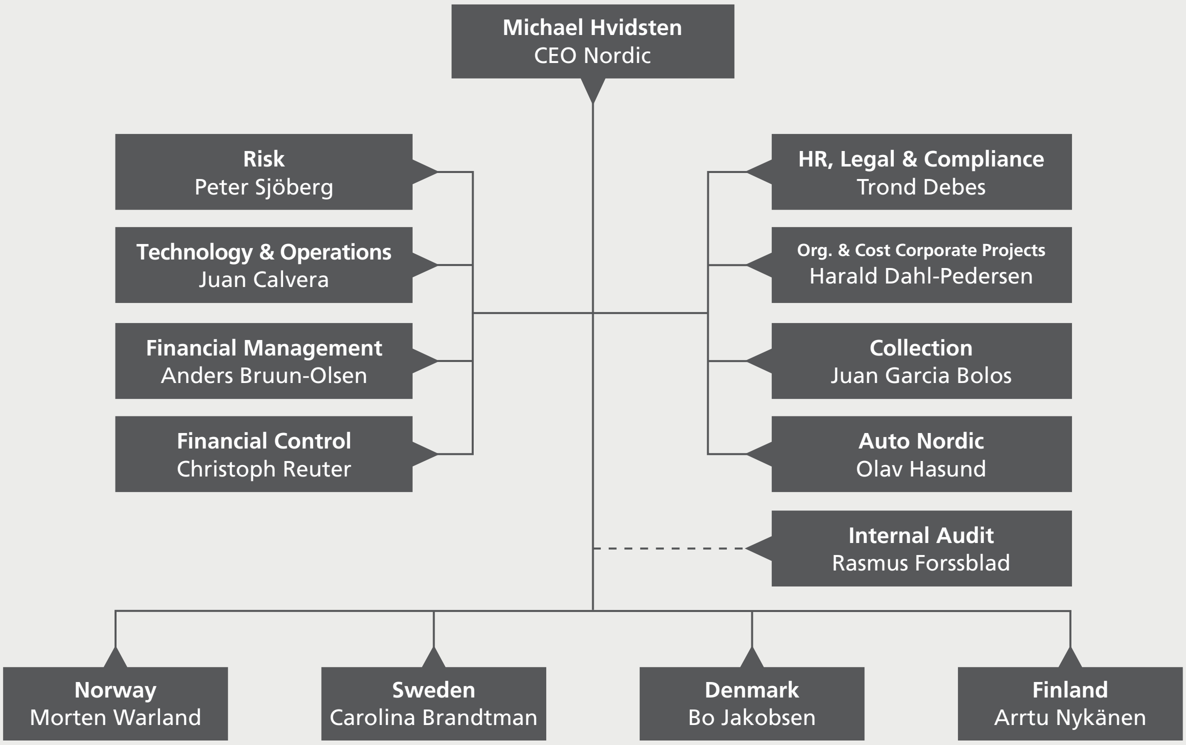
SANTANDER ANNUAL REPORT 2014

Santander CONSUMER BANK

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

Santander Consumer Bank Senior Management Team



Report of the Board of Directors 2014

2014 has been a good year for Santander Consumer Bank Group. Lending to customers on all products has organically grown at a solid rate through 2014. The total growth in loans to customers in 2014 was 15,5% for the Group. Deposits have grown by 96,0% in the same period.

The identified risks for the Group are handled well in the board's opinion. The bank has also ensured to maintain a high standard of ethical behavior and social responsibility.

The return on net earning assets (ROA) of 1,23%[1] is down compared to last year, mainly due to increased loan write downs. The Group profit after tax in 2014 was NOK 956 M compared to NOK 1.016 in 2013. The group total assets at year end 2014 was NOK 96.252 M.

Santander Consumer Bank Group has kept its position as market leader in the Auto finance market. In addition, Santander Consumer Finance S.A. has acquired GE Money Bank AB (later renamed Santander Consumer Bank AB). Santander Consumer Finance S.A plan to merge Santander Consumer Bank AS and Santander Consumer Bank AB in order to fully utilize the synergies of the two banks, and further strengthen the profitability and market position in the Nordics.

THE GROUP

Santander Consumer Bank AS is a wholly-owned subsidiary of Santander Consumer Finance S.A. which is part of Grupo Santander, one of the world's leading banking groups. Santander Consumer Finance S.A. is one of the leading companies in Europe within auto and consumer finance. The goal of Santander Consumer Bank Group is to realize the Grupo Santander's vision in the Nordics by gradually expanding the business with new products. Santander Consumer Bank AS Group's main products are auto and leisure finance, as well as credit cards, consumer loans and deposits. Santander Consumer Finance S.A. bought Santander Consumer Bank AB in 2014 to further strengthen its market position in the Nordics within credit cards and unsecured consumer loans.

