



## **First Quarter Report**

**2012**

# Report of the Board of Directors – 1<sup>st</sup> quarter 2012

## Introduction

The accounts in Santander Consumer Bank AS show the activities of the company in Norway, Sweden and Denmark. In the group section, the Finnish subsidiary is included. All figures and notes were prepared on the assumption that the business is a going concern.

Michael Hvidsten was appointed CEO of Santander Consumer Bank AS with effect from March, 29<sup>th</sup> 2012. Former CEO, Erik Kongelf, was elected Chairman of the Board of Directors from the same date.

## Business areas

During Q1 2012 we have experienced an overall positive evolution in new business volume, with total growth vs. Q1 2011 of 12%.

Within the auto segment we are outperforming the market evolution in most countries, particularly in Denmark, and consequently increasing our market share. A key driver for this is our full range product offering, both to consumers and corporate customers, as well as our strength in both attracting and keeping cooperations with auto dealers and our tailored products to them.

For cards and consumer loans we are seeing growth in line with the industry, and specifically for these products we are now exploring television commercials as a new channel to attract customers.

The macro situation is still volatile, and we are taking a cautious approach in terms of securing an adequately tuned credit policy and sufficient loss provisions.

Total assets as per March 31<sup>st</sup> 2012 amounted to NOK 58.114 M which is an increase of 10,7 % compared to the same period last year.

## Financial Results

For the Nordic Group the financial result before taxes amounted to NOK 235 M against NOK 303 M the same period last year. The result represents a ROA of 1.71 % of average assets. The operating result is hence down NOK 68 M from first quarter 2011. This is partly due to an increase in losses that amounts to NOK 93 M. The net interest and credit commission income increased with NOK 32 M (5,5 %). Net commission income increased with NOK 18 M (137 %).

For the parent company (SCB) the operating result totalled NOK 213.9 M compared to NOK 197.9 M for first quarter 2011.

## Risk

In the first three months of 2012 the amount of NPL is still on a moderate level and the NPL ratio at the end of the quarter equalled 1.90 % for the Nordic Group.

Total loan losses for the first three months of the year for the Group amounted to NOK 137.4 M against NOK 44.8 M in first quarter 2011. This represents an increase of more than 200 % compared to first quarter 2011. This increase in both actual losses and provisions for losses relates mainly to the activities in Norway and Finland, where the timing of bad debt sales also has an impact on the loss level. The loan loss ratio came to 1.00 % against 0.35 % in the same period last year. Total loan loss reserves (in balance) at the end of Q1 totalled NOK 933.2 M which represents coverage of 89 % compared to non-performing loans.

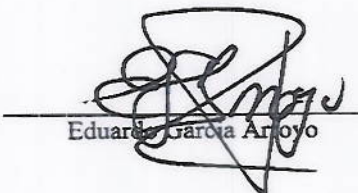
## Capital ratio

Santander Consumer Bank applies the standard approach in Basel II, and the core capital ratio according to this methodology was at the 1<sup>st</sup> quarter of 2012 9.58 %, compared to 8.86 % at the same time last year.

The Board of Directors

  
Erik Kongelf  
(Chairman)

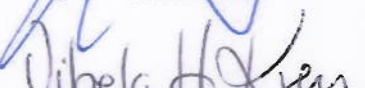
  
Javier San Felix Garcia  
(Deputy Chairman)

  
Eduardo Garcia Arroyo

  
Javier Anton

  
Bjørn Elvestad

Odd Lunde

  
Vibeke Hamre Krey  
(Employee Representative)

  
Michael Hvidsten  
(Chief Executive Officer)



