

**Third quarter report**  
**2012**

Santander Consumer Bank AS





## Report of the Board of Directors – 3rd quarter 2012

### Introduction

The accounts of 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.

### Business areas

#### Division Norway

Auto: New Business Volume (NBV) is by YTD September NOK 10.862 M which is up 9 % vs. 2011. Profit before tax (PBT) is above budget, and Return on Assets (ROA) is YTD at 2.10 %. Key drivers for the positive development are good margin management and opex control.

Consumer Loans: New Business Volume (NBV) in September was NOK 101,5 M, which was all-time high, and YTD the sales are well above budget. This is due to cross sales, top up sales campaigns and good results delivered from the agent channel. PBT is well above budget and ROA YTD of 6.11 %. Gross margin (%) is somewhat lower than budget but more than offset by cost control and lower credit losses.

#### Sweden

NBV is YTD 7,4 % lower than budget and 2,9 % below 2011. YTD new car registrations are down 10,5 %. PBT is above budget and ROA at a low 1.39 %, highly influenced by the added opex related to securitization of the portfolio. Credit losses are above budget and mitigating actions are implemented to reduce these. Consumer Loans were launched at the very end of second quarter, and will be offered to present and former customers.

#### Finland

NBV is YTD below budget for Auto, but Consumer Loans achieved good sales results during third quarter and is above budget. Auto is highly influenced by an overall reduction in car sales due to revised car taxation, based on CO2 emissions, as well as reduced interest rates among competitors. PBT is above budget and ROA of 1.76 %, driven by good margin management.

#### Denmark

NBV is YTD 20 % above budget and 2011, whereas new car sales in the market increased with 14 % since same period last year. Competitors are launching new campaigns to recapture lost market shares. PBT is significantly above budget and ROA at 2.21 %, driven by asset growth and margin management. Opex is above budget, but purely driven by the increased sales activity.

#### Cards

Continued good sales with 23.980 new cards issued YTD vs. budget of 18.100. Sales came mainly through the internet. The Manchester United Visa card was launched in August and the totals sales were 1.870 at the end of September. PBT is well above budget and ROA YTD of 9.91 %, both driven by good margin management.

Total assets for the Nordic business as per September 30<sup>th</sup> 2012 amounted to NOK 62.211 M which is an increase of 12.3 % compared to the same period last year.

### Financial Results

For the Nordic Group the financial result before taxes amounted to NOK 858 M against NOK 859 M the same period last year. The result represents a ROA of 2.02 % of average assets. The operating result practically equals third quarter 2011. This is partly due to an increase in losses that amounts to NOK 146 M. The net interest and credit commission income increased with NOK 184 M (11 %). Net commission income increased with NOK 18 M (22 %).

For the parent company (SCB) the operating result totalled NOK 735 M compared to NOK 618 M for second quarter 2011.

### Risk

In the first nine months of 2012 the amount of non-performing loans (NPL) remained on a moderate level. The NPL ratio at the end of the third quarter equalled 1.77% for the Nordic Group vs. 1.82% as of Q3 2011. The positive evolution is driven by a continued focus and investments in collection processes, as well as granting of credit based on improved and internally developed credit score models with a higher predictive power.

The loan loss ratio came to 0.86 % against 0.56 % in the same period last year. Total loan losses for the first nine months of the year for the Group amounted to NOK 363.4 M against NOK 287.2 M in third quarter 2011. This represents an increase of 27 % compared to third quarter 2011 and relates mainly to activities in Finland, where the timing and principal amounts of bad debt sales has an impact on the loss level, together with increase of loan loss reserves to cover for portfolio growth development, and specific i.e. individual reserves.

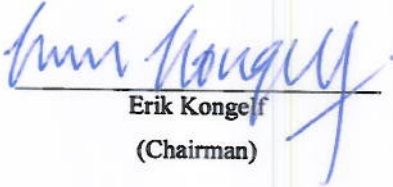
Total loan loss reserves (in balance) at the end of Q3 totalled NOK 955.4 M, resulting on coverage of 90 % when compared to non-performing loans.

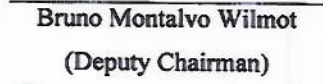
### Capital ratio

Santander Consumer Bank applies the standard approach in Basel II, and the core capital ratio according to this methodology was at the 3<sup>rd</sup> quarter of 2012 9.33 %, compared to 9.16 % at the same time last year.

Lysaker, 27 November 2012

The Board of Directors

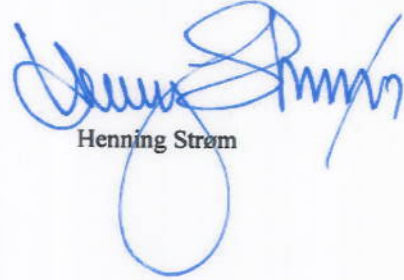
  
Erik Kongelf  
(Chairman)

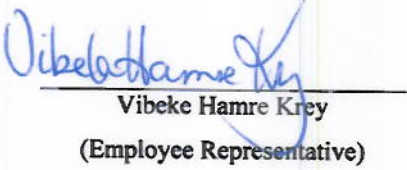
  
Bruno Montalvo Wilmot  
(Deputy Chairman)

