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Quarterly Report

Q2 2024



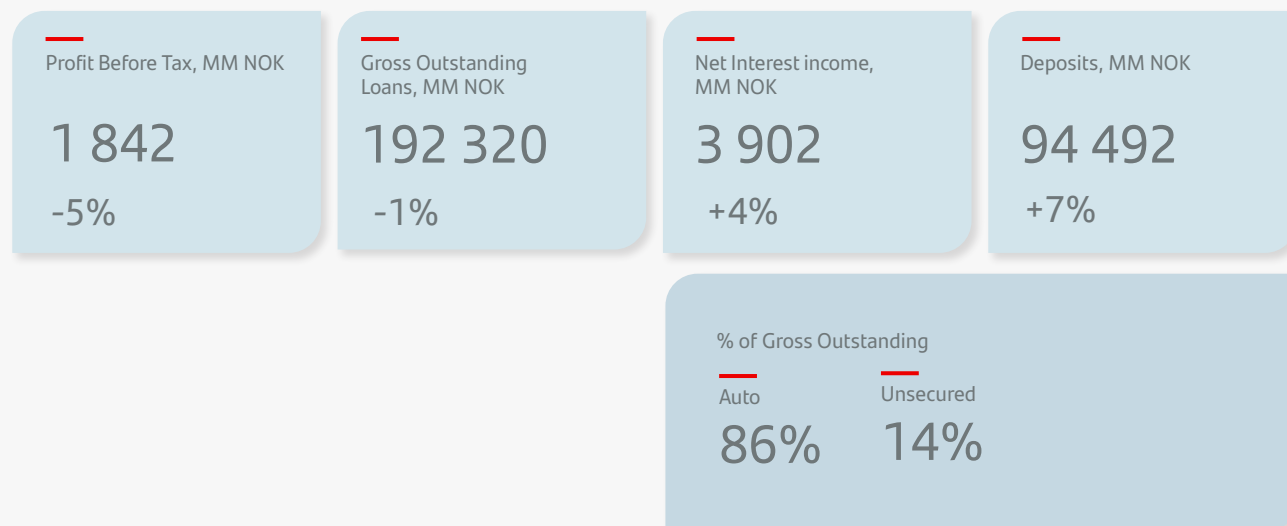
Highlights Q2 2024

As of Q2 2024, the Group's outstanding loans decreased with -2 564 MM NOK (-1.3%) compared to year end 2023. Auto shows a decrease of -1 994 MM NOK (-1.2%) driven by lower new business volumes. Consumer also decreased by -570 MM NOK (2.0%) due to higher level of repayments. Deposits with increased inflows in all three markets, especially Denmark, is up 6.7% vs. year end 2023, increasing the Bank's self-funding ratio.

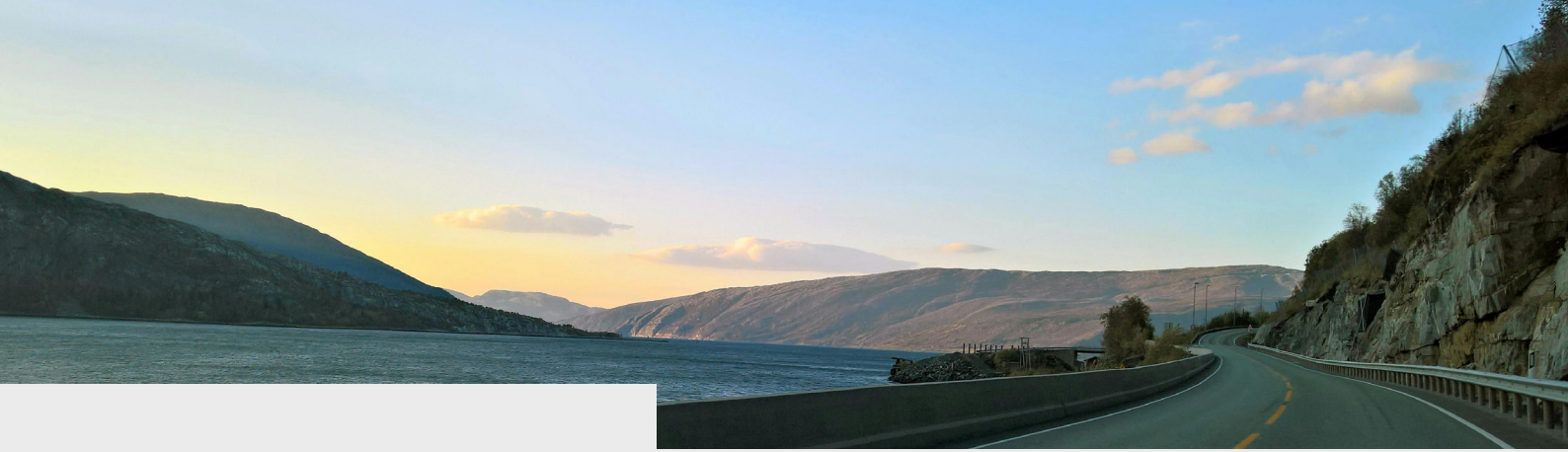
The Group's new business volume has decreased with -4 196 MM NOK (-9%) per Q2 2024 compared to Q2 2023. The development is driven by reduced sales of -4 180 MM NOK (-11.1%) within our Auto portfolio compared to the same period last year, and by Consumer products which had a decrease of -16.3 MM NOK (-0.2%).

Net interest income increased by 4.3% as of Q2 2024 compared to the same period last year. Impact from increasing interest rates had a positive impact on the Group's net interest income.

The Group's profit before tax was 1 842 MM NOK as of Q2 2024, a decrease of -5.2% compared to the same period last year driven by higher impairment losses, offset by higher net interest income.



¹⁾ The Group refers to Santander Consumer Bank AS including its subsidiary in Finland, Santander Consumer Finance OY.



Chief Executive Officer's letter

Delivering value for our customers and partners

Every day we proudly serve our customers and partners across the four Nordic countries. We follow our principles of being Simple, Personal, and Fair, with the purpose of making people and businesses prosper. Our aim is to be the best open financial services platform by acting responsibly and earning the lasting loyalty of our people, customers, shareholders, and communities.

In Q2, Santander in the Nordics delivered stable results. Profit before tax decreased slightly with 5.2% compared to the strong results we observed in the same period last year.

In auto finance, our biggest product, consumer behavior continues to be impacted by the macro-economic situation. While the Group has maintained its position as market leader, including the leadership in private lease financing, new business volume was down in Q2. There are however major variations between the four markets we operate in, and between new and used car sales.

Focus on the green transition within transportation continues to be high on our agenda. In Q2, 45% of new cars financed by Santander were BEVs (battery electric vehicles), and 22% were hybrids, with finance penetration for BEVs higher due to strong regional partnerships.

We are closely following the market development and believe the expectations for a more positive macro-economic outlook will benefit the total auto market sales as we move through 2024.

The Bank continues to increase its self-funding ratio, with outstanding deposit up almost 7 percent compared to year end 2023, highlighting both our attractive product offering and our customers' ability to save money.

Listening to our customers and partners

With a market in constant change and strong competition facing us every day, we need to continuously listen to our stakeholders. Our aim is to do business in a more responsible and sustainable way and earn a strong customer and partner satisfaction.

Through our customer satisfaction platform, we can track from day to day how our customers perceive our product offering and read thousands of comments on a range of issues and appreciations.

As an example from our Deposit customers (NO, SE & DK) we had an average NPS score of a solid 49.7 first half of 2024 (based on 9.233 responses). Our customers highly appreciate our competitive interest rates and easy use of our online banking platform. This feedback provides us with direction on what we need to keep focusing on. On the challenge or opportunity side, we have been through a platform transformation in Sweden which have caused some unintentional bumps in the customer experience. This is equally where the feedback is invaluable for us and believe me when I say: we are paying attention.

Based on the customer feedback we have organized a strong cross functional team to work on and improve the customer experience and as a bonus, this is driving huge internal engagement as we all want to be proud of what we deliver in the markets.

The feedback we receive from our partners and our customers helps us to understand even better where we can improve so we can continue to grow and deliver on our ambition to be the leading Nordic consumer finance platform.



"With a market in constant change and strong competition facing us every day, we need to continuously listen to our stakeholders."

Michael Hvidsten,
CEO Santander Consumer Bank Nordics

Strategic priorities to stay in the lead

Economic and banking sector landscape

According to the European Central Bank (ECB), the euro area economy experienced a 0.3% growth in the first quarter of 2024 after five quarters of stagnation. Both the services sector and manufacturing exhibit indications of improvement. The unemployment rate declined to 6.4% in April. It is anticipated that the economy will sustain its growth at an accelerated rate, driven by amplifying household spending and net trade.

The annual average real GDP growth is forecasted to reach 0.9% in 2024 and is expected to strengthen to 1.4% in 2025 and 1.6% in 2026. National fiscal and structural policies are projected to concentrate on augmenting productivity and competitiveness in order to stimulate growth and alleviate price pressures.

Annual inflation climbed to 2.6% in May from 2.4% in April, with significant alterations in food and energy price inflation. Underlying inflation measures suggest a decrease in price pressures, while wages continue to rise at a significant pace. Headline inflation is expected to stabilize in 2025, with energy inflation stabilizing and fluctuations in food price inflation.

Financing costs have stabilized at restrictive levels following previous policy rate increases. The average interest rates on new loans to firms and mortgages remained unaltered in April at 5.2% and 3.8% respectively. Credit dynamics indicate weak growth, with bank lending to firms and households growing at modest rates. As of June 12, 2024, the interest rate on the main refinancing operations has been reduced to 4.25%, the marginal lending facility to 4.50%, and the deposit facility to 3.75%.²

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's corporate strategy, four long-term primary measures reflect the commitment to delivering long term stakeholder value.

- No. 1 customer & partner satisfaction rate in core markets
- Employee satisfaction greater than 8 (on a scale of 1-10)

- 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	Modern organizational model underpinned by collaboration and engagement.

Strategic focus areas for the quarter

During Q2 2024, the Group continued to operationalize and execute on its corporate strategy. The Group is progressing several cost rationalization initiatives to improve its efficiency as well as progressing its activities to standardize and simplify its operating model and product offerings.

Acting responsibly and sustainably lies at the heart of the Group's corporate strategy and in line with Banco Santander's vision to play a major role in society's transition to a low carbon economy, driving inclusive and sustainable growth and addressing social and environmental risks and opportunities. ESG is embedded throughout The Group's culture and strategy. For more information regarding Responsible banking and Sustainability initiatives, see [Annual Report 2023](#).

The Group is currently preparing for reporting under the Corporate Sustainability Reporting Directive (CSRD), starting from the financial year 2024. During H1, main focus has been on preparing its Double Materiality Assessment in collaboration and alignment with Banco Santander. It has also started preparations for upcoming ESRS disclosure development. This work will continue in full force for the remaining of the year.

On June 24, 2024, the Group published its annual [Transparency Act statement](#) in compliance with Norwegian legislative requirements. The Act serves two primary purposes: to encourage companies to uphold fundamental human rights and decent working conditions across their value chains, and to enable the general public access to information about how companies identify and address negative impacts, whether directly or indirectly, on human rights and working conditions.

The Act mandates that companies carry out and report regular and proportional due diligence assessments of actual and potential negative consequences on human rights and working conditions. The Group identified four duties of care and conducted its due diligence upon these.

No actual negative impacts have been identified for the reporting period. The Group does however acknowledge that potential risks exist in relation to some of its operations, specifically linked to its supply chain vendors and partners. Risk mitigating actions are fully described in the statement.

Sustainable Finance is a key material topic and a key strategic focus area for the Group. Two important areas driving our green initiatives are the financing of green home energy solutions and financing of new battery electric vehicles (BEVs). For more information, please see Annual report 2023.

² OECD Economic Bulletin Issue 4, 2024

Q2 2024 Financial Report of the Board of Directors

Financial performance for Q2 2024

Profit before tax for the Group amounted to 1 842 MM NOK, down -5.2% compared to the same period last year. The main driver for the decreased result was higher impairment losses offset by higher net interest income.

Per Q2 2024, the Group's financial results showed a net interest income of 3 902 MM NOK, representing an increase of 162 MM NOK (4.3%) compared to Q2 2023. The change in net interest income was due to higher interest income of 1 058 MM NOK (+17%), offset by higher interest expenses of 895 MM NOK (+37%) compared to Q2 2023. Comparing the periods, both interest income and interest expenses have substantially increased following the significant increase in XIBOR rates in all Nordic markets. FX had a positive impact on net interest income of 36 MM NOK compared to Q2 2023.

Operating expenses for the period amounted to a total of 1 674 MM NOK compared to 1 630 MM NOK per Q2 2023. The increase in operating expenses is mainly driven by negative FX impact and general inflation.

Net impairment losses experienced a year-on-year increase of 339 MM NOK from Q2 2023 to Q2 2024, following the normalized trend from the previous year and due to the challenges coming from the macroeconomic side. Notably, the increase was compounded by a significant decline in gains from portfolio sales in in Q2 2024 compared to Q2 2023.

Net interest income, MM NOK | Q2 2024

1 961

Key figures Santander Consumer Bank Group

All amounts in million NOK

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	2023
Net interest income	1 961	1 962	3 902	3 740	7 685
<i>Growth*</i>	0%	13%	4%	8%	14%
Gross margin	2 064	2 085	4 135	3 972	8 189
<i>Growth*</i>	-1%	21%	4%	13%	16%
Profit before tax	1 053	1 272	1 842	1 943	3 706
<i>Growth*</i>	-17%	35%	-5%	30%	3%
Profit after tax	825	1 022	1 433	1 582	2 821
<i>Growth*</i>	-19%	39%	-9%	32%	4%
Total assets	211 761	216 699	211 761	216 699	212 057
<i>Growth*</i>	-2%	13%	-2%	13%	5%
Net Loans to customers	187 569	195 630	187 569	195 630	190 212
<i>Growth*</i>	-4%	11%	-4%	11%	4%
Customer deposits	94 492	87 835	94 492	87 835	88 546
<i>Growth*</i>	8%	21%	8%	21%	17%

* Year on year

Loans and deposits performance

Loans to Customers

The Group's gross outstanding loans to customers ended at 192 320 MM NOK per June 2024. This is a decrease of -1.3% (-2 564 MM NOK) compared to December 2023. Gross outstandings in Auto had a reduction of -1 994 MM NOK driven by lower new business volumes. Gross outstandings in Unsecured had a reduction of -570 MM NOK due to higher level of repayments.

