Financial derivatives	-	-	-	-
Loans to subsidiaries and SPV's	-	-	16 023	16 023
Other ownership interests	-	20	-	20
<b>Total financial assets</b>	<b>-</b>	<b>20</b>	<b>160 701</b>	<b>160 721</b>
				Non financial assets 4 142
				<b>Total assets 164 864</b>

Classification of financial liabilities 31 March 2022	Financial liabilities	Financial liabilities	Amortized cost	Book value
	at fair value through P&L	at fair value through OCI		
Debt to credit institutions	-	-	27 016	27 016
Deposits from customers	-	-	70 668	70 668
Debt established by issuing securities	-	-	35 133	35 133
Financial derivatives	-	-	-	-
Other financial liabilities	-	-	339	339
Subordinated loan capital	-	-	2 414	2 414
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>135 570</b>	<b>135 570</b>
				Non financial liabilities and equity 29 293
				<b>Total liabilities and equity 164 864</b>

Classification of financial assets 31 March 2021	Financial assets	Financial assets	Amortized cost	Book value
	at fair value	at fair value		
	through P&L	through OCI		
Cash and receivables on central banks	-	-	4 886	4 886
Deposits with and receivables on financial institutions	-	-	7 454	7 454
Loans to customers	-	-	132 359	132 359
Commercial papers and bonds	-	-	4 297	4 297
Financial derivatives	1	-	-	1
Loans to subsidiaries and SPV's	-	-	13 507	13 507
Other ownership interests	-	37	-	37
<b>Total financial assets</b>	<b>1</b>	<b>37</b>	<b>162 503</b>	<b>162 540</b>

Non financial assets	5 197
<b>Total assets</b>	<b>167 737</b>

Classification of financial liabilities 31 March 2021	Financial liabilities	Financial liabilities	Amortized cost	Book value
	at fair value	at fair value		
	through P&L	through OCI		
Debt to credit institutions	-	-	19 570	19 570
Deposits from customers	-	-	79 864	79 864
Debt established by issuing securities	-	-	34 013	34 013
Financial derivatives	-	-	-	-
Other financial liabilities	-	-	348	348
Subordinated loan capital	-	-	2 474	2 474
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>136 269</b>	<b>136 269</b>

Non financial liabilities and equity	31 468
<b>Total liabilities and equity</b>	<b>167 737</b>

## Note 11 - Valuation Hierarchy

All amounts in millions of NOK

Q1 2022

	Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
<b>Financial instruments measured at fair value</b>				

### Financial assets

Name	Type				
VN Norge	Equity	-	20	-	20
<b>Total other ownership interests</b>		-	20	-	20
<b>Total Assets</b>		-	20	-	20

### Financial liabilities

<b>Total Liabilities</b>	-	-	-	-
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### Derivatives designated for hedge accounting - assets

Name	Type	Notional				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	27	-	27
<b>Total derivatives designated for hedging - assets*</b>			-	27	-	27

### Derivatives designated for hedge accounting - liabilities

Name	Type	Notional				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	54	-	54
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	49	-	49
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	90	-	90
<b>Total derivatives designated for hedging - liabilities*</b>			-	90	-	90

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

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

**Level 1:**

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

**Level 2:**

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

**Level 3:**

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

**Q1 2021**

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
<b>Financial instruments measured at fair value</b>						
<b>Financial assets</b>						
<b>Name</b>	<b>Type</b>	<b>Notional</b>				
FX Swap EUR/DKK	Cross Currency Swap	MM EUR 100	-	1	-	1
<b>Total financial trading derivatives</b>			-	1	-	1
<b>Name</b>	<b>Type</b>					
VN Norge	Equity		-	37	-	37
<b>Total other ownership interests</b>			-	37	-	37
<b>Total Assets</b>			-	38	-	38
<b>Financial liabilities</b>						
<b>Total Liabilities</b>			-	-	-	-

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
<b>Derivatives designated for hedge accounting - assets</b>						
<b>Name</b>	<b>Type</b>	<b>Notional</b>				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	34	-	<b>34</b>
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	2	-	<b>2</b>
<b>Total derivatives designated for hedging - assets*</b>			<b>-</b>	<b>36</b>	<b>-</b>	<b>36</b>

#### Derivatives designated for hedge accounting - liabilities

<b>Name</b>	<b>Type</b>	<b>Notional</b>				
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	1	-	<b>1</b>
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	10	-	<b>10</b>
<b>Total derivatives designated for hedging - liabilities*</b>			<b>-</b>	<b>11</b>	<b>-</b>	<b>11</b>