At the end of 2014, Santander Consumer Bank AS had branches in Sweden and Denmark, as well as a wholly-owned subsidiary in Finland. Santander Consumer Bank AS' head office is in Lysaker, Norway. SCB is organized as a Nordic cluster with central staff functions and 4 Business units, one in each country of operation. In addition, the group consists of special units (Special Purpose Vehicles), that issue auto assets-backed securities.

NORWAY

The business maintained a very strong position in the auto financing market in Norway in 2014. Santander Consumer Bank AS has an extensive list of partnerships and vendor agreements in the indirect channel whilst also operating a strong direct channel. The bank saw strong execution and delivered new innovations to the market. Volume grew to record levels and Santander Consumer Bank AS clearly has a leading position with a market share of 30.4%.

In the credit card market, Santander Consumer Bank AS has more than 305.000 cards and experienced another year of strong growth in 2014. We sold approximately 35.000 cards through leveraging both the online and cross-sell channel. Several key improvements have been made such as a new health insurance product for family members, a new mobile application process and more dynamic webpages.

2014 marks another year of growth for consumer loans. Despite tough competition, both new business volume and portfolio development have been satisfactory both with regards to performance and growth. Consumer loans are offered both direct to consumer and through partners.

Total net outstanding loans/leasing for Norway is NOK 39.330 M.

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

SWEDEN

2014 was a good year for the Swedish business with growth in consumer loans and auto. Santander Consumer Bank AS further strengthened its position in the auto financing market in 2014, with a market share at the third quarter in 2014 of 18.5%. Santander Consumer Bank AS is among the 3 largest suppliers of car financing in Sweden.

The auto portfolio (including stock finance) experienced a growth of 5.2% compared to the preceding year. New business volume for auto loans (excluding Stock Finance) was NOK 6.751 M in 2014.

For consumer loans the growth in 2014 was 135%. New business volumes for consumer loans amounted to NOK 816 M.

Deposits were launched during the summer of 2013. Customers had deposited NOK 4.964 M, which is a growth of 103% in 2014.

Total net outstanding loans/leasing for Sweden is NOK 13.385 M

DENMARK

The Auto Finance and Leasing business is the main activity in Denmark. New business volume reached a new record level with an increase of 14.3% in 2014. Despite increased competition the bank has kept a market share of approximately 25% and is maintaining the leading position in the market.

The consumer loan product was offered to existing customers in 2013, and provided to the entire market in 2014. The introduction has been very successful with an increase in sales of 251% in new business volumes in 2014.

Deposit is part of the funding strategy, and was introduced in March 2014 with a positive interest from both saving customers and the media. The unit received close to NOK 3.500 M in deposits and more than 25 positive articles in the media.

The total net outstanding in loans / leasing for Denmark is NOK 15.834 M.

FINLAND

Santander Consumer Bank OY has a substantial market presence in Finland for both auto finance and unsecured consumer loans.

Despite the increase of only 0.3% in the Finnish market, SCB AS continued strengthening its market presence. 2014 was successful both in regards to existing dealers, but also in winning new customers. In 2014 SCB AS kept the position as market leader, with all time high new business volumes having market share of 30.4%.

In the unsecured consumer loan business SCB AS made all-time high new business volumes with an increase of 11.6% in 2014.

Net outstanding amounted to NOK 12.800 M.

FUNDING

The bank has during the last years taken significant steps to diversify its funding sources, and has further developed its securitization capabilities in 2014. The bank is planning to continue to securitize parts of the portfolios in order to secure long term funding at attractive levels. The securitization is strictly a financing operation, and is not intended to give any change in risk exposure nor give any capital relief for the bank.

The bank has established itself as a frequent issuer of senior unsecured debt in the Norwegian bond market and has also issued senior unsecured bonds under its Euro Medium Term Note program (EMTN). The bank plans to continue using the capital markets as a source of financing going forward.

Santander Consumer Bank re-launched customer deposits as a product to Norwegians in early 2013, and followed up with offering this product also to Swedish customers in second half of 2013 and to Danish customers in 2014. Hence, the customer deposits volume increased significantly during the year, and by year-end 2014 the total volume was around NOK 18,1 BN.

The bank is also financed through loans and drawing rights from the parent bank and companies within Grupo Santander. These loans are priced at market rates.

The credit spreads have continued to trade in during 2014. The access to liquidity has been regarded as good throughout the year, and liquidity risk is receiving full attention by the bank.

The Board of Directors considers the bank to be compliant with the regulatory liquidity and funding requirements.

SOLVENCY

New legislation on capital requirements for credit institutions were enforced in Norway as of 1 July 2013 as a result of the Basel III standards and the European Commission's proposal for a legal framework to implement the Basel III standards in the EU (the CRD IV framework). Santander Consumer Bank is compliant with a core capital exceeding the minimum of 10.0%. Santander Consumer Bank applies the standard approach in Basel III.