Gross Outstanding Loans to customers MM NOK | Q2 2024

192 320

Gross Auto Financing, MM NOK | Q2 2024

164 726

Nordic Auto Finance - Market Leadership

The Group remains the leader in Nordic auto finance, despite increased competition from leasing companies. The focus of the Group lies on partnerships with dealers and importers, renewing key partnerships and optimizing operations to protect margins. In Sweden, where captive lenders dominate for Volvo and Volkswagen, the Group leads in Private Lease financing. Total outstanding auto financing is 164 726 MM NOK, a 1.2% decrease compared to year end 2023.

New car sales are shifting from private to commercial customers in 2024. Q2 2024 saw 211 734 new units registered, with Personal Cars (PC) and Light Commercial Vehicles (LCV) registrations down -0.4% compared to Q2 2023 and used car sales up by 3.7% to 848 510 units. Overall car sales increased by 2.8%. Demand for Battery Electric Vehicles (BEVs) is rising, while Hybrid sales decline. New car prices, especially for BEVs, have decreased as manufacturers adjust to protect market share and meet fuel economy standards. Low consumer confidence and fewer private orders are shifting sales towards commercial leasing, increasing dealer and manufacturer stock levels.

Dealer consolidation is rising, with private importers increasingly taking over from manufacturers, such as the Danish Group Nic Christiansen and the Swedish Hedin Group becoming Ford's importer in Denmark and Finland respectively. Sweden has become one of the worldwide testing grounds for the Agent Model, where manufacturers sell directly to consumers, with dealerships as delivery points. The Group implemented this operating model with Nissan in Q1 2024.

Financing the green transition

The Nordic market has high BEV and Hybrid adoption, led by Norway and Sweden, although growth slowed especially in the beginning of 2024. BEV registrations in Denmark have increased by 48% in 2024 compared to the first half of 2023. In the other Nordic markets, BEV registrations declined faster than the overall market (all fuel types). In H1 2024, 45% of new cars financed by Santander were BEVs, and 22% were hybrids, with finance penetration for BEVs higher due to strong regional partnerships.

For more information about how the Group finances the green transition and the impact of new emission targets in Europe, please see [Annual Report 2023](#).

The Nordic market

Sweden

- BEV sales decreased by -15% compared to H1 2023, while total new car sales fell by 4.1% and used car sales increased by 4.8%.
- The removal of government subsidies reduced BEV demand.
- The SEK exchange rate reduced profit margins, making the market less attractive.
- Dealer network consolidation continues, with the Group securing agreements with major players.

Norway

- New car registrations decreased by -3.3% in H1 2024, mainly due to reduced BEV deliveries.
- Changes in taxation on July 1st led to an increase in registrations in Q2 2024.
- A weakened Norwegian currency reduced manufacturer profits.
- BEV prices continue to decrease to maintain market share.
- Used car sales fell by -8.0% as BEVs are more profitably sold in other European markets.

Denmark

- New vehicle sales increased by 5.0%, while used vehicle sales dropped by -3.1% compared to H1 2023.

- Petrol and diesel cars made up just under 50% of the market in Q2 2024.
- With the Danish Krone pegged to the Euro, profit margins are more attractive, and BEV sales increased by 66% in Q2 2024 compared to Q2 2023.

Finland

- New car sales declined by -16.0%, while used car registrations grew by 4.4%, leading to a total car registration increase of 1.5%.
- Imports from Sweden and Norway increased due to favorable exchange rates.
- BEV and Hybrid vehicles comprise about 71% of Q2 2024 car registrations.
- Consumer confidence remains low, with minimal change in customer orders in 2024.

Sale of new cars (Personal cars and Light commercial Vehicles*) | Market total Q2 2024

211 734

Unsecured lending

Unsecured lending continues to be of strategic importance to the Group, with the focus for 2024 being the Group's Responsible Banking Agenda as well as continuing to improve customer experience with a focus on profitable growth. The Group's portfolio includes checkout lending, consumer loans, and credit cards.

Macro environment in 2024 has been changing, with competitors leaving the market or ownership being transferred. The macro environment has led to an increase in credit fraud attempts and we have implemented new initiatives to combat fraud, in addition to work with the industry as a whole to highlight this important topic.

For more information, please see [Annual Report 2023](#).

Gross Consumer Financing, MM NOK | Q1 2024

28 472

Consumer loans

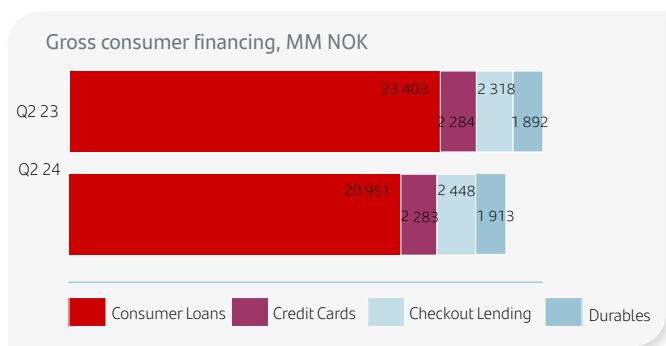
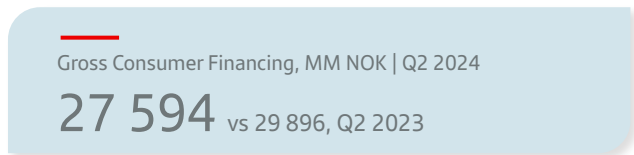
The Group's main priority for 2024 is customer experience and profitable growth.

Consumer Loans financing remained the main unsecured finance product within Unsecured lending. The Group's Consumer loans new business volume has had a strong growth in all markets in Q1 where the volumes in Q2 are impacted by the macro environment and decline consumer confidence. The Group's Consumer Loan portfolio in Q2 2024 decreased by -2.2% in outstanding volumes compared to Q4 2023. The Swedish Market is still the lead shareholder of the total Consumer loan portfolio with 43% of the total Nordic Market and the largest growth are in Norway.

Checkout lending & Durables

Within Checkout Lending, i.e. Retail Finance, Sweden continues to grow, and has increased their portfolio by +6.5% during H1. In total the Nordic Checkout Lending portfolio was down -2.0% in Q2 2024 compared to Q4 2023.

During the first half of 2024, the Durables portfolio delivered growth of +1.2%, much due to the positive impact from FX.



Credit card

The Group's Credit Card portfolio has been stable compared to last year. Norway stands for the Group's largest portfolio while Denmark stands for the largest increase.

Deposits

The Group is a 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 markets and 2 MM NOK in the Norwegian market.

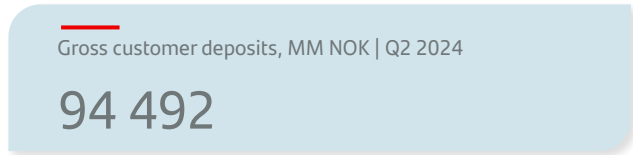
In Q2 2024, the Group's strong growth in Deposits continued. Balances grew 8% compared to Q2 2023.

Total outstanding volume for the Group is 94 492 MM NOK for Q2 2024, representing an increase of 6 657 MM NOK compared to Q2 2023. The Group operates deposit platforms in three of its four home markets: Denmark, Norway, and Sweden.

Volumes in the Danish market continue to grow and represents the largest share of deposits within the three markets. Outstanding balances end of Q2 2024 were 40 208 MM NOK, closing the quarter 5 530 MM NOK (16%) higher compared to Q2 2023. Denmark offers a diverse product range, including a demand product, a notification product, and fixed rate deposits of varying tenors.

In Norway, the Group had an outstanding balance of 28 244 MM NOK end of Q2 2024, representing a decrease of -3% or 851 MM NOK compared to Q2 2023. Like Denmark, Norway offers a demand product, a notification product and fixed rate deposits.

Similarly, Sweden offers a demand product, a notification product and fixed rate deposits. Fixed rate deposits products were introduced at the beginning of 2024 with the option of 6- or 12-month maturity. In addition, the unit has an ongoing cooperation with a broker, Avanza. While the Group's strategy is focused on maintaining its in-house products, the cooperation provides additional flexibility for managing the Swedish deposits portfolio. Outstanding volumes in Sweden stood at 26 040 MM NOK end of Q2 2024, which is 1 978MM NOK (8%) higher compared to Q2 2023.



Insurance

The insured customer base has expanded, surpassing 500 000 across the Group. The macroeconomic landscape in Europe has heightened awareness among both consumers and partners regarding the significance of insurance coverage. Net insurance income represents 4.7% of the Group's gross margin, consolidating Insurance as a strategic focus for the Group. Its growing contribution to both fiscal performance and strategic objectives underscores its increasing importance for the Group.

Insurance Distribution Directive (IDD)

In line with the Group's commitment to regulatory compliance and industry standards, the Group has diligently achieved full compliance with the Insurance Distribution Directive (IDD). This comprehensive adherence encompasses the certification of all relevant employees, ensuring a thorough understanding and implementation of these critical directives across all operations.

The successful certification underscores the Group's unwavering commitment to regulatory excellence and ethical conduct. It positions the Group strongly in a dynamic regulatory environment and reinforces the Group's dedication to responsible and compliant practices in all facets of our operations.

New & Enhanced Product Offerings

During Q2 2024, the Bank introduced a new insurance product in the Norwegian market, which covers minor damages and extends warranties. This strategic initiative is designed to be sold at the dealer network and strengthen the Bank's collaboration with the Auto Dealer network, fostering closer partnerships. By offering enhanced coverage options, the Bank aims to address the needs of our customers more effectively, ensuring they receive the best possible protection and service.

Funding

A self-funding strategy

The Group continues to pursue a diversified funding strategy.

Senior unsecured issuances and commercial papers outstandings per Q2 2024 include 2 000 MM EUR in the Euro bond market, 3 550 MM SEK in the Swedish bond market, and 5 000 MM NOK in the Norwegian bond market and 800 MM NOK in the Norwegian commercial paper market. Given strong deposits liquidity, the Group have temporarily scaled back our presence in the commercial paper market in Sweden.

The weighted average remaining term to maturity, excluding commercial papers, is approximately 1.33 years.

The Green Bond program

Banco Santander has published its updated Green, Social and Sustainability Global Framework. This new framework substitutes and replaces the previous Green Bond framework from the Group, aligning our structure with the best practices of the ESG/sustainable capital markets.

Ratings

The Group is rated by Fitch (A-/F2/Outlook Stable) and Moody's (A2/P1/Outlook Stable).

Asset-Backed Securities (ABS)

The Group issued its 13th Kimi securitization transaction out of SCF Oy May 2024. The transaction size was 420 MM EUR and included Finnish Auto Loans. While the Group's overall funding from securitizations has decreased since 2016 due to the change in securitization law in Norway, which has prevented issuing ABS backed by Scandinavian assets, the Finnish program has provided approximately 10% of the Group's funding since 2016.

On June 12, 2024, the EEA Committee adopted the Securitization Regulation. Although the Norwegian Parliament needs to formally approve the regulation, this is a very important milestone on the path to allowing securitizations in Norway.

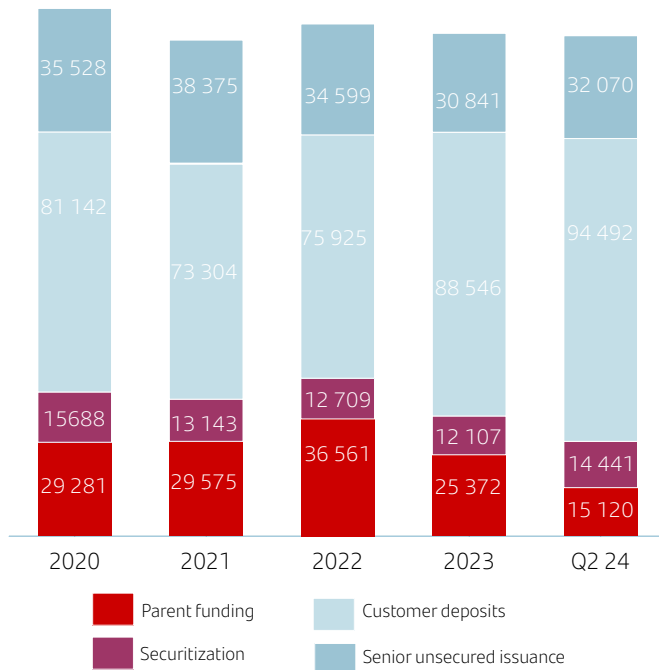
Total outstanding volumes in securitizations equals 14 441 MM NOK as per end of Q2 2024.

Intragroup Funding

Loans and drawing rights from the parent bank and companies within Banco 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-end maturities.

For more information regarding our funding strategy, please see [Annual Report 2023](#).

Funding composition | MM NOK



Risk Management

The Group's risk management function, underpinned by a strong risk culture and a solid governance structure, is key to ensuring that the Group remains a robust, safe, and sustainable bank that helps people and businesses prosper.

Risk Management Framework

The primary role of the risk management function is to protect our customers, business, colleagues, shareholders, and the communities that we serve, while ensuring that we can support our strategy and provide sustainable growth.

The Group's Risk Management framework is described in more detail in the [Annual Report 2023](#).

Executive Summary and outlook as of Q2 2024

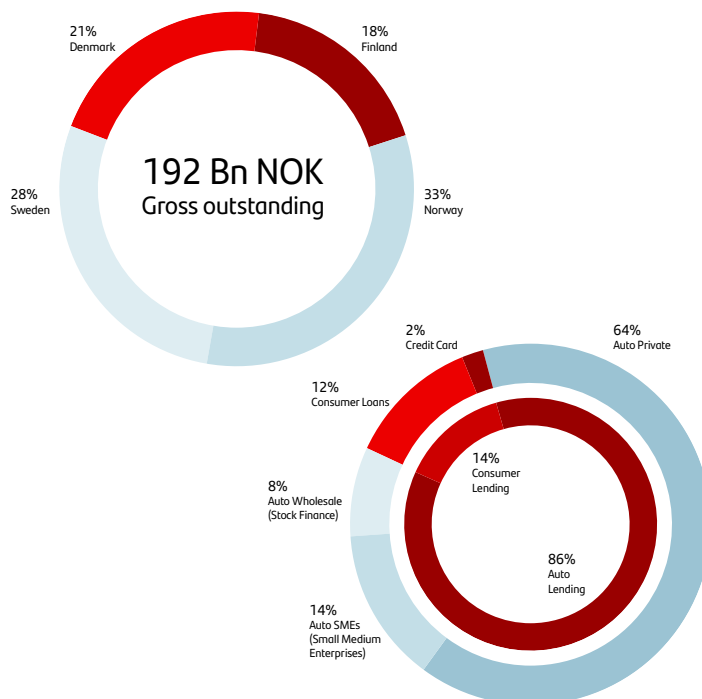
In the second quarter of 2024, the Nordic economies continued to face persistent challenges driven by macroeconomic and geopolitical factors. Amid these headwinds, the Group maintains a cautiously optimistic outlook for the remainder of the year, focusing on nurturing and leveraging strong relationships with our customers. Recent interest rate cuts by Central Banks across the region, prompted by an improving economic outlook, have set the stage for a more favorable economic environment.