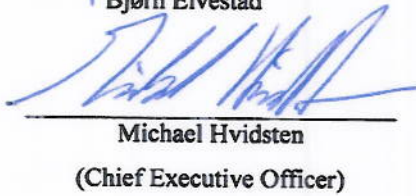
  
Eduardo Garcia Arroyo

  
Javier Anton

  
Bjørn Elvestad

  
Henning Strøm

  
Vibeke Hamre Krey  
(Employee Representative)

  
Michael Hvidsten  
(Chief Executive Officer)



## Profit and loss account

Group			Santander Consumer Bank AS					
30.09.12	30.09.11	2011	All amounts in thousands of NOK	Note	30.09.12	30.09.11	2011	
			<b>Interest income and similar income</b>					
5 562	5 904	8 045	Interest and similar income on loans to and receivables from credit institutions		112 600	5 718	315 433	
3 138 027	2 859 741	3 908 000	Interest and similar income on loans to and receivables from customers		1 989 113	2 263 582	3 105 061	
0	0	0	Interest and similar income on comm. paper, bonds and other securities		72 169	0	66 845	
<b>3 143 589</b>	<b>2 865 645</b>	<b>3 916 045</b>	<b>Total interest income and similar income</b>		<b>2 173 882</b>	<b>2 269 300</b>	<b>3 487 339</b>	
			<b>Interest expenses and similar expenses</b>					
969 276	899 799	1 237 988	Interest and similar expenses on debt to credit institutions	5	829 149	719 857	1 636 928	
5 939	6 259	8 392	Interest and similar expenses on deposits from and debt to customers		5 939	6 259	8 392	
217 225	185 648	269 612	Interest and similar expenses on issued commercial papers and bonds	7	21 549	185 648	43 634	
23 287	23 877	32 251	Interest on subordinated loan capital	5	23 287	23 877	32 251	
1 841	8 232	12 992	Other interest expenses and similar expenses		132	8 095	2 119	
<b>1 217 568</b>	<b>1 123 815</b>	<b>1 561 235</b>	<b>Total interest expenses and similar expenses</b>		<b>880 055</b>	<b>943 736</b>	<b>1 723 324</b>	
<b>1 926 021</b>	<b>1 741 830</b>	<b>2 354 810</b>	<b>Net interest and credit commission income</b>		<b>1 293 827</b>	<b>1 325 564</b>	<b>1 764 015</b>	
			<b>Commission income</b>					
1 836	2 690	3 473	Guarantee commissions		1 330	1 069	1 464	
193 342	167 501	229 053	Other commissions and fees		228 789	153 734	201 296	
<b>195 178</b>	<b>170 191</b>	<b>232 526</b>	<b>Total commission income and income from banking services</b>		<b>230 120</b>	<b>154 803</b>	<b>202 760</b>	
			<b>Commission expenses</b>					
93 744	86 740	122 599	Other fees and commission expenses		118 747	88 059	91 079	
<b>93 744</b>	<b>86 740</b>	<b>122 599</b>	<b>Total commission expenses and expenses from banking services</b>		<b>118 747</b>	<b>88 059</b>	<b>91 079</b>	
			<b>Net value change and gain/loss on foreign exchange and securities</b>					
-3 698	-5 024	-1 865	Net value change and gain/loss on foreign exchange and securities		194 699	-2 070	1 734	
<b>-3 698</b>	<b>-5 024</b>	<b>-1 865</b>	<b>Total value change and gain/loss on foreign exchange and securities</b>		<b>194 699</b>	<b>-2 070</b>	<b>1 734</b>	
			<b>Other operating income</b>					
30 669	19 971	27 720	Other operating income		25 226	18 042	25 460	
<b>30 669</b>	<b>19 971</b>	<b>27 720</b>	<b>Total other operating income</b>		<b>25 226</b>	<b>18 042</b>	<b>25 460</b>	
			<b>Salaries and administration expenses</b>					
404 870	374 192	529 121	Salaries, fees and other personnel expenses		322 510	276 102	384 934	
296 907	290 470	405 774	Of which: - Salaries		226 792	202 875	272 827	
49 145	40 586	68 242	- Pensions		41 851	34 608	60 294	
58 818	43 136	55 105	- Social costs		53 867	38 618	51 812	
234 870	199 041	303 983	Administration expenses		190 616	166 537	250 172	
<b>639 739</b>	<b>573 233</b>	<b>833 104</b>	<b>Total salaries and administration expenses</b>		<b>513 126</b>	<b>442 638</b>	<b>635 106</b>	
			<b>Ordinary depreciation</b>					
53 686	41 772	56 034	Ordinary depreciation		49 979	38 457	50 571	
82 032	84 888	112 527	Ordinary depreciation operational leasing		0	0	0	
<b>135 718</b>	<b>126 660</b>	<b>168 561</b>	<b>Sum ordinary depreciation</b>		<b>49 979</b>	<b>38 457</b>	<b>50 571</b>	
<b>57 575</b>	<b>63 571</b>	<b>79 799</b>	<b>Other operating expenses</b>		<b>39 502</b>	<b>43 352</b>	<b>56 816</b>	
			<b>Losses on loans, guarantees etc</b>					
363 491	217 479	281 429	Loan losses	2	287 248	266 209	324 619	
<b>363 491</b>	<b>217 479</b>	<b>281 429</b>	<b>Total losses on loans, guarantees etc</b>		<b>287 248</b>	<b>266 209</b>	<b>324 619</b>	
<b>857 903</b>	<b>859 285</b>	<b>1 127 698</b>	<b>Operating result</b>		<b>735 269</b>	<b>617 623</b>	<b>835 780</b>	
237 120	238 078	311 347	Taxes charge		206 561	175 648	235 343	
<b>620 783</b>	<b>621 207</b>	<b>816 351</b>	<b>Profit after tax</b>		<b>528 708</b>	<b>441 976</b>	<b>600 436</b>	
			<b>Allocation of profit after tax</b>					
620 783	621 207	816 351	Transferred to other earned equity		528 708	441 976	600 436	
<b>620 783</b>	<b>621 207</b>	<b>816 351</b>	<b>Total allocations</b>		<b>528 708</b>	<b>441 976</b>	<b>600 436</b>	