The ICAAP (internal capital adequacy assessment process) is integrated in the company's planning and budgeting processes as well as the risk assessment processes under the internal control regulations. In addition to Credit risk, Market risk and Operational risk the ICAAP also covers business risk and other risks not covered in other solvency reporting. A report based on the ICAAP is annually prepared and presented to the FSA.

ANNUAL ACCOUNTS

For Santander Consumer Bank Group profit before taxes reached NOK 1.321 M against NOK 1.393 M in 2013. The change represents a decrease of 5.2%, largely due to increased credit loss in 2014. The credit loss increased to NOK 849 M comparted to NOK 513 M last year. The group result was also impacted by a NOK 131 M impairment of immaterial items.

Total net loans to customers for the Group have increased by 15.5% which reflects a high activity level in all the Nordic countries. Total assets at year end amounted to NOK 96.252 M compared to NOK 81.215 M the year before.

In the opinion of the Board the annual accounts provide a true and fair view of the company's result for 2014 and its financial position as at 31.12.14.

Profit after tax for SCB AS in 2014 was NOK 1.032 M, and for the Group NOK 956 M. The lower result of the group is due to a dividend from SCB OY in Finland to SCB AS recognized over the P&L.

It is proposed to transfer the profit for the year to other equity.

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

RISK MANAGEMENT

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

Credit Risk Management

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

Standardized (Retail) exposures are managed through a highly automated credit approval process, based on Advanced-IRB (IRB-A) Approach scorecards for the underwriting of new applications as part of the bank's Basel II rollout program.

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

The consolidated Loan Loss Reserve (LLR) increased from NOK 1.234 M in 2013 to NOK 1.617 M in 2014. Portfolio growth in specific business units and individual exposures led to the increase in Loan Loss Reserves. Additionally, the increase in the LLR was attributable to a LLR model calibration with impact on the calculation of the incurred but not reported (IBNR) impairment.

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

Interest Rate Risk

Interest rate risk in Santander Consumer Bank is measured using the net interest margin and market value of equity. Both interest rate metrics were within limits for all countries in 2014.

Liquidity Risk

Liquidity Risk in Santander is measured using the Minimum Liquidity Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio.

Overall, the Bank's liquidity profile improved throughout 2014 as preparations for meeting CRD

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

Foreign currency risk

The bank is exposed to currency risks in all the Nordic currencies. The risk is monitored continuously and measurements are in place through hedging instruments to lower the risk on large exposures. The hedging instruments are mainly loans in the exposed currency. The hedges are mainly operational, but somewhat also accounted as hedging if certain requirements are met.

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

ORGANISATION, SOCIAL RESPONSIBILITY AND SERTIFICATIONS

At year end, Santander Consumer Bank Group had 665 employees (excluding temporary hired employees), of which 95 worked in Sweden, 89 in Denmark, 117 in Finland and 364 in Norway. In 2014 the sick leave rate was around 3.6 per cent. The Board is not aware of any personal injuries in the workplace in 2014.

The working environment in the Company is considered to be good, and is assessed yearly through an employee opinion survey, Santander Spirit Survey, that had response rate of over 90 per cent and a good overall score (AA+).

The Company has a Working Environment Committee and Liaison Committee. Statutory meetings are held and the co-operation between the management and employee representatives is good.

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

SCB AS is proactive in ensuring that employees perceive a policy of gender equality, and no discrimination has been reported. The Company has participated in Grupo Santander's worldwide Gender Diversity Policy. At 2014 year end the gender ratio was 51% women and 49% men. There are one woman and eleven men in the senior management team. The Board of directors consists of six men and two women.

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

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

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

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

Legal and Compliance is responsible for making the General Code available to employees. During 2013, Santander Consumer Bank has provided anti-money laundering training for all employees.

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

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

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

We are a socially responsible company which supports professionals who take part in charitable initiatives. As a part of the social responsibility program the employees were in 2014 encouraged to give a donation to SOS children community in Latvia. The company matched the employees' donations and doubled the amount.

OUTLOOK FOR 2015

From a macro point of view we see a continuous positive evolution in Sweden and Denmark, however Finland is somewhat under stress due to political disputes with Russia; and Norway takes challenges from adecreased oil price and reduced investments in the oil sector. However, we see few indications of this materializing in negative trends on key performance indicators.

Consumer confidence overall is healthy, giving a promising outlook for our product base, specifically consumer loans and credit cards. Car sales are expected to keep a flat trend, or potentially show a slight reduction. The bank will continue to leverage our pan-Nordic footprint, with the best example being our increased cooperation with auto importers and auto dealers with a cross country presence.