Credit Risk

The credit risk profile of the Group remained strong across the entire portfolio, underscoring the resilience of its customer base and the effectiveness of its robust control environment. This includes continuous monitoring of the credit portfolio to quickly detect any potential decline in credit quality, or changes in customer payment behavior. This proactive approach enables the Bank to implement necessary measures promptly, effectively mitigating risks.

At the end of the second quarter, total risk reached 192 Bn NOK, showing a slight decrease quarter-on-quarter and remaining relatively stable year-on-year, maintaining good diversification across the four Nordic countries:

Total risk by country and product



Credit Risk

Throughout the second quarter of 2024, the credit quality indicators have exhibited a consistently solid performance.

Cost of Credit

0.66%

▲ 35 bps vs. Q2.23

NPL Ratio

3.02%

▲ 27 bps vs. Q2.23

NPL Coverage Ratio

82.42%

▼ 7.68 pp vs. Q2.23

LCR

169%

▼ 3 pp vs. Q2.23

NSFR

114%

▲ 3 pp vs. Q2.23

Operational Risk

The Group's operational risk profile remained in line with the previous quarter, with lower losses year-on-year. The Group is continuously enhancing its control environment, especially in critical areas like IT, fraud, and cybersecurity.

Structural and Liquidity risk

The Bank has a robust liquidity buffer with ratios above regulatory and risk appetite limits.

Capital Risk

Capital ratios above regulatory requirements.

CET1 % capital

18.94%

▲ 161 bps vs. Q2.23

Non-Performing Loans

The Non-Performing Loans (NPL) Ratio stood at 3.02% in Q2 2024, including 1.72% for the secured portfolio and 10.77% for unsecured, compared to 2.68% in Q2 2023 (1.47% for secured and 9.56% for unsecured).

Cost of Credit

In Q2 2024, Loan Loss Provisions (LLP) reached 607 MM NOK, showing a year-on-year increase, and driving the cost of credit up to 0.66%. This performance aligns with expectations and reflects the evolution of its portfolio mix, which has tilted towards secured lending. Despite ongoing challenges and uncertainty, the Group anticipates its credit portfolio to continue along a similar path as in previous quarters, gradually returning to more normalized levels, supported by a robust reserve base.

The Group continues to maintain robust Loan Loss Reserves (LLR) against potential future loan losses. Total LLR reached 4 787 MM NOK, decreasing year-on-year from 4 836 MM NOK. Within the total reserves, 4 751 MM NOK is allocated to loans to customers, while 36 MM NOK is associated with off balance exposures.

For further information, see Note 9 (Credit Risk Exposure).

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.

As of June 2024, the Group's LCR was 168.77 % and the NSFR was 113.76%. Both metrics are comfortably exceeding the regulatory requirements. The Group has a credit line with the parent company and can utilize this to manage short term liquidity needs, if external funding becomes unavailable or is considered unfavorable.

The Group also measures asset encumbrance. The main source of asset encumbrance in the Group are Auto Asset Backed Securities issued and retained or placed in the market. In addition, the Bank can execute repurchase agreements encumbering assets to obtain liquidity. The Total Encumbered Assets as of June 2024, were 15 299 MM NOK, representing an Asset Encumbrance Ratio of 7.22%.

The Group's policy is to not actively take on interest rate risk in its operations, and to continuously monitor the sensitivity of its net interest income (NIM) and equity value (MVE) to changes in interest rates. As of the end of Q2 2024, the exposure to interest changes on both metrics are within the defined limits.

169%

The Liquidity Coverage Ratio (LCR) remained above regulatory thresholds in Q2 2024

Foreign Currency Risk

The total open currency exposure as of Q2 2024 was the equivalent of 3 915 MM NOK for consolidated SEK, DKK, and EUR exposures. This is comfortably within the defined FX exposure limits for the Group in 2024. For more information, please see our Annual Report 2023.

Operational Risk

Following the conclusion of the annual Risk Control Self-Assessment in Q1 2024, senior management as well as the Board of Directors were presented with the findings and required actions to mitigate identified risks. These are being followed up as business-as-usual activities and monitored closely according to the Bank's governance process.

Environmental and Climate Change Risk

The Group is improving its climate and environmental risks management on an ongoing basis through a holistic and forward-looking approach. This involves understanding the implications (risks and opportunities) and potential impact, particularly the transition to Electrical Vehicles (EVs), on 'traditional' risk types such as credit, liquidity, operational, reputational, etc. The Group's retail-focused, short-term, and diversified portfolio, along with the gradual transformation of the auto industry minimize these risks.

From a regulatory compliance perspective, mobilization for the EU's Corporate Sustainability Reporting Directive (CSRD) effective from 2024 includes the commencement of a Double Materiality Assessment in H1 2024 to identify impacts on the environment and society, as well as ESG-related risks and opportunities that may influence the Group. The Group's inaugural CSRD report will be published as part of the Management Report 2024.

Risk Pro: The Group's risk culture

Santander's risk culture is built on the principle that *Risk is Everyone's Business*.

All employees are responsible for managing risks, regardless of their role. The Group's Risk Pro culture is integrated into every stage of the employee lifecycle, and Operational Risk Coordinators support employees in managing risks.

The Group also emphasizes "Risk Pro Communications", promoting a top-down approach to reach the first line of defense and incorporating messages from all functions. Additionally, a 10% Risk goal is included in all employees' objectives. The Group focuses on deepening employees' understanding of daily risks, especially within the first line of defense, through mandatory trainings, including interactive discussion sessions called RiskPro talks. All training sessions are available on the Bank's Risk site for review.

A strong risk culture is key to the Group's ability to respond to economic changes, customer demands, competition, and regulatory pressures. This culture defines the Group's operations as Simple, Personal, and Fair.

Solvency and capital adequacy

Capital ratios closed the second quarter of 2024 with a good margin above the minimum capital regulatory requirements. The Group is well positioned to meet present and future changes in capital requirements.

Capital position

The Group is supervised by the Norwegian FSA and must comply with capital requirements for banks in Norway both at consolidated level (the Group) and at individual level (the Bank).

The Group closed Q2 2024 with a Common Equity Tier 1 (CET1) capital ratio of 18.94%, which is an increase from 18.61% in Q4 2023. The main driver for this is the decrease in total risk weighted assets (RWAs) due to the exclusion of the structural FX position for market risk RWAs, as permitted by the Norwegian FSA. At the same time, NOK has weakened slightly from Q4 2023 to Q2 2024 against EUR and DKK, which increases the credit risk RWAs and thus slightly offsets the benefit of the structural waiver.

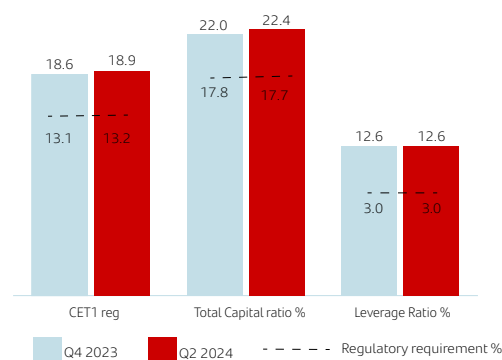
On Bank level, the CET1 capital ratio ended at 16.85%, down from 17.27%. The main driver was the increase in risk weighted assets for credit risk, mainly explained by exchange rate effects (NOK weakening versus DKK and EUR) and organic growth. The abovementioned permission from the Norwegian FSA to exclude the structural FX position does not affect RWAs on stand-alone basis.

The leverage ratios for the Group and Bank closed Q2 2024 at 12.59% and 11.92%, respectively, and are well above the regulatory requirement of 3%.

The Bank remains in a solid capital position with a good management buffer towards the minimum capital requirements (including Pillar 2 Guidance) both on consolidated and individual basis.

Since January 1, 2024, the Group is subject to and compliant with the new internal Minimum Requirement for own funds and Eligible Liabilities (MREL) requirements set forth by the Norwegian FSA. The Group has closed Q2 2024 with an MREL capital ratio of 34.48% compared to a requirement of 31.15%.

Capital adequacy | SCB Group



Current and future capital requirements

During 2023, Nordic authorities have concluded the increases in the countercyclical buffer (CCyB) requirements which bring up the levels to 2.5% in Norway and Denmark and to 2% in Sweden. No other changes in CCyB are expected in the short/medium term. Systemic Risk Buffer (SyRB) requirement remains at 4.5% in Norway and 0% in Sweden and Denmark. In Finland, as announced by the Finnish FSA, the SyRB has increased from 0% to 1% from April 1, 2024.

Since January 1, 2024, the Group and the Bank are subject to the revised Pillar 2 requirement (P2R) of 2.4% of RWAs which can be covered by a minimum of 56.25% of CET1 capital and a minimum of 75% of Tier 1 capital. The Pillar 2 Guidance remains unchanged at 1.5% and still needs to be entirely covered by CET1 capital.

Also, since January 1, 2024, the Group is subject to the new internal Minimum Requirement for own funds and Eligible Liabilities (MREL) requirements set forth by the Norwegian FSA. In June 2024, the Group has received an updated MREL requirement considering the reduction in P2R from 2.7% to 2.4%, as part of the MREL requirement calibration. This updated requirement is applicable as of July 1, 2024 and will thus only apply as of Q3 2024.

The Group continuously updates regulatory capital developments in its capital planning and is well positioned to meet present and future changes in regulatory requirements.

SCB Group

Actuals	Q4 2023	Q2 2024
CET1 capital ratio	18.61%	18.94%
Tier 1 capital ratio	20.26%	20.63%
Total capital ratio	22.02%	22.38%
Leverage ratio	12.61%	12.59%
Capital requirements	Q4 2023	Q2 2024
CET1 capital ratio	13.07%	13.8%
Minimum Core Equity	4.50%	4.50%
Pillar 2 Requirement	1.52%	1.35%
Pillar 2 Guidance	1.50%	1.50%
Countercyclical Buffer (combined)	1.88%	1.91%
Conservation Buffer	2.50%	2.50%
Systemic Risk Buffer (combined)	1.17%	1.42%
Tier 1 capital ratio	15.08%	15.13%
Total capital ratio	17.76%	17.73%
Leverage ratio	3.00%	3.00%

SCB AS

Actuals	Q4 2023	Q2 2024
CET1 capital ratio	17.27%	16.85%
Tier 1 capital ratio	19.03%	18.58%
Total capital ratio	20.90%	20.37%
Leverage ratio	12.09%	11.92%
Capital requirements	Q4 2023	Q2 2024
CET1 capital ratio	13.13%	13.11%
Minimum Core Equity	4.50%	4.50%
Pillar 2 Requirement	1.52%	1.35%
Pillar 2 Guidance	1.50%	1.50%
Countercyclical Buffer (combined)	1.92%	1.89%
Conservation Buffer	2.50%	2.50%
Systemic Risk Buffer (combined)	1.19%	1.37%
Tier 1 capital ratio	15.14%	15.06%
Total capital ratio	17.82%	17.66%
Leverage ratio	3.00%	3.00%

Regulatory changes in the financial sector

The regulatory framework for the financial sector is constantly changing. The Group works continuously to monitor and implement new legislation and strives to take on an active role in legislative processes through Finance Norway and other finance associations.

Consumer protection

The EFTA Court recently issued advisory opinions in two cases, emphasizing that the terms of variable-rate mortgage and credit loan agreements must be clearly and comprehensively defined to ensure consumer understanding. Implications are not yet clear.

The Swedish Financial Supervisory Authority (SFS) has published its consumer protection report for 2023 including its supervision priorities for 2024. The SFS will inter alia focus on unsound lending practices. To protect consumers from unsound lending, the SFS suggests the implementation of a national debt register and a cap on interest and costs. The SFS is also reviewing the credit assessment of consumer credit companies. Further, an appeal court ruling has been issued in favor of the SFS on performance of credit assessments.

AML/CFT and Sanctions

The new AML Package was published in EU's Official Journal June 19, 2024, and will enter into force July 10, 2027 (36-month implementation deadline). The AML Regulation aims to ensure uniform AML/CFT rules across the EU. The sixth AML Directive must be transposed into national law within 2-3 years and deals with the organization of national competent authorities which leaves some space for national rules. The new AML Authority will start its operations as of mid-2025 and will issue guidelines to the obliged entities.

International financial sanctions oblige the Group to screen customers towards sanctions lists and to freeze the assets of listed persons or entities, and EU's 14th sanctions package was adopted June 14, 2024. The EU has adopted a new directive to ensure uniform application across the EU of investigations and penalties for violations of EU sanctions.

Regarding financial crime prevention as such, the Norwegian government has communicated its focus on combating financial crime as a societal problem, which includes fraud prevention, improved money laundering measures, cross-functional collaboration as well as the establishment of a new unit dedicated to international sanctions.

Lastly, the EU's new directive on combating corruption is subject to negotiations on its final version.

ICT and Data Protection

ICT risk and data protection continues to be an area of high focus for European and Nordic regulators and supervisors.

The Group is monitoring and preparing for compliance with EU's new Digital Operational Resilience Act (DORA) and the EU Artificial Intelligence Act (AI Act). The AI Act was approved by the European Council on May 21, 2024, aiming to ensure safe use of artificial intelligence in the EU.

Sustainable finance

The European Commission has adopted a series of legislative proposals to achieve the goal of climate neutrality in the EU by 2050 and the intermediate target of a minimum 55% net reduction in greenhouse gas emissions by 2030.

On June 11, 2024, the Norwegian Parliament adopted a proposal from the Ministry of Finance to make amendments to the Accounting Act etc. The legislative proposal that the Parliament has now passed implements directive rules on sustainability reporting for large and public companies (CSRD). As stated in the legislative proposal, the Ministry aims to establish transitional rules for the gradual introduction of sustainability reporting requirements in accordance with the directive's transitional rules.

For more information regarding the Group's sustainable finance, please see [Annual Report 2023](#).