### Statement of comprehensive income

Group			Santander Consumer Bank AS					
30.09.12	30.09.11	2011	All amounts in thousands of NOK	Note	30.09.12	30.09.11	2011	
-14 354	6 659	2 315	Net exchange differences on translating foreign operations		-3 422	-512	-456	
620 783	621 207	816 341	Profit after tax for the period		528 708	441 976	600 436	
<b>606 429</b>	<b>627 866</b>	<b>818 656</b>	<b>Total comprehensive income for the period</b>		<b>525 286</b>	<b>441 464</b>	<b>599 980</b>	

## Profit and loss account - quarterly

Group		Santander Consumer Bank AS			
Q3 12	Q3 11	All amounts in thousands of NOK	Note	Q2 2012	Q2 2011
<b>Interest income and similar income</b>					
1 557	2 336	Interest and similar income on loans to and receivables from credit institutions		-100 659	2 247
1 147 123	958 159	Interest and similar income on loans to and receivables from customers		298 162	792 400
-69 162	33 745	Interest and similar income on comm. paper, bonds and other securities		21 115	0
<b>1 079 517</b>	<b>994 239</b>	<b>Total interest income and similar income</b>		<b>218 617</b>	<b>794 647</b>
<b>Interest expenses and similar expenses</b>					
333 543	317 216	Interest and similar expenses on debt to credit institutions	5	-128 171	251 273
2 029	2 184	Interest and similar expenses on deposits from and debt to customers		2 029	2 184
60 883	75 133	Interest and similar expenses on issued commercial papers and bonds	7	4 143	75 133
7 460	8 240	Interest on subordinated loan capital	5	7 460	8 240
124	1 220	Other interest expenses and similar expenses		91	1 192
<b>404 039</b>	<b>403 992</b>	<b>Total interest expenses and similar expenses</b>		<b>-114 449</b>	<b>338 020</b>
<b>675 479</b>	<b>590 248</b>	<b>Net interest and credit commission income</b>		<b>333 066</b>	<b>456 626</b>
<b>Commission income</b>					
419	964	Guarantee commissions		424	390
56 071	58 972	Other commissions and fees		107 210	53 584
<b>56 491</b>	<b>59 936</b>	<b>Total commission income and income from banking services</b>		<b>107 634</b>	<b>53 974</b>
<b>Commission expenses</b>					
20 304	31 589	Other fees and commission expenses		69 944	29 554
<b>20 304</b>	<b>31 589</b>	<b>Total commission expenses and expenses from banking services</b>		<b>69 944</b>	<b>29 554</b>
<b>Net value change and gain/loss on foreign exchange and securities</b>					
-5 516	660	Net value change and gain/loss on foreign exchange and securities		189 797	198
<b>-5 516</b>	<b>660</b>	<b>Total value change and gain/loss on foreign exchange and securities</b>		<b>189 797</b>	<b>198</b>
<b>Other operating income</b>					
14 162	6 547	Other operating income		11 264	5 942
<b>14 162</b>	<b>6 547</b>	<b>Total other operating income</b>		<b>11 264</b>	<b>5 942</b>
<b>Salaries and administration expenses</b>					
140 827	130 720	Salaries, fees and other personnel expenses		112 847	95 649
104 948	101 948	Of which: - Salaries		80 361	70 143
17 953	14 918	- Pensions		15 838	13 036
17 926	13 854	- Social costs		16 647	12 469
72 279	64 641	Administration expenses		66 776	54 227
<b>213 106</b>	<b>195 361</b>	<b>Total salaries and administration expenses</b>		<b>179 623</b>	<b>149 876</b>
<b>Ordinary depreciation</b>					
20 842	14 138	Ordinary depreciation		19 629	12 898
26 691	28 321	Ordinary depreciation operational leasing		0	0
<b>47 533</b>	<b>42 459</b>	<b>Sum ordinary depreciation</b>		<b>19 629</b>	<b>12 898</b>
<b>18 670</b>	<b>18 398</b>	<b>Other operating expenses</b>		<b>13 157</b>	<b>12 895</b>
<b>Losses on loans, guarantees etc</b>					
141 712	100 057	Loan losses	2	104 174	107 283
<b>141 712</b>	<b>100 057</b>	<b>Total losses on loans, guarantees etc</b>		<b>104 174</b>	<b>107 283</b>
<b>299 291</b>	<b>269 525</b>	<b>Operating result</b>		<b>255 233</b>	<b>204 235</b>
80 350	77 078	Taxes charge		69 131	57 891
<b>218 940</b>	<b>192 447</b>	<b>Profit after tax</b>		<b>186 102</b>	<b>146 344</b>
<b>Allocation of profit after tax</b>					
218 940	192 447	Transferred to other earned equity		186 102	146 344
<b>218 940</b>	<b>192 447</b>	<b>Total allocations</b>		<b>186 102</b>	<b>146 344</b>