## Profit and loss account

Group			Santander Consumer Bank AS				
31.03.12	31.03.11	2011	All amounts in thousands of NOK	Note	31.03.12	31.03.11	2011
			<b>Interest income and similar income</b>				
1 559	5 330	8 045	Interest and similar income on loans to and receivables from credit institutions		101 966	5 294	315 433
995 212	920 981	3 908 000	Interest and similar income on loans to and receivables from customers		843 950	723 692	3 105 061
33 698	0	0	Interest and similar income on comm. paper, bonds and other securities		26 660	0	66 845
<b>1 030 469</b>	<b>926 311</b>	<b>3 916 045</b>	<b>Total interest income and similar income</b>		<b>972 576</b>	<b>728 986</b>	<b>3 487 339</b>
			<b>Interest expenses and similar expenses</b>				
324 919	296 455	1 237 988	Interest and similar expenses on debt to credit institutions	4	493 523	243 069	1 636 928
2 005	2 044	8 392	Interest and similar expenses on deposits from and debt to customers		2 005	2 044	8 392
85 834	29 466	269 612	Interest and similar expenses on issued commercial papers and bonds	6	8 698	29 466	43 634
8 178	8 453	32 251	Interest on subordinated loan capital	4	8 178	8 453	32 251
94	12 387	12 992	Other interest expenses and similar expenses		63	12 315	2 119
<b>421 030</b>	<b>348 806</b>	<b>1 561 235</b>	<b>Total interest expenses and similar expenses</b>		<b>512 468</b>	<b>295 348</b>	<b>1 723 324</b>
<b>609 439</b>	<b>577 505</b>	<b>2 354 810</b>	<b>Net interest and credit commission income</b>		<b>460 108</b>	<b>433 638</b>	<b>1 764 015</b>
			<b>Commission income</b>				
1 031	329	3 473	Guarantee commissions		599	329	1 464
64 948	42 505	229 053	Other commissions and fees		57 132	38 752	201 296
<b>65 979</b>	<b>42 834</b>	<b>232 526</b>	<b>Total commission income and income from banking services</b>		<b>57 731</b>	<b>39 081</b>	<b>202 760</b>
			<b>Commission expenses</b>				
35 468	29 947	122 599	Other fees and commission expenses		19 173	28 116	91 079
<b>35 468</b>	<b>29 947</b>	<b>122 599</b>	<b>Total commission expenses and expenses from banking services</b>		<b>19 173</b>	<b>28 116</b>	<b>91 079</b>
			<b>Net value change and gain/loss on foreign exchange and securities</b>				
1 474	-3 640	-1 865	Net value change and gain/loss on foreign exchange and securities		4 221	146	1 734
<b>1 474</b>	<b>-3 640</b>	<b>-1 865</b>	<b>Total value change and gain/loss on foreign exchange and securities</b>		<b>4 221</b>	<b>146</b>	<b>1 734</b>
			<b>Other operating income</b>				
9 918	8 207	27 720	Other operating income		7 721	7 051	25 460
<b>9 918</b>	<b>8 207</b>	<b>27 720</b>	<b>Total other operating income</b>		<b>7 721</b>	<b>7 051</b>	<b>25 460</b>
			<b>Salaries and administration expenses</b>				
127 342	117 763	529 121	Salaries, fees and other personnel expenses		102 999	91 046	384 934
87 855	86 220	405 774	Of which: - Salaries		67 974	63 054	272 827
17 542	14 616	68 242	- Pensions		14 818	12 498	60 294
21 945	16 928	55 105	- Social costs		20 207	15 494	51 812
87 774	66 827	303 983	Administration expenses		61 956	55 219	250 172
<b>215 116</b>	<b>184 590</b>	<b>833 104</b>	<b>Total salaries and administration expenses</b>		<b>164 955</b>	<b>146 266</b>	<b>635 106</b>
			<b>Ordinary depreciation</b>				
16 695	13 679	56 034	Ordinary depreciation		15 470	12 652	50 571
27 545	27 925	112 527	Ordinary depreciation operational leasing		0	0	0
<b>44 240</b>	<b>41 605</b>	<b>168 561</b>	<b>Sum ordinary depreciation</b>		<b>15 470</b>	<b>12 652</b>	<b>50 571</b>
<b>19 439</b>	<b>21 015</b>	<b>79 799</b>	<b>Other operating expenses</b>		<b>12 809</b>	<b>13 503</b>	<b>56 816</b>
			<b>Losses on loans, guarantees etc</b>				
137 409	44 830	281 429	Loan losses	2	103 463	81 511	324 619
<b>137 409</b>	<b>44 830</b>	<b>281 429</b>	<b>Total losses on loans, guarantees etc</b>		<b>103 463</b>	<b>81 511</b>	<b>324 619</b>
<b>235 137</b>	<b>302 919</b>	<b>1 127 698</b>	<b>Operating result</b>		<b>213 911</b>	<b>197 869</b>	<b>835 780</b>
67 060	82 553	311 347	Taxes charge		61 931	55 337	235 343
<b>168 077</b>	<b>220 365</b>	<b>816 351</b>	<b>Profit after tax</b>		<b>151 980</b>	<b>142 532</b>	<b>600 436</b>
			<b>Allocation of profit after tax</b>				
168 077	220 365	816 351	Transferred to other earned equity		151 980	142 532	600 436
<b>168 077</b>	<b>220 365</b>	<b>816 351</b>	<b>Total allocations</b>		<b>151 980</b>	<b>142 532</b>	<b>600 436</b>

### Statement of comprehensive income

Group			Santander Consumer Bank AS				
31.03.12	31.03.11	2011	All amounts in thousands of NOK	Note	31.03.12	31.03.11	2011
-3 108	7 623	2 315	Net exchange differences on translating foreign operations		-2 757	496	-456
168 077	220 365	816 341	Profit after tax for the period		151 980	142 532	600 436
<b>164 961</b>	<b>227 988</b>	<b>818 656</b>	<b>Total comprehensive income for the period</b>		<b>149 223</b>	<b>143 028</b>	<b>599 980</b>