Lysaker August 15, 2024

The Board of Directors of Santander Consumer Bank

Jørn Borchgrevink
Chair

Federico Ysart
Deputy Chair

Pedro de Elejabeitia
Board member

Anne Kvam
Board member

Rámon Billordo
Board member

Tone Bergsaker Strømsnes
Employee Representative

Rolf Larsen
Employee Representative

Michael Hvidsten
Chief Executive Officer

Table of contents

Profit and Loss - Santander Consumer Bank Nordic Group.....	15
Balance Sheet - Santander Consumer Bank Nordic Group.....	16
Cash Flow - Santander Consumer Bank Nordic Group.....	17
Statement of changes in equity - Santander Consumer Bank Nordic Group.....	18
Profit and Loss - Santander Consumer Bank AS.....	20
Balance Sheet - Santander Consumer Bank AS.....	21
Cash Flow - Santander Consumer Bank AS.....	22
Statement of changes in equity - Santander Consumer Bank AS.....	23
Group Notes.....	25
Note 1 - Basis of preparation and accounting principles.....	26
Note 2 - Segment information.....	26
Note 3 - Net interest income.....	29
Note 4 - Impairment losses on loan, guarantees etc.....	31
Note 5 - Classification of financial instruments.....	31
Note 6 - Valuation Hierarchy.....	32
Note 7 - Loans to customers.....	33
Note 8 - Risk classification.....	33
Note 9 - Credit risk exposure.....	34
Note 10 - Loss allowance.....	36
Note 11 - Issued securities.....	37
Note 12 - Capital adequacy.....	37
Note 13 - Receivables and liabilities to related parties.....	40
Note 14 - Transactions with related parties.....	41
Bank Notes.....	42
Note 1 - Basis of preparation and accounting principles.....	43
Note 2 - Segment information.....	43
Note 3 - Net interest income.....	43
Note 4 - Impairment losses on loan, guarantees etc.....	45
Note 5 - Classification of financial instruments.....	45
Note 6 - Valuation Hierarchy.....	46
Note 7 - Loans to customers.....	47
Note 8 - Risk classification.....	47
Note 9 - Credit risk exposure.....	48
Note 10 - Loss allowance.....	49
Note 11 - Issued securities.....	50
Note 12 - Capital adequacy.....	51
Note 13 - Receivables and liabilities to related parties.....	53
Note 14 - Transactions with related parties.....	54

Profit and Loss - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Total interest income*		3 628	3 325	7 249	6 191	13 388
Total interest expenses		-1 667	-1 363	-3 347	-2 452	-5 704
Net interest income	3	1 961	1 962	3 902	3 740	7 685
Fee and commission income		205	172	375	305	603
Fee and commission expenses		-139	-83	-257	-153	-296
Value change and gain/loss on foreign exchange and securities		-5	-17	34	-14	-5
Other operating income		144	126	279	250	562
Other operating expenses		-102	-75	-198	-156	-361
Gross margin		2 064	2 085	4 135	3 972	8 189
Salaries and personnel expenses		-424	-373	-829	-719	-1 511
Administrative expenses		-358	-404	-679	-768	-1 544
Depreciation and amortisation		-85	-72	-166	-143	-337
Net operating income before impairment losses on loans		1 197	1 236	2 462	2 341	4 797
Other income and costs		-47	-125	-14	-131	-146
Impairment losses on loan, guarantees etc.	4, 8, 9, 10	-98	160	-607	-268	-946
Profit before tax		1 053	1 272	1 842	1 943	3 706
Income tax expense		-228	-250	-409	-360	-885
Profit after tax		825	1 022	1 433	1 582	2 821
Allocation of profit after tax						
Transferred to other earned equity		771	977	1 325	1 492	2 626
Transferred to additional Tier 1 capital	14	54	44	108	91	194
Total allocations		825	1 022	1 433	1 582	2 821
Profit after tax		825	1 022	1 433	1 582	2 821
<i>Items not to be recycled to profit and loss</i>						
Actuarial gain/loss on post-employment benefit obligations		-19	5	-19	5	10
<i>Items to be recycled to profit and loss</i>						
Net exchange differences on translating foreign operations		-152	162	103	557	307
Measured at FVTOCI		0	1	2	3	2
Cash flow hedge		-30	13	-41	-12	-146
Net investment hedge		26	-32	-23	-116	-68
Other comprehensive income for the period net of tax		-174	148	23	437	106
Total comprehensive income for the period		651	1 170	1 456	2 019	2 927

* Total interest income calculated using the effective interest method

Balance Sheet - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q2 2024	Q2 2023	2023
Assets				
Cash and receivables on central banks	5	1 580	1 572	1 127
Deposits with and receivables on financial institutions	5	7 317	7 953	3 366
Loans to customers	5, 7, 8, 9, 10	187 569	195 630	190 212
Commercial papers and bonds	5	5 741	5 018	10 319
Financial derivatives	5, 6	609	561	231
Other ownership interests	5, 6	17	15	14
Other financial assets	5	2 185	684	598
Deferred tax assets		280	-	247
Intangible assets		1 363	1 356	1 388
Fixed assets		2 651	1 548	2 121
Repossessed assets		35	37	27
Other assets		2 413	2 325	2 407
Total assets		211 761	216 699	212 057
Liabilities				
Debt to credit institutions	5, 13	15 234	33 874	25 372
Deposits from customers		94 492	87 835	88 546
Debt established by issuing securities	5, 11	46 511	46 476	42 949
Financial derivatives	5, 6	347	704	336
Tax payable		475	238	168
Other financial liabilities		546	423	662
Deferred tax		2 322	1 061	2 349
Pension liabilities		4	6	4
Other liabilities		2 941	2 953	3 361
Subordinated loan capital	5, 13	2 514	2 495	2 521
Senior non-preferred loans	5, 13	16 076	10 186	16 038
Total liabilities		181 461	186 250	182 304
Equity				
Share capital		10 618	10 618	10 618
Share capital premium		1 926	1 926	1 926
Additional Tier 1 capital		2 250	2 250	2 250
Other equity		14 982	14 827	14 462
OCI items		524	828	497
Total equity		30 300	30 449	29 752
Total liabilities and equity		211 761	216 699	212 057

Cash Flow - Santander Consumer Bank Nordic Group

<i>All amounts in millions of NOK</i>	Note	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Cash flow from operations						
Profit before tax		1 053	1 272	1 842	1 943	3 706
Adjustments for:						
- Depreciation, amortisation and impairment on fixed and intangible assets		85	72	166	143	337
- Net interest income	3	-1 961	-1 962	-3 902	-3 740	-7 685
- Value change and gain/loss on foreign exchange and securities		5	17	-34	14	5
Changes in:						
- Loans to customers	7	955	-1 460	3 744	-2 232	837
- Operating lease assets		-317	-358	-495	-561	-1 195
- Repossessed assets		-16	-5	-8	-7	2
- Other assets		-468	670	-1 628	2 763	2 714
- Deposits from customers		2 028	2 151	5 478	7 519	9 344
- Other liabilities and provisions		97	28	-681	-3 381	-2 424
Interests received		3 628	3 256	7 249	6 076	13 388
Interests paid		-1 667	-1 363	-3 347	-2 452	-5 704
Net income taxes paid		23	-192	-261	-285	-516
Net cash flow from operations		3 445	2 125	8 122	5 801	12 811
Cash flow from investments						
Purchase of bonds		-40 344	-32 157	-88 030	-60 141	-154 999
Proceeds from matured bonds		40 803	34 002	92 686	60 550	150 074
Purchase of fixed and intangible assets		-62	-60	-92	-90	-295
Proceeds from sale of fixed and intangible assets		0	0	3	7	12
Net cash flow from investments		397	1 786	4 567	327	-5 209
Cash flow from financing						
Proceeds from issued securities		6 219	5 306	9 078	5 141	7 349
Repayments of issued securities		-3 214	-2 555	-6 161	-10 542	-14 977
Payments related to lease liabilities		-14	-13	-43	-37	-48
Change in loans and deposits from credit institutions		-6 138	-6 269	-10 217	-4 856	-13 265
Proceeds from issue of subordinated loans	13	-	-	-	1	1
Repayment of subordinated loans	13	-4	-4	-0	-	-
Proceeds from issue of senior non-preferred loans	13	134	70	8	5 832	11 773
Dividend payments		-	-	-800	-2 216	-3 716
Interest payments on additional Tier 1 capital	14	-54	-44	-108	-91	-194
Net cash flow from financing		-3 071	-3 509	-8 243	-6 768	-13 076
Exchange gains / (losses) on cash and cash equivalents		-206	164	-43	821	624
Net change in cash and cash equivalents		564	567	4 403	181	-4 850
Cash and cash equivalents at the beginning of the period		8 332	8 957	4 493	9 344	9 344
Cash and cash equivalents at the end of the period		8 897	9 525	8 897	9 525	4 493

Statement of changes in equity - Santander Consumer Bank Nordic Group

Q2 2024

<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					
Balance at 1 April 2024	10 618	1 926	2 250	14 215	950	24	-58	-213	-9	29 703
Profit for the period	-	-	54	771	-	-	-	-	-	825
OCI movements (net of tax)	-	-	-	-4	-148	0	-30	26	-19	-174
Interest payments additional Tier 1 capital	-	-	-54	-	-	-	-	-	-	-54
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	10 618	1 926	2 250	14 982	802	24	-88	-187	-28	30 300

YTD Q2 2024

<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					
Balance at 1 of January 2024	10 618	1 926	2 250	14 462	694	22	-47	-164	-9	29 752
Profit for the period	-	-	108	1 325	-	-	-	-	-	1 433
OCI movements (net of tax)	-	-	-	-4	108	2	-41	-23	-19	23
Interest payments additional Tier 1 capital	-	-	-108	-	-	-	-	-	-	-108
Dividend	-	-	-	-800	-	-	-	-	-	-800
Balance at 30 June 2024	10 618	1 926	2 250	14 982	802	24	-88	-187	-28	30 300

Total shares registered as at June 30, 2024, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at June 30, 2024, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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

Financial Year 2023

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured at FVTOCI	Cash flow investment hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 January 2023	10 618	1 926	2 250	15 551	387	20	99	-96	-19	30 736
Profit for the period	-	-	194	2 626	-	-	-	-	-	2 821
OCI movements (net of tax)	-	-	-	-	307	2	-146	-68	10	106
Interest payments additional Tier 1 capital	-	-	-194	-	-	-	-	-	-	-194
Dividend	-	-	-	-3 716	-	-	-	-	-	-3 716
Balance at 31 December 2023	10 618	1 926	2 250	14 462	694	22	-47	-164	-9	29 752

Total shares registered as at December 31, 2023, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at December 31, 2023, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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Profit and Loss - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Total interest income*		3 409	3 017	6 810	5 594	11 688
Total interest expenses		-1 747	-1 313	-3 485	-2 368	-5 159
Net interest income	3	1 662	1 705	3 326	3 226	6 529
Fee and commission income		177	154	335	262	543
Fee and commission expenses		-123	-77	-232	-143	-276
Value change and gain/loss on foreign exchange and securities		-11	-43	49	-17	-14
Other operating income		117	95	226	192	447
Other operating expenses		-82	-45	-151	-97	-224
Gross margin		1 742	1 788	3 552	3 423	7 005
Salaries and personnel expenses		-363	-315	-714	-610	-1 292
Administrative expenses		-308	-344	-579	-664	-1 330
Depreciation and amortisation		-76	-66	-149	-131	-301
Net operating income before impairment losses on loans		995	1 064	2 111	2 019	4 082
Other income and costs		-47	-125	-14	-134	-165
Impairment losses on loan, guarantees etc.	4, 8, 9, 10	-53	141	-466	-224	-793
Profit before tax		895	1 081	1 631	1 661	3 125
Income tax expense		-196	-224	-367	-316	-781
Profit after tax		700	857	1 264	1 345	2 344
Allocation of profit after tax						
Transferred to other earned equity		646	813	1 155	1 254	2 150
Transferred to additional Tier 1 capital	14	54	44	108	91	194
Total allocations		700	857	1 264	1 345	2 344
Profit after tax		700	857	1 264	1 345	2 344
<i>Items not to be recycled to profit and loss</i>						
Actuarial gain/loss on post-employment benefit obligations		-19	5	-19	5	10
<i>Items to be recycled to profit and loss</i>						
Net exchange differences on translating foreign operations		-1	6	2	8	-1
Measured at FVTOCI		0	1	2	3	2
Cash flow hedge		-10	20	-11	5	-17
Other comprehensive income for the period net of tax		-29	32	-26	21	-5
Total comprehensive income for the period		670	890	1 238	1 366	2 338

*Total interest income calculated using the effective interest method

Balance Sheet - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q2 2024	Q2 2023	2023
Assets				
Cash and receivables on central banks	5	1 580	1 572	1 127
Deposits with and receivables on financial institutions	5	5 523	5 868	2 174
Loans to customers	5, 7, 8, 9, 10	154 493	157 427	155 255
Commercial papers and bonds	5	5 741	5 018	10 319
Financial derivatives	5, 6	312	-	0
Loans to subsidiaries and SPV's	5, 13	18 918	19 535	18 659
Investments in subsidiaries		1 837	1 870	1 806
Other ownership interests	5, 6	17	15	14
Other financial assets	5	1 852	-	190
Intangible assets		892	872	924
Fixed assets		2 265	1 134	1 700
Reposessed assets		11	11	8
Other assets		2 509	1 679	2 138
Total assets		195 948	195 000	194 316
Liabilities				
Debt to credit institutions	5, 13	18 325	33 107	24 296
Deposits from customers		94 492	87 835	88 546
Debt established by issuing securities	5, 11	32 070	30 480	30 841
Financial derivatives	5, 6	64	-	0
Tax payable		475	238	168
Other financial liabilities		504	261	584
Deferred tax		2 409	1 375	2 419
Pension liabilities		4	6	4
Other liabilities		2 762	2 461	2 973
Subordinated loan capital	5, 13	2 514	2 495	2 521
Senior non-preferred loans	5, 13	16 076	10 186	16 038
Total liabilities		169 695	168 445	168 392
Equity				
Share capital		10 618	10 618	10 618
Share capital premium		1 926	1 926	1 926
Additional Tier 1 capital		2 250	2 250	2 250
Other equity		11 476	11 725	11 121
OCI items		-17	36	10
Total equity		26 254	26 556	25 924
Total liabilities and equity		195 948	195 000	194 316