### Statement of comprehensive income

Group		Santander Consumer Bank AS			
Q3 12	Q3 11	All amounts in thousands of NOK	Note	Q3 12	Q3 11
-6 049	-5 651	Net exchange differences on translating foreign operations		-506	-5 731
218 940	192 447	Profit after tax for the period		186 102	146 344
<b>212 891</b>	<b>186 796</b>	<b>Total comprehensive income for the period</b>		<b>185 596</b>	<b>140 613</b>



## Balance sheet

### Assets

Group			Santander Consumer Bank AS					
30.09.12	30.09.11	2011	All amounts in thousands of NOK	Note	30.09.12	30.09.11	2011	
			<b>Cash and receivables on central banks</b>					
0	0	0	Cash and receivables on central banks		0	0	0	
0	0	0	<b>Total cash and receivables on central banks</b>		0	0	0	
			<b>Deposits with and receivables on financial institutions</b>					
2 095 713	225 910	896 992	Deposits with Norwegian financial institutions		524 712	223 837	592 585	
<b>2 095 713</b>	<b>225 910</b>	<b>896 992</b>	<b>Total deposits with and loans to financial institutions</b>		<b>524 712</b>	<b>223 837</b>	<b>592 585</b>	
			<b>Loans to customers</b>					
2 065 488	5 128 014	1 894 581	Credit cards		2 065 488	2 967 697	1 894 581	
45 752 552	39 086 457	42 797 325	Installment loans		8	37 803 946	32 152 244	
10 354 436	9 507 653	9 729 300	Financial leasing		9 905 681	9 008 905	9 282 009	
<b>58 172 475</b>	<b>53 722 124</b>	<b>54 421 206</b>	<b>Total loans before individual and group write-downs</b>		<b>49 775 115</b>	<b>44 128 846</b>	<b>45 286 375</b>	
110 105	93 456	102 781	-Individual write-downs		2,3,4	72 302	55 999	
845 284	830 129	820 266	-Group write-downs		2,3,4	613 291	526 923	
<b>57 217 087</b>	<b>52 798 540</b>	<b>53 498 159</b>	<b>Net loans</b>		<b>49 089 522</b>	<b>43 545 924</b>	<b>44 678 779</b>	
27 953	39 483	39 435	Repossessed assets		13 160	22 888	19 013	
			<b>Commercial papers, bonds and other fixed-income securities</b>					
0	0	0	Commercial papers and bonds		7	3 017 020	0	
0	0	0	<b>Total commercial papers, bonds and other fixed-income securities</b>		<b>3 017 020</b>	<b>0</b>	<b>3 017 020</b>	
180 449	0	0	Financial derivatives		134 239	0	0	
			<b>Ownership interests in group companies</b>					
0	0	0	Ownership interest in credit institutions		962 796	1 032 487	1 014 665	
0	0	0	<b>Sum ownership interest in group companies</b>		<b>962 796</b>	<b>1 032 487</b>	<b>1 014 665</b>	
			<b>Intangible assets</b>					
427 772	450 638	442 718	Goodwill		100 450	107 715	105 988	
114 485	111 091	106 965	Deferred tax assets		0	0	0	
244 197	196 298	204 653	Other intangible assets		233 132	181 284	190 688	
<b>786 454</b>	<b>758 027</b>	<b>754 337</b>	<b>Total intangible assets</b>		<b>333 582</b>	<b>289 000</b>	<b>296 676</b>	
			<b>Fixed assets</b>					
29 438	26 365	28 230	Machinery, fittings and vehicles		24 341	21 101	21 164	
400 249	423 431	410 661	Operational leasing		0	0	0	
<b>429 687</b>	<b>449 797</b>	<b>438 891</b>	<b>Total fixed assets</b>		<b>24 341</b>	<b>21 101</b>	<b>21 164</b>	
			<b>Other assets</b>					
1 168 555	914 662	1 279 939	Consignment		602 173	508 478	730 269	
196 757	152 857	156 089	Other assets		111 202	78 780	78 873	
<b>1 365 312</b>	<b>1 067 520</b>	<b>1 436 028</b>	<b>Total other assets</b>		<b>713 375</b>	<b>587 258</b>	<b>809 143</b>	
			<b>Prepayments and earned income</b>					
108 302	75 963	128 378	Earned income not received and prepaid expenses not incurred		83 708	70 341	77 525	
<b>108 302</b>	<b>75 963</b>	<b>128 378</b>	<b>Total prepayments and earned income</b>		<b>83 708</b>	<b>70 341</b>	<b>77 525</b>	
<b>62 210 957</b>	<b>55 415 238</b>	<b>57 192 220</b>	<b>Total assets</b>		<b>54 896 455</b>	<b>45 792 837</b>	<b>50 526 570</b>	