## Balance sheet Assets

Group			Santander Consumer Bank AS					
31.03.12	31.03.11	2011	All amounts in thousands of NOK	Note	31.03.12	31.03.11	2011	
			<b>Cash and receivables on central banks</b>					
0	0	0	Cash and receivables on central banks		0	0	0	
<b>0</b>	<b>0</b>	<b>0</b>	<b>Total cash and receivables on central banks</b>		<b>0</b>	<b>0</b>	<b>0</b>	
			<b>Deposits with and receivables on financial institutions</b>					
1 017 455	353 709	896 992	Deposits with Norwegian financial institutions		479 603	347 209	592 585	
<b>1 017 455</b>	<b>353 709</b>	<b>896 992</b>	<b>Total deposits with and loans to financial institutions</b>		<b>479 603</b>	<b>347 209</b>	<b>592 585</b>	
			<b>Loans to customers</b>					
1 949 642	1 718 822	1 894 581	Credit cards		1 949 642	1 718 822	1 894 581	
43 341 065	40 028 721	42 797 325	Installment loans	7	34 895 461	30 899 711	34 109 784	
10 061 388	9 253 239	9 729 300	Financial leasing		9 620 063	8 742 434	9 282 009	
<b>55 352 095</b>	<b>51 000 783</b>	<b>54 421 206</b>	<b>Total loans before individual and group write-downs</b>		<b>46 465 166</b>	<b>41 360 968</b>	<b>45 286 375</b>	
107 248	89 293	102 781	-Individual write-downs	2,3	67 732	52 358	64 206	
826 026	883 434	820 266	-Group write-downs	2,3	570 653	514 243	543 390	
<b>54 418 821</b>	<b>50 028 056</b>	<b>53 498 159</b>	<b>Net loans</b>		<b>45 826 780</b>	<b>40 794 366</b>	<b>44 678 779</b>	
<b>28 711</b>	<b>34 570</b>	<b>39 435</b>	<b>Repossessed assets</b>		<b>15 274</b>	<b>16 309</b>	<b>19 013</b>	
			<b>Commercial papers, bonds and other fixed-income securities</b>					
0	0	0	Commercial papers and bonds	6	3 017 020	0	3 017 020	
<b>0</b>	<b>0</b>	<b>0</b>	<b>Total commercial papers, bonds and other fixed-income securities</b>		<b>3 017 020</b>	<b>0</b>	<b>3 017 020</b>	
			<b>Ownership interests in group companies</b>					
0	0	0	Ownership interest in credit institutions		994 715	1 228 682	1 014 665	
<b>0</b>	<b>0</b>	<b>0</b>	<b>Sum ownership interest in group companies</b>		<b>994 715</b>	<b>1 228 682</b>	<b>1 014 665</b>	
			<b>Intangible assets</b>					
437 392	448 572	442 718	Goodwill		103 864	106 750	105 988	
113 338	116 645	106 965	Deferred tax assets		0	0	0	
212 478	180 755	204 653	Other intangible assets		199 542	166 086	190 688	
<b>763 208</b>	<b>745 972</b>	<b>754 337</b>	<b>Total intangible assets</b>		<b>303 406</b>	<b>272 836</b>	<b>296 676</b>	
			<b>Fixed assets</b>					
29 787	26 368	28 230	Machinery, fittings and vehicles		23 165	21 684	21 164	
414 525	421 896	410 661	Operational leasing		0	0	0	
<b>444 312</b>	<b>448 264</b>	<b>438 891</b>	<b>Total fixed assets</b>		<b>23 165</b>	<b>21 684</b>	<b>21 164</b>	
			<b>Other assets</b>					
1 090 447	675 723	1 279 939	Consignment		624 330	345 417	730 269	
244 004	171 522	156 089	Other assets		124 623	104 796	78 873	
<b>1 334 451</b>	<b>847 245</b>	<b>1 436 028</b>	<b>Total other assets</b>		<b>748 953</b>	<b>450 212</b>	<b>809 143</b>	
			<b>Prepayments and earned income</b>					
107 198	57 974	128 378	Earned income not received and prepaid expenses not incurred		88 961	59 768	77 525	
<b>107 198</b>	<b>57 974</b>	<b>128 378</b>	<b>Total prepayments and earned income</b>		<b>88 961</b>	<b>59 768</b>	<b>77 525</b>	
<b>58 114 156</b>	<b>52 515 790</b>	<b>57 192 220</b>	<b>Total assets</b>		<b>51 497 879</b>	<b>43 191 067</b>	<b>50 526 570</b>	