Cash Flow - Santander Consumer Bank AS

<i>All amounts in millions of NOK</i>	Note	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Cash flow from operations						
Profit before tax		895	1 081	1 631	1 661	3 125
Adjustments for:						
- Depreciation, amortisation and impairment on fixed and intangible assets		76	66	149	131	301
- Net interest income	3	-1 662	-1 705	-3 326	-3 226	-6 529
- Value change and gain/loss on foreign exchange and securities		11	43	-49	17	14
Changes in:						
- Loans to customers	7	-149	-2 178	1 198	-3 632	-2 250
- Operating lease assets		-334	-374	-534	-589	-1 217
- Repossessed assets		-7	-6	-3	-6	-3
- Other assets		-330	116	-2 217	-372	-268
- Deposits from customers		2 028	2 151	5 478	7 519	9 344
- Other liabilities and provisions		25	712	-91	-7	596
Interests received		3 409	2 955	6 810	5 490	11 688
Interests paid		-1 747	-1 313	-3 485	-2 368	-5 159
Net income taxes paid		48	-123	-211	-218	-441
Net cash flow from operations		2 264	1 426	5 350	4 400	9 200
Cash flow from investments						
Purchase of bonds		-40 344	-32 157	-88 030	-60 141	-154 999
Proceeds from matured bonds		40 803	34 002	92 686	60 037	149 560
Purchase of fixed and intangible assets		-61	-60	-89	-89	-288
Proceeds from sale of fixed and intangible assets		-	0	1	2	4
Net cash flow from investments		397	1 786	4 568	-190	-5 723
Cash flow from financing						
Proceeds from issued securities		1 350	-	4 217	-	2 199
Repayments of issued securities		-1 847	-1 005	-3 432	-7 220	-8 360
Payments related to lease liabilities		-11	-13	-36	-37	-48
Change in loans and deposits from credit institutions		-1 927	-2 569	-5 937	-1 646	-10 335
Proceeds from issue of subordinated loans	13	-	-	-	1	1
Repayment of subordinated loans	13	-4	-4	-0	-	-
Proceeds from issue of senior non-preferred loans	13	134	70	8	5 832	11 773
Dividend payments		-	-	-800	-2 216	-3 716
Interest payments on additional Tier 1 capital	14	-54	-44	-108	-91	-194
Net cash flow from financing		-2 358	-3 565	-6 089	-5 376	-8 681
Exchange gains / (losses) on cash and cash equivalents		-127	147	-28	650	550
Net change in cash and cash equivalents		175	-204	3 801	-517	-4 655
Cash and cash equivalents at the beginning of the period		6 928	7 644	3 302	7 957	7 957
Cash and cash equivalents at the end of the period		7 103	7 440	7 103	7 440	3 302

Statement of changes in equity - Santander Consumer Bank AS

Q2 2024

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					
Balance at 1 April 2024	10 618	1 926	2 250	10 831	-1	24	-22	21	-9	25 637
Profit for the period	-	-	54	646	-	-	-	-	-	700
OCI movements (net of tax)	-	-	-	-	-1	0	-10	-	-19	-29
Interest payments additional Tier 1 capital	-	-	-54	-	-	-	-	-	-	-54
Dividend	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	10 618	1 926	2 250	11 476	-2	24	-32	21	-28	26 254

YTD Q2 2024

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					
Balance at 1 of January 2024	10 618	1 926	2 250	11 121	-4	22	-20	21	-9	25 924
Profit for the period	-	-	108	1 155	-	-	-	-	-	1 264
OCI movements (net of tax)	-	-	-	-	2	2	-11	-	-19	-26
Interest payments additional Tier 1 capital	-	-	-108	-	-	-	-	-	-	-108
Dividend	-	-	-	-800	-	-	-	-	-	-800
Balance at 30 June 2024	10 618	1 926	2 250	11 476	-2	24	-32	21	-28	26 254

Total shares registered as at September 30, 2024, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at September 30, 2024, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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

Financial Year 2023

<i>All amounts in millions of NOK</i>	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences	Measured FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
					from foreign currencies					
Balance at 1 January 2023	10 618	1 926	2 250	12 687	-3	20	-3	21	-19	27 496
Profit for the period	-	-	194	2 150	-	-	-	-	-	2 344
OCI movements (net of tax)	-	-	-	-	-1	2	-17	-	10	-5
Interest payments additional Tier 1 capital	-	-	-194	-	-	-	-	-	-	-194
Dividend	-	-	-	-3 716	-	-	-	-	-	-3 716
Balance at 31 December 2023	10 618	1 926	2 250	11 121	-4	22	-20	21	-9	25 924

Total shares registered as at December 31, 2023, was 965 241 842, each with a par value of 11 NOK.

Restricted capital as at December 31, 2023, was 10 618 MM NOK. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

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

Lysaker August 15, 2024

The Board of Directors of Santander Consumer Bank

Jørn Borchgrevink
Chair

Federico Ysart
Deputy Chair

Pedro de Elejabeitia
Board member

Anne Kvam
Board member

Rámon Billordo
Board member

Tone Bergsaker Strømsnes
Employee Representative

Rolf Larsen
Employee Representative

Michael Hvidsten
Chief Executive Officer

Notes and financial statements

Santander Consumer Bank Nordic Group



Note 1 - Basis of preparation and accounting principles

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 second quarter of 2024 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, 2023.

The accounting policies of the Group are consistent with those applied in the 2023 annual financial statements.

The annual report for 2023 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting www.santanderconsumer.no.

These interim financial statements were authorised by the Board of Directors on Aug 15, 2024.

Note 2 - 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)

Q2 2024

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	5 030	47 154	11 577	-	63 761
Sweden	10 527	24 374	19 958	-	54 859
Denmark	7 215	28 726	3 919	2 125	41 986
Finland	4 821	26 774	2 245	364	34 204
Total	27 594	127 028	37 698	2 490	194 809

Q2 2023

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	4 929	48 853	11 479	-	65 260
Sweden	12 289	23 825	19 259	-	55 373
Denmark	7 433	29 493	3 880	1 028	41 834
Finland	5 245	30 863	2 857	422	39 387
Total	29 896	133 032	37 475	1 450	201 854

Profit and Loss per Country

Q2 2024

	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	1 548	1 039	823	710	-492	3 628
Total interest expenses	-847	-591	-308	-412	492	-1 667
Net interest income	700	447	515	298	0	1 961
Fee and commission income	88	51	39	38	-10	205
Fee and commission expenses	-53	-16	-54	-26	10	-139
Value change and gain/loss on foreign exchange and securities	-20	-1	10	6	-0	-5
Other operating income	14	19	83	27	-	144
Other operating expenses	-17	-9	-56	-21	-	-102
Gross margin	712	492	538	323	-0	2 064
Salaries and personnel expenses	-141	-124	-98	-61	-	-424
Administrative expenses	-136	-98	-74	-50	-0	-358
Depreciation and amortisation	-33	-26	-17	-9	-	-85
Net operating income before impairment losses on loans	402	244	349	203	-0	1 197
Other income and costs	-2	-0	-44	-0	-	-47
Impairment losses on loan, guarantees etc.	44	-5	-92	-45	-	-98
Profit before tax	444	239	212	158	-0	1 053
Income tax expense	-103	-49	-44	-32	-	-228
Profit after tax	341	190	169	126	-0	825

Profit and Loss per Country	Q2 2023					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	1 297	928	792	729	-421	3 325
Total interest expenses	-623	-490	-199	-474	423	-1 363
Net interest income	674	438	593	256	1	1 962
Fee and commission income	58	50	47	32	-14	172
Fee and commission expenses	-53	-12	-12	-20	14	-83
Value change and gain/loss on foreign exchange and securities	-8	-29	-6	26	0	-17
Other operating income	13	25	58	30	-	126
Other operating expenses	-10	-10	-26	-29	-	-75
Gross margin	673	462	653	295	2	2 085
Salaries and personnel expenses	-117	-108	-90	-58	-	-373
Administration expenses	-156	-105	-83	-59	-1	-404
Depreciation and amortisation	-32	-20	-13	-6	-	-72
Net operating income before impairment losses on loans	369	229	466	172	0	1 236
Other income and costs	-116	-0	-8	0	-	-125
Impairment losses on loan, guarantees etc.	207	18	-84	19	-	160
Profit before tax	460	247	374	190	0	1 272
Income tax expense	-79	-51	-94	-26	-	-250
Profit after tax	381	196	280	164	0	1 022

Profit and Loss per Country	YTD Q2 2024					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	3 100	2 064	1 646	1 461	-1 022	7 249
Total interest expenses	-1 693	-1 189	-603	-883	1 021	-3 347
Net interest income	1 407	875	1 043	578	-2	3 902
Fee and commission income	146	101	87	64	-24	375
Fee and commission expenses	-90	-28	-114	-48	24	-257
Value change and gain/loss on foreign exchange and securities	17	20	12	-15	0	34
Other operating income	26	46	154	53	-	279
Other operating expenses	-27	-22	-102	-47	-	-198
Gross margin	1 480	993	1 080	584	-1	4 135
Salaries and personnel expenses	-292	-236	-186	-115	-	-829
Administrative expenses	-243	-188	-148	-101	2	-679
Depreciation and amortisation	-63	-52	-34	-17	-	-166
Net operating income before impairment losses on loans	882	517	711	351	0	2 462
Other income and costs	-3	3	-14	0	-	-14
Impairment losses on loan, guarantees etc.	-62	-162	-242	-141	-	-607
Profit before tax	817	358	455	211	0	1 842
Income tax expense	-189	-74	-105	-41	-	-409
Profit after tax	628	284	351	169	0	1 433

Profit and Loss per Country	YTD Q2 2023					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	2 494	1 664	1 436	1 360	-763	6 191
Total interest expenses	-1 134	-879	-355	-849	765	-2 452
Net interest income	1 360	785	1 082	511	2	3 740
Fee and commission income	94	101	67	70	-28	305
Fee and commission expenses	-90	-27	-26	-38	28	-153
Value change and gain/loss on foreign exchange and securities	-6	-4	-7	2	1	-14
Other operating income	37	48	106	58	-	250
Other operating expenses	-25	-20	-52	-59	-	-156
Gross margin	1 369	883	1 171	545	4	3 972
Salaries and personnel expenses	-250	-199	-161	-109	-	-719
Administration expenses	-314	-195	-155	-102	-2	-768
Depreciation and amortisation	-64	-41	-26	-12	-	-143
Net operating income before impairment losses on loans	741	449	829	321	1	2 341
Other income and costs	-115	-1	-18	3	-	-131
Impairment losses on loan, guarantees etc.	114	-121	-217	-43	-	-268
Profit before tax	740	327	593	281	1	1 943
Income tax expense	-99	-67	-150	-45	-	-360
Profit after tax	641	260	444	236	1	1 582

Note 3 - Net interest income

All amounts in millions of NOK

	Q2 2024		Q2 2023		FY 2023	
	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	YTD Q2 2024	YTD Q2 2023
Interest and similar income on loans to and receivables from credit institutions	67	50	118	120	272	
Interest and similar income on loans to and receivables from customers	3 478	3 190	6 946	5 929	12 779	
Interest and similar income on comm. paper, bonds and other securities	66	32	154	82	236	
Interest and similar income on loans to subsidiaries, branches and SPVs	1	8	3	16	27	
Other interest income and similar income	15	44	28	44	74	
Total interest income	3 628	3 325	7 249	6 191	13 388	
Interest and similar expenses on debt to credit institutions	-204	-317	-449	-569	-1 212	
Interest and similar expenses on deposits from and debt to customers	-863	-600	-1 697	-1 069	-2 542	
Interest and similar expenses on issued securities	-311	-266	-618	-478	-1 081	
Interest on subordinated loan capital	-35	-31	-70	-59	-128	
Interest on senior non-preferred loans	-197	-120	-395	-215	-548	
Other interest expenses and similar expenses	-57	-30	-118	-62	-193	
Total interest expense	-1 667	-1 363	-3 347	-2 452	-5 704	
Net interest income	1 961	1 962	3 902	3 740	7 685	

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.

			YTD	YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	FY 2023
To credit institutions					
Interest expenses	-204	-317	-449	-569	-1 212
Average loan over the period	20 303	35 218	20 303	35 218	30 966
Average nominal interest rate	4,02%	3,60%	4,42%	3,23%	3,91%
To customers					
Interest expenses	-863	-600	-1 697	-1 069	-2 542
Average deposit over the period	91 519	81 880	91 519	81 880	82 235
Average nominal interest rate	3,77%	2,93%	3,71%	2,61%	3,09%
To bondholders					
Interest expenses	-311	-266	-618	-478	-1 081
Average issued notes and bonds	44 730	46 892	44 730	46 892	45 128
Average nominal interest rate	2,78%	2,27%	2,76%	2,04%	2,40%
Subordinated loan capital					
Interest expenses	-35	-31	-70	-59	-128
Average subordinated loan capital	2 517	2 458	2 517	2 458	2 471
Average nominal interest rate	5,54%	5,05%	5,56%	4,78%	5,16%
Senior non-preferred loans					
Interest expenses	-197	-120	-395	-215	-548
Average senior non-preferred loans	16 057	7 126	16 057	7 126	10 053
Average nominal interest rate	4,91%	6,74%	4,92%	6,03%	5,45%
Total of tables above					
Interest expenses	-1 610	-1 334	-3 229	-2 389	-5 510
Average loan	175 126	173 574	175 126	173 574	170 854
Average nominal interest rate	3,68%	3,07%	3,69%	2,75%	3,23%

Note 4 - Impairment losses on loan, guarantees etc.

All amounts in millions of NOK

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

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Change in loss allowance - Unsecured loans	138	31	133	10
Change in loss allowance - Secured loans	-97	-2	-181	-80
Change in loss allowance - Commercial papers and bonds	0	-1	0	-1
Change in loss allowance - Off balance exposure*	-1	-	-3	-
+ Total realized losses	-530	-436	-1 018	-847
- Recoveries on previously realized losses	76	97	146	179
- Gain on sold portfolios	316	471	316	471
Impairment losses on loan, guarantees etc.	-98	160	-607	-268

*In previous year the allowance for off balance sheet exposures was reported as "Other income and cost" in the Profit and loss statement. From Q4 2023 the allowances are reported under "Impairment losses on loan, guarantees etc.".