## Balance sheet

### Liabilities and equity

Group			Santander Consumer Bank AS				
30.09.12	30.09.11	2011	(All amounts in thousands of NOK)	Note	30.09.12	30.09.11	2011
<b>Debt to credit institutions</b>							
45 086 082	40 353 043	38 395 657	Loans and deposits from credit institutions with an agreed term	5	46 710 434	31 301 037	42 112 120
<b>45 086 082</b>	<b>40 353 043</b>	<b>38 395 657</b>	<b>Total loans and deposits from financial institutions</b>		<b>46 710 434</b>	<b>31 301 037</b>	<b>42 112 120</b>
<b>Deposits from and debt to customers</b>							
246 638	265 377	258 827	Deposits from and debt to customers repayable on notice		246 638	265 377	258 827
<b>246 638</b>	<b>265 377</b>	<b>258 827</b>	<b>Total deposits from customers</b>		<b>246 638</b>	<b>265 377</b>	<b>258 827</b>
<b>189 725</b>	<b>0</b>	<b>0</b>	<b>Financial derivatives</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Debt established by issuing securities</b>							
0	249 931	0	Certificates and other short term loan raising	7	0	249 931	0
7 988 570	6 787 576	10 490 328	Bonds and other long term loan raising	7	249 803	6 787 576	854 415
<b>7 988 570</b>	<b>7 037 507</b>	<b>10 490 328</b>	<b>Total debt established by issuing securities</b>		<b>249 803</b>	<b>7 037 506</b>	<b>854 415</b>
<b>Other debt</b>							
780 422	565 377	547 939	Other debt		414 155	498 501	419 394
<b>780 422</b>	<b>565 377</b>	<b>547 939</b>	<b>Total other debt</b>		<b>414 155</b>	<b>498 501</b>	<b>419 394</b>
<b>Allocations for expenses incurred and liabilities</b>							
740 124	670 255	710 258	Expenses incurred and earned income not received		485 670	451 206	401 103
105 312	79 009	98 575	Pension liabilities		105 312	79 009	98 575
395 936	363 404	418 915	Deferred tax		395 936	355 149	418 915
<b>1 241 372</b>	<b>1 112 668</b>	<b>1 227 749</b>	<b>Total allocations for liabilities</b>		<b>986 918</b>	<b>885 365</b>	<b>918 594</b>
<b>Subordinated loan capital</b>							
655 183	655 183	655 183	Other subordinated loan capital	5	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>56 187 991</b>	<b>49 989 155</b>	<b>51 575 683</b>	<b>Total liabilities</b>		<b>49 263 131</b>	<b>40 642 969</b>	<b>45 218 533</b>
<b>Equity</b>							
<b>Paid-in equity</b>							
3 548 469	2 662 469	2 982 469	Share capital		3 548 469	2 662 469	2 982 469
891 314	891 314	891 314	Share premium capital		891 314	891 314	891 314
100 000	320 008	566 008	Paid in, not registered share capital		100 000	320 008	566 008
<b>4 539 783</b>	<b>3 873 791</b>	<b>4 439 791</b>	<b>Total paid-in equity</b>		<b>4 539 783</b>	<b>3 873 791</b>	<b>4 439 791</b>
<b>Earned equity</b>							
1 483 183	1 552 293	1 176 746	Other equity		1 093 540	1 276 077	868 246
<b>1 483 183</b>	<b>1 552 293</b>	<b>1 176 746</b>	<b>Total earned equity</b>		<b>1 093 540</b>	<b>1 276 077</b>	<b>868 246</b>
<b>6 022 966</b>	<b>5 426 084</b>	<b>5 616 537</b>	<b>Total equity</b>		<b>5 633 323</b>	<b>5 149 868</b>	<b>5 308 037</b>
<b>62 210 957</b>	<b>55 415 238</b>	<b>57 192 220</b>	<b>Total liabilities and equity</b>		<b>54 896 455</b>	<b>45 792 837</b>	<b>50 526 570</b>
<b>Conditional liabilities</b>							
139 144	131 074	132 018	Guarantee liabilities		139 144	131 074	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)			-14 354	-14 354
Profit for the period			620 783	620 783
Total comprehensive income for the period	0	0	606 429	606 429
Capital increase	100 000			100 000
Share dividend			-300 000	-300 000
Corrections previous periods	-8		8	0
<b>Equity as at 30.09.2012</b>	<b>3 648 469</b>	<b>891 314</b>	<b>1 483 183</b>	<b>6 022 966</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)			-3 422	-3 422
Profit for the period			528 708	528 708
Total comprehensive income for the period	0	0	525 286	525 286
Capital increase	100 000			100 000
Share dividend			-300 000	-300 000
Corrections previous periods	-8		8	0
<b>Equity as at 30.09.2012</b>	<b>3 648 469</b>	<b>891 314</b>	<b>1 093 540</b>	<b>5 633 323</b>