## Balance sheet Liabilities and equity

Group			Santander Consumer Bank AS				
31.03.12	31.03.11	2011	(All amounts in thousands of NOK)	Note	31.03.12	31.03.11	2011
<b>Debt to credit institutions</b>							
40 653 815	34 923 862	38 395 657	Loans and deposits from credit institutions with an agreed term	4	42 948 231	26 071 910	42 112 120
<b>40 653 815</b>	<b>34 923 862</b>	<b>38 395 657</b>	<b>Total loans and deposits from financial institutions</b>		<b>42 948 231</b>	<b>26 071 910</b>	<b>42 112 120</b>
<b>Deposits from and debt to customers</b>							
244 712	275 683	258 827	Deposits from and debt to customers repayable on notice		244 712	275 683	258 827
<b>244 712</b>	<b>275 683</b>	<b>258 827</b>	<b>Total deposits from customers</b>		<b>244 712</b>	<b>275 683</b>	<b>258 827</b>
<b>Debt established by issuing securities</b>							
0	524 805	0	Certificates and other short term loan raising	6	0	524 805	0
8 963 826	9 535 984	10 490 328	Bonds and other long term loan raising	6	854 660	9 535 984	854 415
<b>8 963 826</b>	<b>10 060 789</b>	<b>10 490 328</b>	<b>Total debt established by issuing securities</b>		<b>854 660</b>	<b>10 060 789</b>	<b>854 415</b>
<b>Other debt</b>							
596 867	597 006	547 939	Other debt		402 146	435 829	419 394
<b>596 867</b>	<b>597 006</b>	<b>547 939</b>	<b>Total other debt</b>		<b>402 146</b>	<b>435 829</b>	<b>419 394</b>
<b>Allocations for expenses incurred and liabilities</b>							
733 359	507 752	710 258	Expenses incurred and earned income not received		450 799	379 130	401 103
100 166	68 659	98 575	Pension liabilities		100 166	68 659	98 575
384 722	400 657	418 915	Deferred tax		384 722	392 460	418 915
<b>1 218 247</b>	<b>977 068</b>	<b>1 227 749</b>	<b>Total allocations for liabilities</b>		<b>935 687</b>	<b>840 249</b>	<b>918 594</b>
<b>Subordinated loan capital</b>							
655 183	655 183	655 183	Other subordinated loan capital	4	655 183	655 183	655 183
<b>655 183</b>	<b>655 183</b>	<b>655 183</b>	<b>Total subordinated loan capital</b>		<b>655 183</b>	<b>655 183</b>	<b>655 183</b>
<b>52 332 650</b>	<b>47 489 592</b>	<b>51 575 683</b>	<b>Total liabilities</b>		<b>46 040 619</b>	<b>38 339 643</b>	<b>45 218 533</b>
<b>Equity</b>							
<b>Paid-in equity</b>							
2 982 469	2 662 469	2 982 469	Share capital		2 982 469	2 662 469	2 982 469
891 314	891 314	891 314	Share premium capital		891 314	891 314	891 314
566 008	320 000	566 008	Paid in, not registered share capital		566 008	320 000	566 008
<b>4 439 799</b>	<b>3 873 783</b>	<b>4 439 791</b>	<b>Total paid-in equity</b>		<b>4 439 791</b>	<b>3 873 783</b>	<b>4 439 791</b>
<b>Earned equity</b>							
1 341 715	1 152 415	1 176 746	Other equity		1 017 469	977 641	868 246
<b>1 341 707</b>	<b>1 152 415</b>	<b>1 176 746</b>	<b>Total earned equity</b>		<b>1 017 469</b>	<b>977 641</b>	<b>868 246</b>
<b>5 781 506</b>	<b>5 026 198</b>	<b>5 616 537</b>	<b>Total equity</b>		<b>5 457 260</b>	<b>4 851 424</b>	<b>5 308 037</b>
<b>58 114 156</b>	<b>52 515 790</b>	<b>57 192 220</b>	<b>Total liabilities and equity</b>		<b>51 497 879</b>	<b>43 191 067</b>	<b>50 526 570</b>
<b>Conditional liabilities</b>							
133 091	126 091	132 018	Guarantee liabilities		133 091	126 091	132 018

## Statements of changes in equity

### Group:

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity	Total
Equity as at 31.12.2011	3 548 477	891 314	1 176 746	5 616 537
Conversion differences foreign currencies (branches)			- 3 108	- 3 108
Profit for the year			168 077	168 077
Total comprehensive income for the period			164 969	164 969
<b>Equity as at 31.3.2012</b>	<b>3 548 477</b>	<b>891 314</b>	<b>1 341 715</b>	<b>5 781 506</b>