Note 5 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 30 June 2024	At fair value through P&L	At fair value through OCI	Amortized cost	Book value
Cash and receivables on central banks	-	-	1 580	1 580
Deposits with and receivables on financial institutions	-	-	7 317	7 317
Loans to customers	-	-	187 569	187 569
Commercial papers and bonds	-	-	5 741	5 741
Financial derivatives	510	100	-	609
Other ownership interests	-	17	-	17
Other financial assets	301	-	1 883	2 185
Total financial assets	811	116	204 090	205 017

Classification of financial liabilities 30 June 2024

Debt to credit institutions	-	-	15 234	15 234
Deposits from customers	-	-	94 492	94 492
Debt established by issuing securities	-	-	46 511	46 511
Financial derivatives	347	-	-	347
Other financial liabilities	91	-	455	546
Subordinated loan capital	-	-	2 514	2 514
Senior non-preferred loans	-	-	16 076	16 076
Total financial liabilities	438	-	175 282	175 719

	At fair value through P&L	At fair value through OCI	Amortized cost	Book value
Classification of financial assets 30 June 2023				
Cash and receivables on central banks	-	-	1 572	1 572
Deposits with and receivables on financial institutions	-	-	7 953	7 953
Loans to customers	-	-	195 630	195 630
Commercial papers and bonds	-	-	5 018	5 018
Financial derivatives	561	-	-	561
Other ownership interests	-	15	-	15
Other financial assets	-	-	684	684
Total financial assets	561	15	210 858	211 433

Classification of financial liabilities 30 June 2023				
Debt to credit institutions	-	-	33 874	33 874
Deposits from customers	-	-	87 835	87 835
Debt established by issuing securities	-	-	46 476	46 476
Financial derivatives	704	-	-	704
Other financial liabilities	-	-	423	423
Subordinated loan capital	-	-	2 495	2 495
Senior non-preferred loans	-	-	10 186	10 186
Total financial liabilities	704	-	181 289	181 993

Note 6 - Valuation Hierarchy

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 instrument's 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 to by the reporting date. Examples of instruments at Level 1 are listed government bonds.

Level 2:

Instruments at this level are 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 are 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.

Financial trading derivatives, other ownership interests and derivatives designated for hedge accounting are recognized using observable inputs (Level 2). There are no financial instruments measured at Level 1 and 3 in the fair value hierarchy.

There were no changes in the valuation technique during the year.

The Group's policy is to recognize transfers into and out of fair value hierarchy levels at the end of the reporting period. There were no transfers into or out of fair value hierarchy levels for Q2 2024 and Q2 2023 respectively.

Note 7 - Loans to customers

All amounts in millions of NOK

	Q2 2024	Q2 2023	FY 2023
Credit Card	4 683	4 601	4 786
Unsecured loans	22 911	25 295	23 378
Auto loans	164 726	170 507	166 720
- Installment loans	127 028	133 032	127 934
- Finance leases	37 698	37 475	38 786
Total gross loans to customers	192 320	200 403	194 884
- Loan loss allowance - Stage 1	-883	-1 045	-1 014
- Loan loss allowance - Stage 2	-645	-750	-577
- Loan loss allowance - Stage 3	-3 224	-2 978	-3 081
Total net loans to customers	187 569	195 630	190 212

Note 8 - 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		
	Q2 2024	Q2 2023	FY 2023	Q2 2024	Q2 2023	FY 2023
Current - not past due date	181 143	189 954	183 405	-1 139	-1 432	-1 157
Current - past due date	5 368	5 081	5 873	-388	-363	-434
Total impaired loans	5 809	5 368	5 607	-3 224	-2 977	-3 081
Total gross loans to customers	192 320	200 403	194 884	-4 751	-4 773	-4 672

Ageing of past due but not impaired loans	Gross outstanding			Loss reserves		
	Q2 2024	Q2 2023	FY 2023	Q2 2024	Q2 2023	FY 2023
1 - 29 days	3 808	3 659	4 214	-126	-146	-136
30 - 59 days	937	893	1 049	-150	-131	-177
60 - 89 days	623	530	610	-112	-87	-121
Total loans due but not impaired	5 368	5 081	5 873	-388	-363	-434

Ageing of impaired loans	Gross outstanding			Loss reserves		
	Q2 2024	Q2 2023	FY 2023	Q2 2024	Q2 2023	FY 2023
90 - 119 days	455	482	503	-158	-179	-188
120 - 149 days	398	370	383	-143	-149	-146
150 - 179 days	364	388	257	-149	-173	-109
180 + days	3 511	2 900	3 172	-2 232	-1 858	-2 026
Economic doubtful*	1 081	1 228	1 292	-542	-618	-611
Total impaired loans	5 809	5 368	5 607	-3 224	-2 977	-3 081

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

Note 9 - 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.

	Q2 2024				Q2 2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Unsecured loans								
Credit grade								
Loans not past due date	22 581	829	-	23 409	24 703	1 105	-	25 808
Standard monitoring	539	597	-	1 136	400	698	-	1 097
Special monitoring	-	76	-	76	-	133	-	133
Default	-	-	2 973	2 973	-	-	2 857	2 857
Gross carrying amount	23 119	1 501	2 973	27 594	25 103	1 936	2 857	29 896
Loss allowance	-321	-247	-1 910	-2 479	-480	-391	-1 826	-2 697
Carrying amount	22 798	1 254	1 063	25 115	24 623	1 545	1 032	27 199
Loss allowance (off balance exposures)	-20	-8	-9	-36	-30	-6	-27	-63
Loss allowance (%)				8,98%				9,02%

	Q2 2024				Q2 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Credit grade								
Loans not past due date	151 544	6 064	2	157 610	159 961	3 942	27	163 931
Standard monitoring	2 113	2 101	-	4 214	2 156	1 806	-	3 962
Special monitoring	-	68	3	71	-	131	-	131
Default	-	-	2 831	2 831	-	-	2 484	2 484
Gross carrying amount	153 656	8 233	2 836	164 726	162 117	5 879	2 511	170 507
Loss allowance	-562	-397	-1 314	-2 272	-565	-359	-1 151	-2 076
Carrying amount	153 095	7 836	1 523	162 454	161 552	5 520	1 359	168 431
Loss allowance (%)				1,38%				1,22%

Secured contracts consist of vehicles that act as guarantees for the loan and lease contracts. No significant changes have been made to the collateral and repossession policies during 2024.

	Q2 2024				Q2 2023			
	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	
Credit grade								
Investment grade	5 742	-	-	5 742	5 019	-	-	5 019
Gross carrying amount	5 742	-	-	5 742	5 019	-	-	5 019
Loss allowance	-0	-	-	-0	-1	-	-	-1
Carrying amount	5 741	-	-	5 741	5 018	-	-	5 018
Loss allowance (%)				0,00%				0,02%

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

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

Maximum exposure to credit risk	Q2 2024	Q2 2023
Financial derivatives Assets	609	561
Financial derivatives Liabilities	347	704

Note 10 - Loss allowance

All amounts in millions of NOK

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

	Q2 2024				Q2 2023			
	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	
Loss allowance at 1 January	427	272	1 900	2 599	476	400	1 667	2 543
Transfers:								
Transfer from Stage 1 to Stage 2	-75	396	-	321	-75	409	-	334
Transfer from Stage 1 to Stage 3	-2	-	23	21	-3	-	46	43
Transfer from Stage 2 to Stage 3	-	-275	440	165	-	-273	462	188
Transfer from Stage 2 to Stage 1	32	-223	-	-191	37	-263	-	-226
Transfer from Stage 3 to Stage 2	-	64	-120	-56	-	67	-128	-62
Transfer from Stage 3 to Stage 1	0	-	-9	-9	0	-	-2	-2
Assets remaining in same Stage	-125	-11	83	-53	-59	-8	33	-34
Financial assets derecognised that are not write-offs	-27	-8	-31	-66	-45	-19	-28	-93
Write-offs	-	-	-378	-378	-	-	-315	-315
New financial assets originated or purchased	88	-	-	88	110	-	-	110
FX and other movements	4	32	3	39	39	80	92	211
Loss allowance at 30 June	321	247	1 910	2 479	480	391	1 826	2 697

	Q2 2024				Q2 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Loss allowance at 1 January	587	305	1 181	2 073	510	320	1 052	1 882
Transfers:								
Transfer from Stage 1 to Stage 2	-103	590	-	487	-47	442	-	395
Transfer from Stage 1 to Stage 3	-12	-	119	107	-14	-	132	118
Transfer from Stage 2 to Stage 3	-	-277	635	358	-	-209	533	323
Transfer from Stage 2 to Stage 1	50	-246	-	-197	39	-175	-	-136
Transfer from Stage 3 to Stage 2	-	116	-352	-236	-	113	-313	-201
Transfer from Stage 3 to Stage 1	0	-	-2	-2	0	-	-1	-1
Assets remaining in same Stage	-50	-30	143	63	-45	-31	128	51
Financial assets derecognised that are not write-offs	-51	-36	-114	-200	-59	-42	-116	-217
Write-offs	-	-	-317	-317	-	-	-323	-323
New financial assets originated or purchased	138	-	-	138	154	-	-	154
FX and other movements	3	-24	19	-2	29	-59	60	30
Loss allowance at 30 June	562	397	1 314	2 272	565	359	1 151	2 076

At 30 June 2024, loss allowance recognized on off balance accounts amounts to 36 MM NOK (Q2 2023: 63 MM NOK) and no loss allowance recognized on commercial papers and bonds (Q2 2023: 1 MM NOK).

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

Note 11 - Issued securities

All amounts in millions of NOK

	Q2 2024	Q2 2023	FY 2023
Issued certificates	803	-	802
Senior unsecured issued securities	31 267	30 480	30 039
Asset backed issued securities	14 441	15 996	12 107
Total issued securities	46 511	46 476	42 949

Issued securities by currency in NOK	Q2 2024	Q2 2023	FY 2023
EUR	37 084	38 908	34 268
NOK	5 829	3 816	5 623
SEK	3 598	3 753	3 058
Total issued securities	46 511	46 476	42 949

Note 12 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	Q2 2024	Q2 2023	FY 2023
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	14 982	14 827	14 462
Tier 1 Capital	2 250	2 250	2 250
Other reserves	524	828	497
Total Equity	30 300	30 449	29 752

Common Equity Tier 1 Capital

(-) Profit not eligible as capital	-1 433	-1 582	-800
Cash-flow hedge adjustment	274	-87	210
IRB Expected Loss - Reserves	-713	-608	-679
Goodwill	-904	-927	-889
Other intangible assets	-86	-124	-57
Adjustment Prudent Valuation (AVA)	-2	-2	-2
Insufficient coverage for NPE	-23	-	-10
Tier 1 Capital	-2 250	-2 250	-2 250
Total common Equity Tier 1 Capital	25 164	24 869	25 276

Tier 1 Capital	Q2 2024	Q2 2023	FY 2023
Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital	27 414	27 119	27 526
Total Capital			
Paid up subordinated loans	2 508	2 490	2 515
Subordinated loans not eligible	-181	-81	-131
Total Capital	29 740	29 528	29 909
Risk exposure on Standard Approach			
Regional governments or local authorities	49	70	70
Institutions	1 237	1 476	1 339
Corporates	12 166	15 423	11 848
Retail Standard Approach	54 921	57 649	54 915
Exposures in default SA	3 425	2 626	3 813
Covered bonds	105	199	144
Other Exposures	7 074	4 969	5 684
Total Risk exposure amount on Standard Approach	78 977	82 411	77 813
Risk exposure on Internal Rating Based Approach			
Retail Other	42 601	43 491	43 444
Total Risk exposure amount on Internal Rating Based Approach	42 601	43 491	43 444
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	121 578	125 902	121 257
Foreign exchange (zero if under threshold)	-	3 735	3 731
Risk exposure amount for position, foreign exchange and commodities risks	-	3 735	3 731
Basic indicator approach	11 294	13 924	-
Standard approach	-	-	10 850
Risk exposure amount for operational risk	11 294	13 924	10 850
Standardized method	-	23	-
Risk exposure amount for credit valuation adjustment	-	23	-
Total risk exposure amount	132 872	143 584	135 838
Total exposure for Leverage Ratio			
Derivatives: Add-on under market-to-market method	1 194	1 517	1 431
Off-balance sheet items with 10% CCF	2 340	3 089	2 360
Off-balance sheet items with 20% CCF	902	933	755
Off-balance sheet items with 50% CCF	67	38	66
Adjusted On balance sheet exposure	213 185	217 917	213 616
Total exposure for Leverage Ratio	217 688	223 495	218 227

Minimum Regulatory Capital	Q2 2024	Q2 2023	FY 2023
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	1,35%	1,52%	1,52%
Pillar 2 Guidance	1,50%	1,50%	1,50%
Countercyclical Buffer (combined)	1,91%	1,87%	1,88%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	1,42%	1,20%	1,17%
Minimum Regulatory Capital ratio (CET1)	13,18%	13,08%	13,07%

Minimum Regulatory Capital			
Minimum Core Equity	5 979	6 461	6 113
Pillar 2 Requirement	1 794	4 000	2 065
Pillar 2 Guidance	1 993	2 154	2 038
Countercyclical Buffer (combined)	2 536	2 681	2 548
Conservation Buffer	3 322	3 590	3 396
Systemic Risk Buffer (combined)	1 889	1 716	1 595
Minimum Regulatory Capital amount	17 513	20 602	17 754
Surplus of Core Equity Tier 1 capital	7 650	4 267	7 522
Common equity tier 1 capital ratio	18,94%	17,32%	18,61%
CET1 regulatory requirements	13,18%	13,08%	13,07%
Tier 1 capital ratio	20,63%	18,89%	20,26%
Tier 1 regulatory requirements	15,13%	15,09%	15,08%
Total capital ratio	22,38%	20,56%	22,02%
Total capital regulatory requirements	17,73%	17,77%	17,76%
Leverage ratio	12,59%	12,13%	12,61%
LR regulatory requirements	3,00%	3,00%	3,00%

The Group is calculating credit risk capital requirement using advanced internal rating based models (IRB- A models) for part of its exposures. The Group reports capital ratios under the fully loaded approach.

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

Note 13 - Receivables and liabilities to related parties

All amounts in millions of NOK

	Q2 2024	Accrued Interest		Accrued Interest		
		Q2 2024	Q2 2023	Q2 2023	FY 2023	FY 2023
Debt to related parties:						
Santander Consumer Finance S.A.	15 025	95	33 693	181	25 208	164
Total	15 025	95	33 693	181	25 208	164

Balance sheet line: "Subordinated loan capital" - Bonds

Santander Consumer Finance S.A.						
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66%	500	2	500	2	500	2
MSEK 750, maturity December 2029, 3 months STIBOR + 2.08%	754	3	745	2	757	3
MSEK 750, maturity December 2030, 3 months STIBOR + 2.29%	754	1	745	1	757	1
MNOK 500, maturity June 2031, fixed rate 2.62%	500	0	500	0	500	1
Total	2 508	6	2 490	5	2 515	6

Balance sheet line: "Senior non-preferred loans"

Santander Consumer Finance S.A.						
MSEK 600, maturity April 2026, 3 months STIBOR + 1.04%	603	5	596	5	606	5
MNOK 650, maturity May 2026, 3 months NIBOR + 1.37%	650	5	650	4	650	5
MSEK 1000, maturity August 2026, 3 months STIBOR + 1.50%	1 005	5	993	5	1 010	6
MSEK 1000, maturity September 2026, 3 months STIBOR + 1.75%	1 005	0	993	0	1 010	0
MSEK 1000, maturity November 2026, 3 months STIBOR + 2.18%	1 005	6	993	6	1 010	6
MEUR 500, maturity January 2027, fixed rate 4.51%	5 695	115	5 823	117	5 632	239
MEUR 500, maturity September 2028, fixed rate 4.87%	5 760	217	-	-	5 783	77
Total	15 723	352	10 049	137	15 700	339

Receivables on related parties:

Balance sheet line: "Other financial assets"						
Loan to affiliated company (Santander Leasing AB)	1 580	-	-	-	-	-

In December 2023 Santander Consumer Bank AS and Santander Consumer Finance S.A. entered into an unfunded Risk Participation Agreement (RPA) which transfers the mezzanine risk of a DKK 13.6 billion reference portfolio consisting of Danish auto loans, from Santander Consumer Bank AS to Santander Consumer Finance S.A.