## Cash flow statement

Group			Santander Consumer Bank AS			
30.09.2012	30.09.2011	31.12.2011	All amounts in thousands of NOK	30.09.2012	30.09.2011	31.12.2011
<b>Cash flow from operations</b>						
4 011 461	3 333 204	4 538 570	Receipts of interest	2 843 737	2 725 428	3 738 968
-4 222 653	-4 424 479	-5 546 467	Net disbursement/payments on customer loans	-4 809 549	-4 441 544	-5 973 027
-12 189	-19 591	-26 141	Net receipts/payments from banking customers	-12 189	-19 591	-26 141
-588 824	-611 147	-935 343	Payments of operating costs	-480 512	-470 935	-664 760
45 255	45 421	101 647	Recovered on previously recognised losses	40 146	25 070	73 592
-209 475	-132 755	-214 434	Taxes paid	-194 281	-126 990	-163 981
2 810	-170 944	-239 124	Increase/reduction in prepayments	-32 952	-175 203	-213 543
-303 223	105 588	537 617	Net receipts/payments on other operating activities	-736 114	21 875	14 647
111 384	-333 504	-698 779	Net receipts/payments from consignment	128 096	-230 057	-450 660
<b>-1 165 455</b>	<b>-2 208 205</b>	<b>-2 482 454</b>	<b>Net cash flow from operating activities</b>	<b>-3 253 619</b>	<b>-2 691 947</b>	<b>-3 664 905</b>
<b>Cash flow from investment activities</b>						
-54 894	-41 204	-57 331	Net payments on purchase/sale of fixed assets etc.	-53 155	-37 205	-50 571
0	0	0	Net payments from subsidiaries	0	205 829	201 734
<b>-54 894</b>	<b>-41 204</b>	<b>-57 331</b>	<b>Net cash flow from investment activities</b>	<b>-53 155</b>	<b>168 624</b>	<b>151 163</b>
<b>Cash flow from financing activities</b>						
41 770	126 438	887 466	Increase/reduction in equity	96 578	319 496	887 466
-1 694 575	-1 223 979	-1 686 437	Payment of interest	-962 461	-1 020 036	-1 427 030
6 873 634	3 484 427	4 713 614	Increase/reduction in loans from credit institutions	5 009 395	3 362 271	5 126 761
-2 501 759	0	0	Increase/reduction in bonds *	-604 611	0	0
0	0	0	Payments - repayments subordinated loans	0	0	0
-300 000	0	-566 300	Payments - dividends	-300 000	0	-566 300
<b>2 419 070</b>	<b>2 386 886</b>	<b>3 348 344</b>	<b>Net cash flow from financing activities</b>	<b>3 238 901</b>	<b>2 661 731</b>	<b>4 020 897</b>
<b>1 198 721</b>	<b>137 477</b>	<b>808 559</b>	<b>Net cash flow for the period</b>	<b>-67 873</b>	<b>138 408</b>	<b>507 155</b>
<b>Net change in cash and cash equivalents</b>						
896 992	88 433	88 433	Holding of cash and cash equivalents at start of period	592 585	85 429	85 429
2 095 713	225 910	896 992	Holding of cash and cash equivalents at end of period	524 712	223 837	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 third quarter 2012*

### **1. Accounting principles**

The third 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., Bilkreditt 2 ltd., SCF Ajoneurohallinto ltd. and SCF Rahoituspalvelut ltd. related to the securitized portfolios are included.

The consolidated accounts for third quarter 2012 for Santander Consumer Bank AS were approved by the board of directors 27 November 2012.



## 2. Losses and write-downs

### Group:

<b>Loan losses expenses</b>			
All amounts in thousands of NOK	30.09.2012	30.09.2011	2011
Write-downs at the end of the period	955 388	923 585	923 047
+/- Rate adjustment opening balance	17 247	-2 880	1 952
- Write-downs at the beginning of the period	-923 047	-958 185	-958 185
+ Total recognised losses	382 252	396 638	528 121
- Recoveries on recognised losses	-68 349	-141 679	-213 507
<b>= Loan losses</b>	<b>363 491</b>	<b>217 479</b>	<b>281 429</b>

<b>Individual- and group write-downs</b>			
All amounts in thousands of NOK	30.09.2012	30.09.2011	31.12.2011
Individual write-downs at the beginning of the period	102 781	96 286	96 286
+/- Rate adjustment opening balance	-2 304	3 171	1 122
Reclassification from individual to group write-downs	0	18 027	18 560
- Recognised losses covered by earlier write-downs	0	0	0
- Reversal of earlier individual write-downs	0	0	0
+ Individual write-downs for the period	9 628	-24 028	-13 186
<b>= Individual write-downs at the end of the period</b>	<b>110 105</b>	<b>93 456</b>	<b>102 781</b>
	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>31.12.2011</b>
Group write-downs at the beginning of the period	820 266	861 899	861 899
+/- Rate adjustment opening balance	-14 942	-291	-3 074
Reclassification from individual to group write-downs	0	-110 085	-18 560
+/- Write-downs for the period	39 960	78 606	-20 001
<b>= Group write-downs at the end of the period</b>	<b>845 284</b>	<b>830 129</b>	<b>820 266</b>