### Santander Consumer Bank AS:

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity	Total
Equity as at 31.12.2011	3 548 477	891 314	868 246	5 308 037
Conversion differences foreign currencies (branches)			- 2 757	- 2 757
Profit for the year			151 980	151 980
Total comprehensive income for the period			149 223	149 223
<b>Equity as at 31.3.2012</b>	<b>3 548 477</b>	<b>891 314</b>	<b>1 017 469</b>	<b>5 457 260</b>

## Cash flow statement

Group		Santander Consumer Bank AS		
31.03.12	31.12.11	All amounts in thousands of NOK	31.03.12	31.12.11
<b>Cash flow from operations</b>				
1 254 702	4 538 570	Receipts of interest	1 070 357	3 738 968
-1 605 753	-5 546 467	Net disbursement/payments on customer loans	- 3 111 029	- 5 973 027
- 14 115	- 26 141	Net receipts/payments from banking customers	- 14 115	- 26 141
- 251 617	- 935 343	Payments of operating costs	- 161 976	- 664 760
10 023	101 647	Recovered on previously recognised losses	9 690	73 592
0	- 214 434	Taxes paid	0	- 163 981
26 553	- 239 124	Increase/reduction in prepayments	- 823	- 213 543
721 748	537 617	Net receipts/payments on other operating activities	323 246	14 647
189 491	- 698 779	Net receipts/payments from consignment	105 939	- 450 660
<b>- 331 034</b>	<b>- 2 482 453</b>	<b>Net cash flow from operating activities</b>	<b>-1 778 709</b>	<b>- 3 664 905</b>
<b>Cash flow from investment activities</b>				
- 18 252	- 57 331	Net payments on purchase/sale of fixed assets etc.	- 17 471	- 50 571
0	0	Net payments from subsidiaries	0	201 734
<b>-18 252</b>		<b>Net cash flow from investment activities</b>	<b>-17 471</b>	<b>151 163</b>
<b>Cash flow from financing activities</b>				
- 21 816	887 466	Increase/reduction in equity	- 2 750	887 466
- 502 314	- 1 686 437	Payment of interest	- 473 470	- 1 427 030
1 858 313	4 713 614	Increase/reduction in loans from credit institutions	2 159 174	5 126 761
- 1 526 502	-	Increase/reduction in bonds *	245	-
0	0	Payments - repayments subordinated loans	0	0
0	- 566 300	Payments - dividends	0	- 566 300
<b>- 192 319</b>	<b>3 348 344</b>	<b>Net cash flow from financing activities</b>	<b>1 683 199</b>	<b>4 020 897</b>
<b>120 463</b>	<b>808 559</b>	<b>Net cash flow for the period</b>	<b>- 112 982</b>	<b>507 156</b>
<b>Net change in cash and cash equivalents</b>				
896 992	88 433	Holding of cash and cash equivalents at start of period	592 585	85 429
1 017 455	896 992	Holding of cash and cash equivalents at end of period	479 603	592 585

\* In 2011 "increase/reductions in bonds" are included in the line "increase/reductions in loans from credit institutions"



## *Notes to the financial accounts of Santander Consumer Bank AS and the consolidated financial accounts for first quarter 2012*

### **1. Accounting principles**

The first quarter accounts for 2012 are prepared in accordance with simplified IFRS as described in the Norwegian accounting act § 3-9, IAS 34 – Interim financial reporting, and the accounting regulations issued by Finanstilsynet (the Financial Supervisory Authority of Norway).

The interim accounts do not include all the information and disclosures required for full annual accounts and should be read in conjunction with the company's annual report as of 31 December 2011. There have not been any changes of accounting principles in 2012. The annual report for 2011 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting [www.santander.no](http://www.santander.no).

The accounts show the activities of the company in Norway, Sweden and Denmark (Santander Consumer Bank AS). In the group accounts, the Finnish subsidiary (Santander Consumer Finance OY) and the special purpose vehicles Bilkreditt 1 ltd. and Bilkreditt 2 ltd. related to the securitized portfolios are included.

The consolidated accounts for first quarter 2012 for Santander Consumer Bank AS were approved by the board of directors 30 May 2012.