The Risk Participation Agreement allowed Santander Consumer Finance S.A. to issue a synthetic securitization by issuing Credit Linked Notes (CLN) on the mezzanine risk purchased by third-party investors, referencing the Danish auto portfolio. The Risk Participation fee Santander Consumer Bank AS need to pay Santander Consumer Finance S.A. matches the coupon on the CLN and the issuance of the CLNs allowed Santander Consumer Finance S.A. to achieve significant risk transfer (SRT). The reference portfolio consisting of Danish auto loans is not derecognized from the balance sheet of Santander Consumer Bank AS.

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

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

Note 14 - Transactions with related parties

All amounts in millions of NOK

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

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

The following transactions were carried out with related parties:

Profit and loss	Q2 2024	Q2 2023	YTD	YTD	FY 2023
			Q2 2024	Q2 2023	
Interest income	22	4	22	7	19
Interest expenses	-503	-540	-1 052	-964	-2 118
Interest payments additional Tier 1 capital	-54	-44	-108	-91	-194
Value change and gain/loss on foreign exchange and securities	28	-	79	-	-85
Other	-220	155	50	304	-69
Net transactions	-727	-426	-1 009	-743	-2 447

Assets	Q2 2024	Q2 2023	FY 2023
Deposits with and receivables on financial institutions	269	365	37
Financial derivatives	274	37	192
Other financial assets	1 885	624	528
Other assets	289	270	267
Total assets	2 717	1 297	1 023

Liabilities	Q2 2024	Q2 2023	FY 2023
Debt to credit institutions	15 150	33 874	25 372
Debt established by issuing securities	248	279	307
Financial derivatives	315	605	293
Other financial liabilities	69	58	-
Other liabilities	191	309	438
Subordinated loan capital	18 550	12 681	18 355
Total liabilities	34 523	47 806	44 765

The Group had transactions with the following related parties as at 30 June 2024 :

Banco Santander S.A.

CACEIS Bank Spain SAU

Santander Back-Offices Globales Mayoristas S.A.

Santander Consumer Finance Global Services S.L.

Santander Consumer Finance S.A.

Santander Global Services S.L.

Santander Global Technology and Operations, S.L. Unipersonal

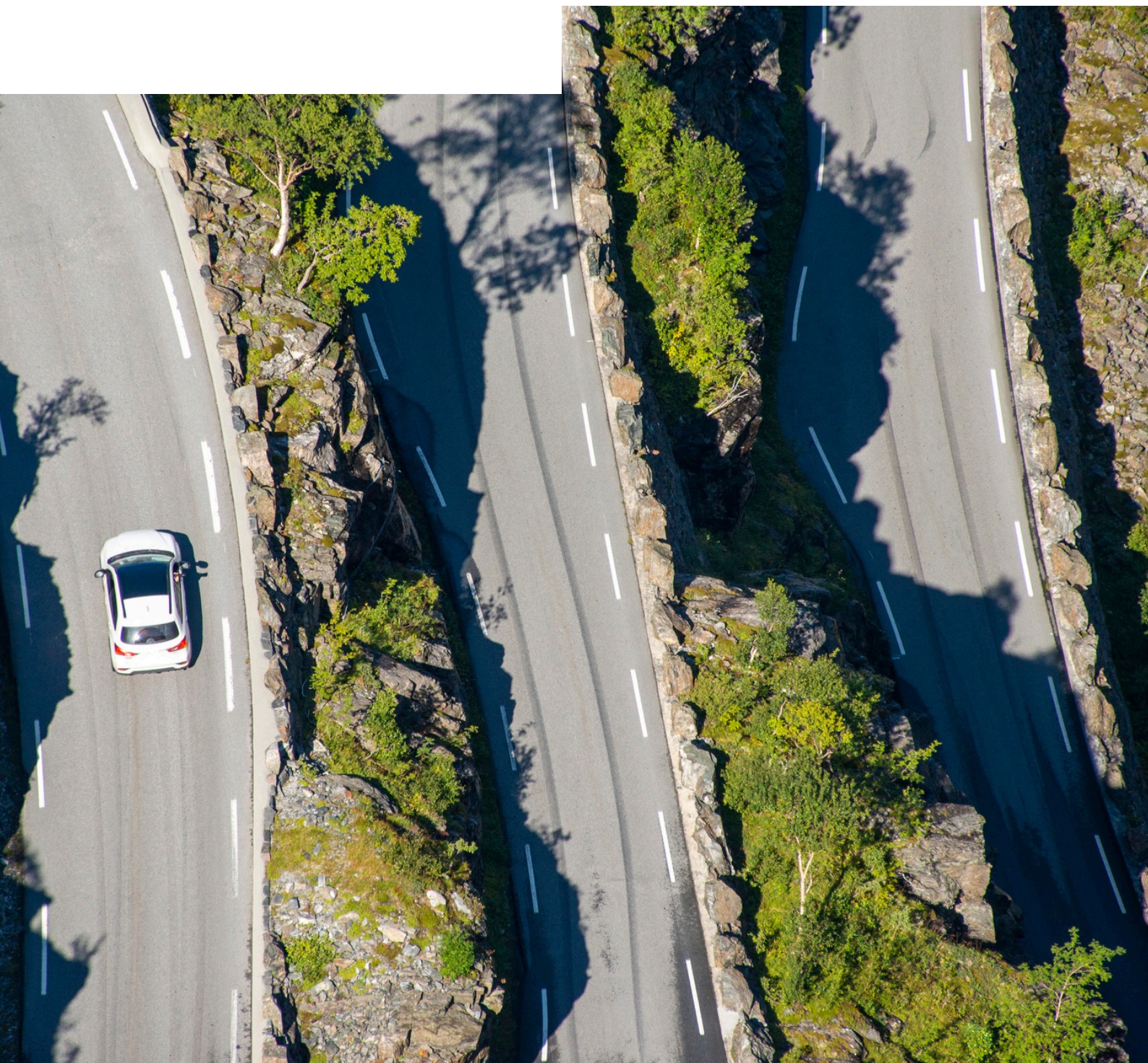
Santander Leasing AB

Santander Seguros Y Reaseguros S.A.

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

Notes and financial statements

Santander Consumer Bank AS



Note 1 - Basis of preparation and accounting principles

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 second quarter of 2024 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, 2023.

The accounting policies of the Bank are consistent with those applied in the 2023 annual financial statements.

The annual report for 2023 may be obtained by contacting Santander Consumer Bank AS, Strandveien 18, Lysaker – or by visiting www.santanderconsumer.no.

These interim financial statements were authorised by the Board of Directors on Aug 15, 2024.

Note 2 - Segment information

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 for the Bank consists of Norway, Sweden and Denmark. Information about the product segmentation and profit and loss per country is presented in Note 2 of the Group financial statements.

Note 3 - Net interest income

All amounts in millions of NOK

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Interest and similar income on loans to and receivables from credit institutions	48	30	82	85	194
Interest and similar income on loans to and receivables from customers	3 007	2 755	6 018	5 117	10 944
Interest and similar income on comm. paper, bonds and other securities	66	50	154	81	235
Interest and similar income on loans to subsidiaries, branches and SPVs	274	146	529	276	250
Other interest income and similar income	15	36	28	36	65
Total interest income	3 409	3 017	6 810	5 594	11 688

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Interest and similar expenses on debt to credit institutions	-418	-381	-843	-686	-1 142
Interest and similar expenses on deposits from and debt to customers	-859	-596	-1 690	-1 061	-2 524
Interest and similar expenses on issued securities	-145	-104	-291	-210	-446
Interest on subordinated loan capital	-35	-31	-70	-59	-128
Interest on senior non-preferred loans	-197	-120	-395	-215	-548
Other interest expenses and similar expenses	-94	-81	-196	-137	-372
Total interest expense	-1 747	-1 313	-3 485	-2 368	-5 159
Net interest income	1 662	1 705	3 326	3 226	6 529

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

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
To credit institutions					
Interest expenses	-418	-381	-843	-686	-1 142
Average loan over the period	21 311	33 093	21 311	33 093	28 687
Average nominal interest rate	7,85%	4,61%	7,91%	4,15%	3,98%

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
To customers					
Interest expenses	-859	-596	-1 690	-1 061	-2 524
Average deposit over the period	91 519	81 880	91 519	81 880	82 235
Average nominal interest rate	3,75%	2,91%	3,69%	2,59%	3,07%

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
To bondholders					
Interest expenses	-145	-104	-291	-210	-446
Average issued notes and bonds	31 456	32 540	31 456	32 540	32 720
Average nominal interest rate	1,84%	1,28%	1,85%	1,29%	1,36%

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Subordinated loan capital					
Interest expenses	-35	-31	-70	-59	-128
Average subordinated loan capital	2 517	2 458	2 517	2 458	2 471
Average nominal interest rate	5,54%	5,05%	5,56%	4,78%	5,16%

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Senior non-preferred loans					
Interest expenses	-197	-120	-395	-215	-548
Average senior non-preferred loans	16 057	7 126	16 057	7 126	10 053
Average nominal interest rate	4,91%	6,74%	4,92%	6,03%	5,45%

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Total of tables above					
Interest expenses	-1 653	-1 232	-3 289	-2 231	-4 787
Average loan	162 860	157 097	162 860	157 097	156 166
Average nominal interest rate	4,06%	3,14%	4,04%	2,84%	3,07%

Note 4 - Impairment losses on loan, guarantees etc.

All amounts in millions of NOK

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

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Change in loss allowance - Unsecured loans	147	35	155	9
Change in loss allowance - Secured loans	-68	10	-144	-81
Change in loss allowance - Commercial papers and bonds	0	-1	0	-1
Change in loss allowance - Off balance exposure*	-1	-	-3	-
+ Total realized losses	-444	-359	-847	-680
- Recoveries on previously realized losses	66	81	126	152
- Gain on sold portfolios	247	375	247	375
Impairment losses on loan, guarantees etc.	-53	142	-466	-224

*In previous year the allowance for off balance sheet exposures was reported as "Other income and cost" in the Profit and loss statement. From Q4 2023 the allowances are reported under "Impairment losses on loan, guarantees etc.".

Note 5 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 30 June 2024	At fair value through P&L	At fair value through OCI	Amortized cost	Book value
Cash and receivables on central banks	-	-	1 580	1 580
Deposits with and receivables on financial institutions	-	-	5 523	5 523
Loans to customers	-	-	154 493	154 493
Commercial papers and bonds	-	-	5 741	5 741
Financial derivatives	312	-	-	312
Loans to subsidiaries and SPV's	-	-	18 918	18 918
Other ownership interests	-	17	-	17
Other financial assets	5	-	1 846	1 852
Total financial assets	317	17	188 101	188 435

Classification of financial liabilities 30 June 2024	At fair value through P&L	At fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	18 325	18 325
Deposits from customers	-	-	94 492	94 492
Debt established by issuing securities	-	-	32 070	32 070
Financial derivatives	64	-	-	64
Other financial liabilities	71	-	432	504
Subordinated loan capital	-	-	2 514	2 514
Senior non-preferred loans	-	-	16 076	16 076
Total financial liabilities	135	-	163 910	164 045

Classification of financial assets 30 June 2023				
Cash and receivables on central banks	-	-	1 572	1 572
Deposits with and receivables on financial institutions	-	-	5 868	5 868
Loans to customers	-	-	157 427	157 427
Commercial papers and bonds	-	-	5 018	5 018
Loans to subsidiaries and SPV's	-	-	19 535	19 535
Other ownership interests	-	15	-	15
Total financial assets	-	15	189 420	189 435

Classification of financial liabilities 30 June 2023				
Debt to credit institutions	-	-	33 107	33 107
Deposits from customers	-	-	87 835	87 835
Debt established by issuing securities	-	-	30 480	30 480
Other financial liabilities	-	-	261	261
Subordinated loan capital	-	-	2 495	2 495
Senior non-preferred loans	-	-	10 186	10 186
Total financial liabilities	-	-	164 365	164 365

Note 6 - Valuation Hierarchy

The Bank's accounting policy on valuation hierarchy is consistent with those applied in Note 6 of the Group financial statements.

Financial trading derivatives, other ownership interests and derivatives designated for hedge accounting are recognized using observable inputs (Level 2). There are no financial instruments measured at Level 1 and 3 in the fair value hierarchy.

There were no changes in the valuation technique during the year and no transfers into or out of fair value hierarchy levels for Q2 2024 and Q2 2023 respectively.

Note 7 - Loans to customers

All amounts in millions of NOK

	Q2 2024	Q2 2023	FY 2023
Credit Card	4 683	4 601	4 786
Unsecured loans	18 090	20 050	18 574
Auto loans	135 707	136 788	135 874
- Installment loans	100 253	102 170	99 515
- Finance leases	35 454	34 618	36 359
Total gross loans to customers	158 480	161 438	159 234
- Loan loss allowance - Stage 1	-760	-858	-876
- Loan loss allowance - Stage 2	-501	-606	-454
- Loan loss allowance - Stage 3	-2 726	-2 548	-2 649
Total net loans to customers	154 493	157 427	155 255

Note 8 - 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		
	Q2 2024	Q2 2023	FY 2023	Q2 2024	Q2 2023	FY 2023
Current - not past due date	150 236	153 858	150 755	-978	-1 197	-1 006
Current - past due date	3 617	3 269	3 921	-284	-267	-325
Total impaired loans	4 627	4 312	4 559	-2 726	-2 548	-2 649
Total gross loans to customers	158 480	161 438	159 234	-3 988	-4 011	-3 979

Ageing of past due but not impaired loans	Gross outstanding			Loss reserves		
	Q2 2024	Q2 2023	FY 2023	Q2 2024	Q2 2023	FY 2023
1 - 29 days	2 483	2 211	2 741	-87	-102	-103
30 - 59 days	679	664	732	-113	-100	-129
60 - 89 days	455	394	448	-84	-65	-93
Total loans due but not impaired	3 617	3 269	3 921	-284	-267	-325

Ageing of impaired loans	Gross outstanding			Loss reserves		
	Q2 2024	Q2 2023	FY 2023	Q2 2024	Q2 2023	FY 2023
90 - 119 days	319	351	375	-122	-145	-153
120 - 149 days	275	273	274	-109	-122	-116
150 - 179 days	277	292	199	-122	-145	-91
180 + days	2 849	2 375	2 614	-1 895	-1 594	-1 748
Economic doubtful*	907	1 021	1 097	-478	-541	-540
Total impaired loans	4 627	4 312	4 559	-2 726	-2 548	-2 649

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

Note 9 - 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.