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

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

#### Level 1:

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

#### Level 2:

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

#### Level 3:

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

## Note 12 - Loans to customers

All amounts in millions of NOK

	Q1 2022	Q1 2021	FY 2021
Credit Card	5 041	5 698	5 274
Unsecured loans	21 058	23 927	22 099
Auto loans	113 188	107 046	112 929
- <i>Installment loans</i>	83 694	82 743	84 154
- <i>Finance leases</i>	29 494	24 303	28 775
<b>Total gross loans to customers</b>	<b>139 286</b>	<b>136 670</b>	<b>140 303</b>
- Loan loss allowance - Stage 1	-1 147	-1 168	-1 161
- Loan loss allowance - Stage 2	-589	-556	-575
- Loan loss allowance - Stage 3	-2 464	-2 588	-2 510
<b>Total net loans to customers</b>	<b>135 087</b>	<b>132 359</b>	<b>136 057</b>



## Note 13 - Impairment losses on loan, guarantees etc.

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All amounts in millions of NOK

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

	Q1 2022	Q1 2021
Change in loss allowance - Unsecured loans	11	-31
Change in loss allowance - Secured loans	-41	-88
Change in loss allowance - Commercial papers and bonds	-0	-
+ Total realized losses	-347	-260
- Recoveries on previously realized losses	44	47
- Gain on sold portfolios	-	-
<b>Impairment losses on loan, guarantees etc.</b>	<b>-334</b>	<b>-331</b>

## Note 14 - Issued securities

All amounts in millions of NOK

	Q1 2022	Q1 2021	FY 2021
Senior unsecured issued securities	35 133	34 013	38 375
<b>Total issued securities</b>	<b>35 133</b>	<b>34 013</b>	<b>38 375</b>

Issued securities by currency in NOK	Q1 2022	Q1 2021	FY 2021
DKK	982	1 686	1 008
EUR	24 106	20 046	24 977
NOK	3 606	5 324	5 711
SEK	6 440	6 956	6 679
<b>Total issued securities</b>	<b>35 133</b>	<b>34 013</b>	<b>38 375</b>

## Note 15 - Receivables and liabilities to related parties

All amounts in millions of NOK

	Q1 2022	Accrued Interest		Accrued Interest	
		Q1 2022	Q1 2021	Q1 2021	FY 2021
<b>Debt to related parties:</b>					
Santander Consumer Finance S.A.	26 328	10	17 914	1	26 677
Debt to SPV on future cash flow of securitized loans	661	-	1 624	-	870
<b>Total</b>	<b>26 988</b>	<b>10</b>	<b>19 538</b>	<b>1</b>	<b>27 547</b>

	Q1 2022	Accrued Interest		Accrued Interest	
		Q1 2022	Q1 2021	Q1 2021	FY 2021
<b>Balance sheet line: "Subordinated loan capital" - Bonds</b>					
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	1	500	1	500
MSEK 750, maturity December 2029, 3 months STIBOR +2.08% (Santander Consumer Finance S.A)	704	1	734	1	730
MSEK 750, maturity December 2030, 3 months STIBOR +2.29% (Santander Consumer Finance S.A)	704	-	734	-	730
MNOK 500, maturity June 2031, 3 months NIBOR + 2.62% (Santander Consumer Finance S.A)	500	4	500	4	500
<b>Total</b>	<b>2 408</b>	<b>6</b>	<b>2 469</b>	<b>5</b>	<b>2 461</b>

	Q1 2022	Accrued Interest		Accrued Interest	
		Q1 2022	Q1 2021	Q1 2021	FY 2021
<b>Receivables on related parties:</b>					
Balance sheet line: "Commercial papers and bonds" <i>B and C notes issued by SPVs</i>	437	-	456	-	453
Balance sheet line : "Loans to subsidiaries and SPV's" <i>Loan to subsidiary (Santander Consumer Bank OY)</i>	15 999	26	13 492	15	18 419

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

Financial information in accordance with the capital requirement regulation is published at [www.santanderconsumer.no](http://www.santanderconsumer.no)

## Note 16 - Transactions with related parties

All amounts in millions of NOK

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

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

The following transactions were carried out with related parties:

	Q1 2022	Q1 2021	FY 2021
Interest income	32	44	176
Interest expenses	-28	-19	-77
Interest payments additional Tier 1 capital	-32	-30	-118
Fees	1	3	7
Other	-110	-5	-58
<b>Net transactions</b>	<b>-137</b>	<b>-8</b>	<b>-69</b>

The Bank had transactions with the following related parties as at 31 March 2022:

Banco Santander S.A.

Santander Consumer Finance OY

Santander Consumer Finance S.A.

Santander Seguros Y Reaseguros S.A.

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

SPV:

Svensk Autofinans WH 1 Ltd



Strandveien 18, 1325 Lysaker, Norway