## 2. Losses and write-downs

### Group:

<b>Loan losses expenses</b>			
All amounts in thousands of NOK	<b>31.03.12</b>	<b>31.03.11</b>	<b>2011</b>
Write-downs at the end of the period	933 274	972 728	923 047
+/- Rate adjustment opening balance	7 574	- 1 753	1 952
- Write-downs at the beginning of the period	923 047	958 185	958 185
+ Total recognised losses	131 163	112 189	528 121
- Recoveries on recognised losses	11 555	80 149	213 507
<b>= Loan losses</b>	<b>137 409</b>	<b>44 830</b>	<b>281 429</b>

<b>Individual- and group write-downs</b>			
All amounts in thousands of NOK	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.12.11</b>
Individual write-downs at the beginning of the period	102 782	96 286	96 286
+/- Rate adjustment opening balance	- 1 860	198	1 122
Reclassification from individual to group write-downs	-	50 601	18 560
- Recognised losses covered by earlier write-downs	-	57 791	-
- Reversal of earlier individual write-downs	-	-	-
+ Individual write-downs for the period	6 326	-	- 13 186
<b>= Individual write-downs at the end of the period</b>	<b>107 248</b>	<b>89 293</b>	<b>102 782</b>
	<b>31.12.11</b>	<b>31.03.11</b>	<b>31.12.11</b>
Group write-downs at the beginning of the period	820 264	861 899	861 899
+/- Rate adjustment opening balance	- 5 714	1 555	- 3 074
Reclassification from individual to group write-downs	-	- 50 601	-18 560
+/- Write-downs for the year	11 476	70 581	20 001
<b>= Group write-downs at the end of the period</b>	<b>826 026</b>	<b>883 434</b>	<b>820 264</b>

### Santander Consumer Bank AS:

<b>Loan losses expenses</b>			
All amounts in thousands of NOK	<b>31.03.12</b>	<b>31.03.11</b>	<b>2011</b>
Write-downs at the end of the period	638 386	566 602	607 595
+/- Rate adjustment opening balance	1 437	- 458	95
- Write-downs at the beginning of the period	607 595	532 436	532 436
+ Total recognised losses	84 868	58 865	327 977
- Recoveries on recognised losses	13 633	11 062	78 612
<b>= Loan losses</b>	<b>103 463</b>	<b>81 511</b>	<b>324 619</b>

<b>Individual- and group write-downs</b>			
All amounts in thousands of NOK	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.12.11</b>
Individual write-downs at the beginning of the period	64 206	44 845	44 845
+/- Rate adjustment opening balance	- 323	38	-8
Reclassification from individual to group write-downs	18 560	18 598	18 560
- Recognised losses covered by earlier write-downs	-	11 122	-
- Reversal of earlier individual write-downs	-	-	-
+ Individual write-downs for the period	3 849	809	809
<b>= Individual write-downs at the end of the period</b>	<b>67 732</b>	<b>52 358</b>	<b>64 206</b>
	<b>31.12.11</b>	<b>31.03.11</b>	<b>31.12.11</b>
Group write-downs at the beginning of the period	543 388	487 591	487 591
+/- Rate adjustment opening balance	- 1 114	420	-87
Reclassification from individual to group write-downs	-	-18 598	-18 560
+/- Write-downs for the year	28 379	44 830	74 444
<b>= Group write-downs at the end of the period</b>	<b>570 653</b>	<b>514 243</b>	<b>543 388</b>

### 3. Risk classification

#### Group:

##### 31.03.2012

All amounts in thousands of NOK	<b>Very good</b>	<b>Good</b>	<b>Medium</b>	<b>Less good</b>	<b>Default</b>	<b>Total</b>
Gross loans	49 607 381	3 548 433	930 500	216 779	1 049 003	55 352 095
Write downs	369 818	36 596	37 925	46 126	442 809	933 274
Net 31.03.12	<b>49 237 562</b>	<b>3 511 837</b>	<b>892 575</b>	<b>170 653</b>	<b>606 194</b>	<b>54 418 821</b>

##### 31.03.2011

All amounts in thousands of NOK	<b>Very good</b>	<b>Good</b>	<b>Medium</b>	<b>Less good</b>	<b>Default</b>	<b>Total</b>
Gross loans	44 738 675	3 966 509	958 154	236 137	1 101 309	51 000 783
Write downs	382 377	49 602	53 708	50 929	436 112	972 727
Net 31.03.11	<b>44 356 298</b>	<b>3 916 907</b>	<b>904 446</b>	<b>185 208</b>	<b>665 197</b>	<b>50 028 056</b>

The company makes use of a risk classification system, which is based on objective valuation when granting/amending loans. The risk groups had a fairly stable development during first quarter 2012. The development of the portfolio is under continuous surveillance.