	Q2 2024				Q2 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Unsecured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Credit grade								
Loans not past due date	18 727	726	-	19 453	20 348	928	-	21 276
Standard monitoring	329	421	-	750	255	516	-	771
Special monitoring	-	74	-	74	-	131	-	131
Default	-	-	2 495	2 495	-	-	2 472	2 472
Gross carrying amount	19 056	1 222	2 495	22 773	20 603	1 575	2 472	24 651
Loss allowance	-259	-184	-1 647	-2 091	-388	-308	-1 614	-2 309
Carrying amount	18 797	1 038	848	20 682	20 215	1 268	858	22 341
Loss allowance (off balance exposures)	-20	-8	-9	-36	-30	-6	-27	-63
Loss allowance (%)				9,18%				9,37%

	Q2 2024				Q2 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Secured loans	ECL	ECL	ECL		ECL	ECL	ECL	
Credit grade								
Loans not past due date	125 792	4 870	2	130 664	128 936	3 426	27	132 389
Standard monitoring	1 400	1 449	-	2 849	1 125	1 353	-	2 479
Special monitoring	-	65	3	68	-	107	-	107
Default	-	-	2 127	2 127	-	-	1 813	1 813
Gross carrying amount	127 192	6 384	2 132	135 707	130 061	4 886	1 840	136 788
Loss allowance	-501	-317	-1 079	-1 897	-470	-298	-934	-1 702
Carrying amount	126 690	6 067	1 053	133 811	129 591	4 588	906	135 086
Loss allowance (%)				1,40%				1,24%

Secured contracts consist of vehicles that act as guarantees for the loan and lease contracts. No significant changes have been made to the collateral and repossession policies during 2024.

	Q2 2024				Q2 2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Commercial papers and bonds								
Credit grade								
Investment grade	5 742	-	-	5 742	5 019	-	-	5 019
Gross carrying amount	5 742	-	-	5 742	5 019	-	-	5 019
Loss allowance	-0	-	-	-0	-1	-	-	-1
Carrying amount	5 741	-	-	5 741	5 018	-	-	5 018
Loss allowance (%)				0,00%				0,02%

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

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

Maximum exposure to credit risk	Q2 2024	Q2 2023
Financial derivatives Assets	312	-
Financial derivatives Liabilities	64	-

Note 10 - Loss allowance

All amounts in millions of NOK

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

	Q2 2024				Q2 2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Unsecured loans								
Loss allowance at 1 January	360	210	1 669	2 239	388	330	1 477	2 194
Transfers:								
Transfer from Stage 1 to Stage 2	-57	319	-	262	-55	358	-	303
Transfer from Stage 1 to Stage 3	-2	-	17	16	-3	-	35	32
Transfer from Stage 2 to Stage 3	-	-197	349	152	-	-217	395	178
Transfer from Stage 2 to Stage 1	28	-160	-	-132	33	-194	-	-161
Transfer from Stage 3 to Stage 2	-	19	-77	-59	-	30	-100	-71
Transfer from Stage 3 to Stage 1	0	-	-8	-8	0	-	-2	-2
Assets remaining in same Stage	-122	-3	52	-73	-51	4	16	-31
Financial assets derecognised that are not write-offs	-21	-6	-30	-56	-32	-16	-26	-74
Write-offs	-	-	-330	-330	-	-	-259	-259
New financial assets originated or purchased	72	-	-	72	83	-	-	83
FX and other movements	1	2	7	9	25	13	80	117
Loss allowance at 30 June	259	184	1 647	2 091	388	308	1 614	2 309

	Q2 2024				Q2 2023			
	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	
Secured loans								
Loss allowance at 1 January	517	243	980	1 741	421	265	858	1 544
Transfers:								
Transfer from Stage 1 to Stage 2	-86	434	-	348	-38	294	-	256
Transfer from Stage 1 to Stage 3	-11	-	106	95	-13	-	119	107
Transfer from Stage 2 to Stage 3	-	-216	503	288	-	-163	422	259
Transfer from Stage 2 to Stage 1	34	-196	-	-162	23	-140	-	-117
Transfer from Stage 3 to Stage 2	-	100	-261	-161	-	100	-242	-142
Transfer from Stage 3 to Stage 1	0	-	-2	-2	0	-	-1	-1
Assets remaining in same Stage	-36	-24	94	33	-27	-29	91	34
Financial assets derecognised that are not write-offs	-44	-27	-88	-159	-47	-33	-87	-168
Write-offs	-	-	-262	-262	-	-	-264	-264
New financial assets originated or purchased	124	-	-	124	128	-	-	128
FX and other movements	4	2	8	14	23	4	37	65
Loss allowance at 30 June	501	317	1 079	1 897	470	298	934	1 702

At 30 June 2024, loss allowance recognized on off balance accounts amounts to 36 MM NOK (Q2 2023: 63 MM NOK) and no loss allowance recognized on commercial papers and bonds (Q2 2023: 1 MM NOK).

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

Note 11 - Issued securities

All amounts in millions of NOK

	Q2 2024	Q2 2023	FY 2023
Issued certificates	803	-	802
Senior unsecured issued securities	31 267	30 480	30 039
Total issued securities	32 070	30 480	30 841
Issued securities by currency in NOK	Q2 2024	Q2 2023	FY 2023
EUR	22 643	22 912	22 161
NOK	5 829	3 816	5 623
SEK	3 598	3 753	3 058
Total issued securities	32 070	30 480	30 841

Note 12 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	Q2 2024	Q2 2023	FY 2023
Paid in equity	10 618	10 618	10 618
Share premium	1 926	1 926	1 926
Other equity	11 476	11 725	11 121
Tier 1 Capital	2 250	2 250	2 250
Other reserves	-17	36	10
Total Equity	26 254	26 556	25 924
Common Equity Tier 1 Capital			
(-) Profit not eligible as capital	-1 264	-1 345	-800
Cash-flow hedge adjustment	11	-2	-1
IRB Expected Loss - Reserves	-359	-302	-350
Goodwill	-433	-443	-426
Other intangible assets	-86	-124	-56
Adjustment Prudent Valuation (AVA)	-2	-2	-2
Insufficient coverage for NPE	-23	-	-9
Tier 1 Capital	-2 250	-2 250	-2 250
Total common Equity Tier 1 Capital	21 848	22 088	22 031
Tier 1 Capital			
Paid in Tier 1 capital instruments	2 250	2 250	2 250
Total Tier 1 Capital	24 098	24 338	24 281
Total Capital			
Paid up subordinated loans	2 508	2 490	2 515
Subordinated loans not eligible	-181	-81	-131
Total Capital	26 425	26 747	26 664
Risk exposure on Standard Approach			
Regional governments or local authorities	46	66	67
Institutions	686	651	871
Corporates	9 484	12 927	9 658
Retail Standard Approach	48 349	49 809	47 902
Exposures in default SA	2 801	2 178	2 736
Covered bonds	105	199	144
Other Exposures	26 854	25 056	24 887
Total Risk exposure amount on Standard Approach	88 325	90 886	86 264
Risk exposure on Internal Rating Based Approach			
Retail Other	31 836	31 322	32 111
Total Risk exposure amount on Internal Rating Based Approach	31 836	31 322	32 111

	Q2 2024	Q2 2023	FY 2023
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	120 162	122 208	118 374
Foreign exchange (zero if under threshold)	-	584	-
Risk exposure amount for position, foreign exchange and commodities risks	-	584	-
Basic indicator approach	9 531	11 671	-
Standard approach	-	-	9 205
Risk exposure amount for operational risk	9 531	11 671	9 205
Standardized method	-	23	-
Risk exposure amount for credit valuation adjustment	-	23	-
Total risk exposure amount	129 692	134 487	127 579
Total exposure for Leverage Ratio			
Derivatives: Add-on under market-to-market method	802	786	1 077
Off-balance sheet items with 10% CCF	2 160	2 892	2 194
Off-balance sheet items with 20% CCF	899	922	752
Off-balance sheet items with 50% CCF	67	38	66
Adjusted On balance sheet exposure	198 203	197 305	196 804
Total exposure for Leverage Ratio	202 132	201 942	200 893
Minimum Regulatory Capital			
Minimum Core Equity	4,50%	4,50%	4,50%
Pillar 2 Requirement	1,35%	1,52%	1,52%
Pillar 2 Guidance	1,50%	1,50%	1,50%
Countercyclical Buffer (combined)	1,89%	1,91%	1,92%
Conservation Buffer	2,50%	2,50%	2,50%
Systemic Risk Buffer	1,37%	1,21%	1,19%
Minimum Regulatory Capital ratio (CET1)	13,11%	13,15%	13,13%
Minimum Regulatory Capital			
Minimum Core Equity	5 836	6 052	5 741
Pillar 2 Requirement	1 751	2 044	1 939
Pillar 2 Guidance	1 945	2 017	1 914
Countercyclical Buffer (combined)	2 453	2 574	2 444
Conservation Buffer	3 242	3 362	3 189
Systemic Risk Buffer (combined)	1 778	1 632	1 523
Minimum Regulatory Capital amount	17 006	17 682	16 751
Surplus of Core Equity Tier 1 capital	4 842	4 407	5 280
Common equity tier 1 capital ratio	16,85%	16,42%	17,27%
CET1 regulatory requirements	13,11%	13,15%	13,13%

	Q2 2024	Q2 2023	FY 2023
Tier 1 capital ratio	18,58%	18,10%	19,03%
Tire 1 regulatory requirements	15,06%	15,16%	15,14%
Total capital ratio	20,37%	19,89%	20,90%
Total capital regulatory requirements	17,66%	17,84%	17,82%
Leverage ratio	11,92%	12,05%	12,09%
LR regulatory requirements	3,00%	3,00%	3,00%

The Bank is calculating credit risk capital requirement using advanced internal rating based models (IRB- A models) for part of its exposures. The Bank reports capital ratios under the fully loaded approach.

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

Note 13 - Receivables and liabilities to related parties

All amounts in millions of NOK

Debt to related parties:	Accrued Interest		Accrued Interest		Accrued Interest	
	Q2 2024	Q2 2024	Q2 2023	Q2 2023	FY 2023	FY 2023
Santander Consumer Finance Oy	3 196	11	-	-	-	-
Santander Consumer Finance S.A.	14 911	93	32 932	175	24 143	154
Total	18 107	104	32 932	175	24 143	154

Balance sheet line: "Subordinated loan capital" - Bonds

Santander Consumer Finance S.A						
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66%	500	2	500	2	500	2
MSEK 750, maturity December 2029, 3 months STIBOR + 2.08%	754	3	745	2	757	3
MSEK 750, maturity December 2030, 3 months STIBOR + 2.29%	754	1	745	1	757	1
MNOK 500, maturity June 2031, fixed rate 2.62%	500	0	500	0	500	1
Total	2 508	6	2 490	5	2 515	6

Balance sheet line: "Senior non-preferred loans"

Santander Consumer Finance S.A						
MSEK 600, maturity April 2026, 3 months STIBOR + 1.04%	603	5	596	5	606	5
MNOK 650, maturity May 2026, 3 months NIBOR + 1.37%	650	5	650	4	650	5
MSEK 1000, maturity August 2026, 3 months STIBOR + 1.50%	1 005	5	993	5	1 010	6
MSEK 1000, maturity September 2026, 3 months STIBOR + 1.75%	1 005	0	993	0	1 010	0
MSEK 1000, maturity November 2026, 3 months STIBOR + 2.18%	1 005	6	993	6	1 010	6
MEUR 500, maturity January 2027, fixed rate 4.51%	5 695	115	5 823	117	5 632	239
MEUR 500, maturity September 2028, fixed rate 4.87%	5 760	217	-	-	5 783	77
Total	15 723	352	10 049	137	15 700	339

Receivables on related parties:	Q2 2024	Accrued	Q2 2023	Accrued	FY 2023	Accrued
		Interest		Interest		Interest
Balance sheet line : "Loans to subsidiaries and SPV's"						
Loan to subsidiary (Santander Consumer Finance Oy)	18 815	102	19 496	39	18 469	190
Balance sheet line : "Other financial assets"						
Loan to affiliated company (Santander Leasing AB)	1 580	-	-	-	-	-

In December 2023 Santander Consumer Bank AS and Santander Consumer Finance S.A. entered into an unfunded Risk Participation Agreement (RPA). See further information in note 13 of the Group's financial statements.

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

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

Note 14 - 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:

Profit and loss	Q2 2024	Q2 2023	YTD	YTD	FY 2023
			Q2 2024	Q2 2023	
Interest income	80	60	140	114	250
Interest expenses	-527	-519	-1 091	-921	-2 130
Interest payments additional Tier 1 capital	-54	-44	-108	-91	-194
Other	-194	197	151	298	-146
Net transactions	-695	-307	-908	-600	-2 220

Assets	Q2 2024	Q2 2023	FY 2023
Deposits with and receivables on financial institutions	17	19 535	18 659
Loans to customers	18 918	12	2
Financial derivatives	22	-	-
Investments in subsidiaries	1 837	1 870	1 806
Other financial assets	1 590	-	167
Other assets	436	314	243
Total assets	22 820	21 731	20 877

Liabilities	Q2 2024	Q2 2023	FY 2023
Debt to credit institutions	15 035	33 107	24 296
Debt established by issuing securities	248	279	307
Financial derivatives	58	-	-
Other financial liabilities	3 276	58	-
Other liabilities	244	307	463
Subordinated loan capital	18 550	12 681	18 355
Total liabilities	37 410	46 433	43 422

The Bank had transactions with the following related parties as at 30 June 2024 :

CACEIS Bank Spain SAU

Santander Consumer Finance Oy

Santander Leasing AB

Santander Consumer Finance S.A.

Banco Santander S.A.

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

Santander Seguros Y Reaseguros S.A.

Santander Back-Offices Globales Mayoristas S.A.

Santander Global Services S.L.

Santander Global Technology and Operations, S.L. Unipersonal

Santander Consumer Finance Global Services S.L.