### Santander Consumer Bank AS:

<b>Loan losses expenses</b>			
All amounts in thousands of NOK	30.09.2012	30.09.2011	2011
Write-downs at the end of the period	685 593	582 922	607 595
+/- Rate adjustment opening balance	2 175	575	95
- Write-downs at the beginning of the period	-607 595	-532 436	-532 436
+ Total recognised losses	248 650	245 032	327 977
- Recoveries on recognised losses	-41 576	-29 884	-78 612
<b>= Loan losses</b>	<b>287 248</b>	<b>266 209</b>	<b>324 619</b>

<b>Individual- and group write-downs</b>			
All amounts in thousands of NOK	30.09.2012	30.09.2011	31.12.2011
Individual write-downs at the beginning of the period	64 206	44 845	44 845
+/- Rate adjustment opening balance	243	-52	-8
Reclassification from individual to group write-downs	0	18 027	18 560
- Recognised losses covered by earlier write-downs	0	0	0
- Reversal of earlier individual write-downs	0	0	0
+ Individual write-downs for the period	7 854	-6 821	809
<b>= Individual write-downs at the end of the period</b>	<b>72 302</b>	<b>55 999</b>	<b>64 206</b>
	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>31.12.2011</b>
Group write-downs at the beginning of the period	543 388	487 591	487 591
+/- Rate adjustment opening balance	-2 417	-523	-87
Reclassification from individual to group write-downs	0	-18 027	-18 560
+/- Write-downs for the period	72 320	57 882	74 444
<b>= Group write-downs at the end of the period</b>	<b>613 291</b>	<b>526 923</b>	<b>543 388</b>

### 3. Non-performing and loss exposed loans

#### Group:

All amounts in thousands of NOK	30.09.2012	30.09.2011	31.12.2011
Gross non-performing- and other loss exposed loans	1 060 992	1 004 727	1 026 820
Individual write-downs	110 105	93 456	102 781
Group write-downs	845 284	830 129	820 266
Net non performing- and other loss exposed loans	<b>105 603</b>	<b>81 142</b>	<b>103 773</b>

#### Santander Consumer Bank AS:

All amounts in thousands of NOK	30.09.2012	30.09.2011	31.12.2011
Gross non-performing- and other loss exposed loans	944 626	879 573	899 447
Individual write-downs	72 302	55 999	64 206
Group write-downs	613 291	526 923	543 390
Net non performing- and other loss exposed loans	<b>259 033</b>	<b>296 651</b>	<b>291 851</b>

### 4. Risk classification

#### Group:

#### 30.09.2012

All amounts in thousands of NOK	Very good	Good	Medium	Less good	Default	Total
Gross loans	52 331 141	2 917 158	670 746	206 426	2 047 005	58 172 475
Write downs	349 763	57 085	37 580	37 571	473 389	955 388
Net 30.09.12	<b>51 981 378</b>	<b>2 860 073</b>	<b>633 166</b>	<b>168 855</b>	<b>1 573 615</b>	<b>57 217 087</b>

#### 30.09.2011

All amounts in thousands of NOK	Very good	Good	Medium	Less good	Default	Total
Gross loans	47 611 715	3 515 275	766 013	229 300	1 599 821	53 722 124
Write downs	330 925	40 829	41 379	48 801	461 649	923 584
Net 30.09.11	<b>47 280 790</b>	<b>3 474 446</b>	<b>724 633</b>	<b>180 498</b>	<b>1 138 172</b>	<b>52 798 540</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:

#### 30.09.2012

All amounts in thousands of NOK	Very good	Good	Medium	Less good	Default	Total
Gross loans	45 057 393	2 795 145	646 050	196 826	1 079 700	49 775 115
Write downs	191 987	43 630	35 913	27 444	386 619	685 593
Net 30.09.12	<b>44 865 407</b>	<b>2 751 515</b>	<b>610 137</b>	<b>169 382</b>	<b>693 082</b>	<b>49 089 522</b>

#### 30.09.2011

All amounts in thousands of NOK	Very good	Good	Medium	Less good	Default	Total
Gross loans	39 916 380	2 603 116	551 731	180 412	877 206	44 128 846
Write downs	131 599	24 543	25 489	35 563	365 727	582 921
Net 30.09.11	<b>39 784 781</b>	<b>2 578 573</b>	<b>526 242</b>	<b>144 849</b>	<b>511 479</b>	<b>43 545 924</b>



## 5. Receivables and liabilities to group companies

### Group:

All amounts in thousands of NOK	Interest 30.09.12	30.09.2012	30.09.2011
<b>Santander Consumer Group</b>			
Loans from credit institutions	963 796	45 685 499	40 353 043
<i>Of which:</i>			
<i>Banco Santander</i>		599 417	0
<i>Santander Benelux</i>		37 769 767	29 626 475
<i>Santander Consumer Finance S.A.</i>		7 316 314	10 726 568
Accrued interest / other debt		150 489	233 926
Subordinated loan capital	23 287	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		7 621	7 960
<b>Subordinated loan capital</b>		<b>30.09.2012</b>	<b>30.09.2011</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 30.09.12	30.09.2012	30.09.2011
<b>Santander Consumer Group</b>			
Loans from credit institutions	963 089	38 293 475	31 168 439
<i>Of which:</i>			
<i>Santander Benelux</i>		37 057 358	29 341 424
<i>Santander Consumer Finance S.A.</i>		1 236 117	1 827 015
Accrued interest / other debt		120 367	151 592
Subordinated loan capital	23 287	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		7 621	7 960
<b>Subordinated loan capital</b>		<b>30.09.2012</b>	<b>30.09.2011</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>