#### Santander Consumer Bank AS:

##### 31.03.2012

All amounts in thousands of NOK	<b>Very good</b>	<b>Good</b>	<b>Medium</b>	<b>Less good</b>	<b>Default</b>	<b>Total</b>
Gross loans	42 079 825	2 683 041	623 420	157 476	921 403	46 465 166
Write downs	196 027	21 814	22 090	32 400	366 054	638 385
Net 31.03.12	<b>41 883 798</b>	<b>2 661 227</b>	<b>601 330</b>	<b>125 076</b>	<b>555 349</b>	<b>45 826 780</b>

##### 31.03.2011

All amounts in thousands of NOK	<b>Very good</b>	<b>Good</b>	<b>Medium</b>	<b>Less good</b>	<b>Default</b>	<b>Total</b>
Gross loans	36 866 213	2 773 658	592 335	161 016	967 746	41 360 968
Write downs	116 577	29 937	31 078	34 100	354 909	566 601
Net 31.03.11	<b>36 749 636</b>	<b>2 743 721</b>	<b>561 257</b>	<b>126 916</b>	<b>612 837</b>	<b>40 794 366</b>

#### 4. Receivables and liabilities to group companies

##### Group:

All amounts in thousands of NOK	Interest 31.03.12	31.03.12	31.03.11
<b>Santander Consumer Group</b>			
Loans from credit institutions	324 625	40 653 815	34 923 863
<i>Of which:</i>			
<i>Santander Benelux</i>		31 010 300	23 768 529
<i>Santander Consumer Finance S.A.</i>		9 643 515	11 155 334
Accrued interest / other debt		209 376	214 878
Subordinated loan capital	8 178	655 183	655 183
<i>Of which:</i>			
<i>Banco Santander</i>		180 000	180 000
<i>Santander Benelux</i>		210 000	210 000
<i>Santander Consumer Finance S.A.</i>		265 183	265 183
Accrued interest / other debt		5 484	5 137
<b>Subordinated loan capital</b>		<b>31.03.12</b>	<b>31.03.11</b>
MNOK 180, maturity September 2016, 3 month NIBOR + 0,55 %		180 000	180 000
MNOK 80, maturity October 2017, 3 month NIBOR + 1,00 %		80 000	80 000
MNOK 80, maturity September 2018, 3 month NIBOR + 2,41 %		80 000	80 000
MNOK 210, maturity June 2019, 6 month NIBOR + 3,43 %		210 000	210 000
MNOK 105, maturity December 2020, 12 month EURIBOR + 3,20%		105 183	105 183
<b>Total subordinated loan capital</b>		<b>655 183</b>	<b>655 183</b>

##### Santander Consumer Bank AS:

All amounts in thousands of NOK	Interest 31.03.12	31.03.12	31.03.11
<b>Santander Consumer Group</b>			
Loans from credit institutions	267 973	31 716 583	26 026 222
<i>Of which:</i>			
<i>Santander Benelux</i>		30 354 929	23 567 394
<i>Santander Consumer Finance S.A.</i>		1 361 654	2 458 828
Accrued interest / other debt		132 568	122 503
Subordinated loan capital	8 178	655 183	655 183
<i>Of which:</i>			
<i>Banco Santander</i>		180 000	180 000
<i>Santander Benelux</i>		210 000	210 000
<i>Santander Consumer Finance S.A.</i>		265 183	265 183
Accrued interest / other debt		5 484	5 137
<b>Subordinated loan capital</b>		<b>31.03.12</b>	<b>31.03.11</b>
MNOK 180, maturity September 2016, 3 month NIBOR + 0,55 %		180 000	180 000
MNOK 80, maturity October 2017, 3 month NIBOR + 1,00 %		80 000	80 000
MNOK 80, maturity September 2018, 3 month NIBOR + 2,41 %		80 000	80 000
MNOK 210, maturity June 2019, 6 month NIBOR + 3,43 %		210 000	210 000
MNOK 105, maturity December 2020, 12 month EURIBOR + 3,20%		105 183	105 183
<b>Total subordinated loan capital</b>		<b>655 183</b>	<b>655 183</b>



## 5. Capital adequacy

### Group:

All amounts in thousands of NOK	31.03.12	31.03.11
Core capital	4 848 204	4 059 861
Eligible supplementary capital	619 183	655 183
Total primary capital	5 467 387	4 715 044
<b>Minimum capital requirement (pillar I)</b>		
Credit risk	3 748 851	3 430 156
Market risk	12 165	11 580
Operational risk	354 960	294 200
Deductions in capital requirement	- 66 080	- 70 675
Total minimum capital requirement (pillar I)	4 049 893	3 665 261
Capital ratio	10,80 %	10,29 %
Core capital ratio	9,58 %	8,86 %

Financial information in accordance with the capital requirement regulation is published at [www.santander.no](http://www.santander.no). Information according to Pillar 3 will be published at [www.santander.no](http://www.santander.no).

### Santander Consumer Bank AS:

All amounts in thousands of NOK	31.03.12	31.03.11
Core capital	5 001 897	4 436 056
Eligible supplementary capital	619 183	655 183
Total primary capital	5 621 080	5 091 239
<b>Minimum capital requirement (pillar I)</b>		
Credit risk	3 195 434	2 871 068
Market risk	15 558	7 338
Operational risk	264 687	229 609
Deductions in capital requirement	- 45 652	- 41 139
Total minimum capital requirement (pillar I)	3 430 027	3 066 875
Capital ratio	13,11 %	13,28 %
Core capital ratio	11,67 %	11,57 %

## 6. Issued securities

### Group:

#### Specification of issued securities

All amounts in thousands NOK

	31.03.12	31.03.11
Issued commercial papers	0	524 805
Issued bonds	8 963 826	9 535 984
<b>Total liability issued securities</b>	<b>8 963 826</b>	<b>10 060 789</b>

#### Changes in liability issued securities

All amounts in thousands NOK

	Book value 31.12.11	New issues/ repurchase	Payments	Amortisation	Book value 31.03.12
Issued commercial papers	504 833	144 924	(650 053)	296	-
Issued bonds	776 910	13 539 094	(3 826 114)	437	10 490 328
<b>Total liability issued securities</b>	<b>1 281 743</b>	<b>13 684 018</b>	<b>(4 476 167)</b>	<b>733</b>	<b>10 490 328</b>

#### Specification of issued securities

All amounts in thousands NOK

#### Bonds

ISIN number	Issuer	Net nominal value	Currency	Interest	Call date	Book value 31.03.12
NO0010588098	Santander Consumer Bank AS	500 000	NOK	Floating	24.09.2012	499 340
NO0010588080	Santander Consumer Bank AS	250 000	NOK	Floating	24.09.2013	249 400
NO0010590466	Santander Consumer Bank AS	300 000	NOK	Floating	26.04.2012	299 730
XS0595990978	Bilkreditt 1 ltd.	3 965 000	NOK	Floating	25.06.2025	1 857 210
XS0595991273	Bilkreditt 1 ltd.	4 677 000	NOK	Floating	25.06.2025	2 190 711
n/a	Bilkreditt 1 ltd.	2 013 440	NOK	Floating	25.06.2025	2 013 440
XS0706720496	Bilkreditt 2 ltd.	4 770 000	NOK	Floating	25.04.2026	4 061 245
n/a	Bilkreditt 2 ltd.	1 003 580	NOK	Floating	25.04.2026	1 003 580
Amortisation						1 063
Totals issued bonds						12 175 719

#### Repurchase

Repurchased own issued bonds	3 211 893
Total repurchased own securities	3 211 893

<b>Total issued securities</b>	<b>8 963 826</b>
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## Santander Consumer Bank AS:

### Specification of issued securities

All amounts in thousands of NOK

	31.03.12	31.03.11
Issued commercial papers	-	524 805
Issued bonds	854 660	9 535 984
<b>Total liability issued securities</b>	<b>854 660</b>	<b>10 060 789</b>

### Changes in liability issued securities

All amounts in thousands of NOK

	Book value 31.12.11	New issues/ repurchase	Payments	Amortisation	Book value 31.03.12
Issued commercial papers	0	0	0	0	0
Issued bonds	854 415	0	0	245	854 660
<b>Total liability issued securities</b>	<b>854 415</b>	<b>0</b>	<b>0</b>	<b>245</b>	<b>854 660</b>

### Specification of issued securities

All amounts in thousands of NOK

<b>Bonds</b>		<i>Net nominal value</i>	<i>Currency</i>	<i>Interest</i>	<i>Call date</i>	<i>Book value 31.12.11</i>
<i>ISIN number</i>	<i>Issuer</i>					
NO0010588098	Santander Consumer Bank AS	500 000	NOK	Floating	24.09.2012	499 340
NO0010588080	Santander Consumer Bank AS	250 000	NOK	Floating	24.09.2013	249 400
NO0010590466	Santander Consumer Bank AS	300 000	NOK	Floating	26.04.2012	299 730
Amortisation						1 063
Totals issued bonds						1 049 533
<b>Repurchase</b>						
Repurchased own issued bonds						194 873
Total repurchased own securities						194 873
<b>Total issued securities</b>						<b>854 660</b>

## 7. Securitization

### Santander Consumer Bank AS:

The balance of "Loans to customers – Installment loans" in the balance sheets includes, inter alia, the securitized loans transferred to third parties on which the Group has retained risks, albeit partially, and which therefore, in accordance with current accounting standards, cannot be derecognized. The breakdown of the securitized loans, classified on the basis of whether the requirements stipulated for derecognition were met, is as follows:

All amounts in thousands of NOK	31.03.12	31.12.11
Derecognized	0	0
Retained in the balance sheet	10 713 343	12 024 712
<b>Total liability issued securities</b>	<b>10 713 343</b>	<b>12 024 712</b>