## 6. Capital adequacy

### Group:

All amounts in thousands of NOK	30.09.2012	30.09.2011
Core capital	4 981 749	4 420 776
Eligible supplementary capital	573 804	655 183
Total primary capital	5 555 552	5 075 959
<b>Minimum capital requirement (pillar I)</b>		
Credit risk	3 960 954	3 607 031
Market risk	21 211	24 526
Operational risk	354 960	294 200
Deductions in capital requirement	-67 623	-66 410
Total minimum capital requirement (pillar I)	4 269 503	3 859 347
Capital ratio	10,41 %	10,52 %
Core capital ratio	9,33 %	9,16 %

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	30.09.2012	30.09.2011
Core capital	5 138 686	4 727 705
Eligible supplementary capital	573 804	655 183
Total primary capital	5 712 489	5 382 888
<b>Minimum capital requirement (pillar I)</b>		
Credit risk	3 422 133	3 027 735
Market risk	17 153	13 258
Operational risk	264 687	229 609
Deductions in capital requirement	-49 063	-42 154
Total minimum capital requirement (pillar I)	3 654 910	3 228 447
Capital ratio	12,50 %	13,34 %
Core capital ratio	11,25 %	11,72 %



## 7. Issued securities

### Group:

#### Specification of issued securities

All amounts in thousands NOK

	30.09.2012	30.09.2011
Issued commercial papers	0	249 931
Issued bonds	7 988 570	6 787 576
<b>Total liability issued securities</b>	<b>7 988 570</b>	<b>6 787 576</b>

#### Changes in liability issued securities

All amounts in thousands NOK

	Book value 31.12.11	New issues/ repurchase	Payments	Amortisation	Book value 30.09.12
Issued commercial papers	0	0	0	0	0
Issued bonds	10 490 328	3 060 116	-5 562 389	515	7 988 570
<b>Total liability issued securities</b>	<b>10 490 328</b>	<b>3 060 116</b>	<b>-5 562 389</b>	<b>515</b>	<b>7 988 570</b>

#### Specification of issued securities

All amounts in thousands NOK

#### Bonds

<i>ISIN number</i>	<i>Issuer</i>	<i>Original principal value</i>	<i>Currency</i>	<i>Interest</i>	<i>Call date</i>	<i>Book value 30.09.12</i>
NO0010588080	Santander Consumer Bank AS	250 000	NOK	Floating	24.09.2013	249 400
XS0595990978	Bilkreditt 1 ltd.	3 965 000	NOK	Floating	25.06.2025	1 139 565
XS0595991273	Bilkreditt 1 ltd.	4 677 000	NOK	Floating	25.06.2025	1 344 198
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	3 049 528
n/a	Bilkreditt 2 ltd.	1 003 580	NOK	Floating	25.04.2026	1 003 580
n/a	SCF Rahoituspalvelut LTD	3 060 116	NOK	Floating	25.01.2020	2 205 476
n/a	SCF Rahoituspalvelut LTD	604 700	NOK	Floating	25.01.2020	586 052
Amortisation						403
Totals issued bonds						11 591 642
<b>Repurchase</b>						
Repurchased own issued bonds						3 603 072
Total repurchased own securities						3 603 072
<b>Total issued securities</b>						<b>7 988 570</b>

**Santander Consumer Bank AS:****Specification of issued securities**

All amounts in thousands NOK

	30.09.2012	30.09.2011
Issued commercial papers	0	249 931
Issued bonds	249 803	6 787 576
<b>Total liability issued securities</b>	<b>249 803</b>	<b>7 037 506</b>

**Changes in liability issued securities**

All amounts in thousands NOK	Book value 31.12.11	New issues/ repurchase	Payments	Amortisation	Book value 30.09.12
Issued commercial papers	0	0	0	0	0
Issued bonds	854 415	0	-605 127	515	249 803
<b>Total liability issued securities</b>	<b>854 415</b>	<b>0</b>	<b>-605 127</b>	<b>515</b>	<b>249 803</b>

**Specification of issued securities**

All amounts in thousands NOK

**Bonds**

<i>ISIN number</i>	<i>Issuer</i>	<i>Original principal value</i>	<i>Currency</i>	<i>Interest</i>	<i>Call date</i>	<i>Book value 30.06.12</i>
NO0010588080	Santander Consumer Bank AS	250 000	NOK	Floating	24.09.2013	249 400
Amortisation						403
Totals issued bonds						249 803

**Repurchase**

Repurchased own issued bonds	0
Total repurchased own securities	0
<b>Total issued securities</b>	<b>249 803</b>

**8. 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	30.09.2012	30.09.2011	31.12.11
Derecognized	0	0	0
Retained in the balance sheet	8 303 967	7 579 759	12 024 712
<b>Total liability issued securities</b>	<b>8 303 967</b>	<b>7 579 759</b>	<b>12 024 712</b>







Santander

CONSUMER BANK