From a funding and liquidity standpoint, the focus remains on securing a diverse and robust supply. Securitizations, customer deposits,senior unsecured bonds and intra group funding form the four key pillars. From a capital perspective the bank has a capital plan which secures being above the minimum regulatory requirement levels.

Santander Consumer Finance S.A's (SCF SA) purchase of Santander Consumer Bank AB in 2014 will result in a broader market presence in 2015 than in 2014. The banks are part of SCF SA's strategy of growing in the Nordic region, and will work towards achieving synergies in capturing larger parts of the consumer market.

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

Lysaker, 24th March 2015

Erik Kongelf
(Chairman)

Bruno Montalvo Wilmot
(Deputy Chairman)

Henning Strøm

Maria Rosario Vacas Roldan

Bjørn Elvestad

Vibeke Hamre Krey
(Employee Representative)

Francisco Javier Anton San Pablo

Michael Hvidsten
(Chief Executive Officer)

Manuel Angel Menendez Barrero

HH
HELLY HANSEN
HANSEN
HELLY

ACCOUNTS

Santander Consumer Bank Nordics (group)
Santander Consumer Bank AS

PROFIT AND LOSS ACCOUNT

Group		All amounts in thousands of NOK		Santander Consumer Bank AS	
31.12.13	**31.12.14**		Note	**31.12.14**	31.12.13
		Interest income and similar income			
191 299	33 981	Interest and similar income on loans to and receivables from credit institutions		731 905	566 864
4 375 772	4 989 041	Interest and similar income on loans to and receivables from customers		2 789 164	2 496 286
-	152 515	Operational leasing income		-	-
10 833	33 234	Interest and similar income on comm.paper, bonds and other securities		276 757	301 346
4 577 904	5 208 770	Total interest income and similar income		3 797 826	3 364 496
		Interest expenses and similar expenses			
960 218	614 815	Interest and similar expenses on debt to credit institutions		490 633	838 887
128 646	382 732	Interest and similar expenses on deposits from and debt to customers		382 732	128 646
324 093	422 574	Interest and similar expenses on issued commercial papers and bonds		78 106	12 130
75 313	215 562	Interest on subordinated loan capital		210 285	57 349
66 308	79 850	Other interest expenses and similar expenses		70 121	65 729
1 554 578	1 715 534	Total interest expenses and similar expenses	*14*	1 231 878	1 102 741
3 023 326	3 493 237	Net interest and credit commission income		2 565 948	2 261 754
		Commission income			
4 114	1 650	Guarantee commissions		1 573	1 903
341 486	390 642	Other commissions and fees		473 511	415 175
345 599	392 292	Total commission income and income from banking services		475 084	417 078
		Commission Expenses			
161 858	198 202	Other fees and commission expenses		188 208	176 392
161 858	198 202	Total commission expenses and expenses from banking services		188 208	176 392
		Net value change and gain/loss on foreign exchange and securities			
-	98 546	Gain on foreign exchange and securities		112 527	-
-11 318	-	Loss on foreign exchange and securities		-	-5 357
-11 318	98 546	Total value change and gain/loss on foreign exchange and securities		112 527	-5 357
		Other operating income			
39 191	36 863	Other operating income		391 306	27 232
39 191	36 863	Total other operating income		391 306	27 232
		Salary and administration expenses			
619 570	624 980	Salaries, fees and other personnel expenses		545 779	493 184
470 486	434 691	Of which: - Salaries	*20*	412 454	359 414
69 524	99 175	- Pensions	*19*	60 118	60 808
79 560	91 115	- Social costs		73 207	72 963
420 960	558 999	Administration expenses		495 726	364 548
1 040 530	1 183 979	Total salary and administration expenses		1 041 505	857 732

PROFIT AND LOSS ACCOUNT

Group		All amounts in thousands of NOK		Santander Consumer Bank AS	
31.12.13	**31.12.14**		Note	**31.12.14**	31.12.13
		Depreciation			
83 402	71 016	Depreciation		63 933	77 258
-	131 169	Impairment of intangible assets		131 169	-
112 791	118 574	Depreciation operational leasing		-	-
196 193	320 759	Total depreciation		195 102	77 258
92 249	147 731	Other operating expenses		100 588	71 276
		Losses on loans, guarantees etc.			
513 469	849 460	Loan losses		689 349	419 702
513 469	849 460	Total losses on loans, guarantees etc.		689 349	419 702
1 392 500	1 320 807	Operating result		1 330 114	1 098 347
376 458	364 400	Taxes expense	*15*	297 631	289 812
1 016 043	956 408	Profit after tax		1 032 483	808 534
		Allocation of profit after tax			
1 016 043	956 408	Transferred to other earned equity		1 032 483	808 534
1 016 043	956 408	Total allocations		1 032 483	808 534
1 016 043	956 408	Profit after tax for the period		1 032 483	808 534
		Items not to be recycled to profit and loss			
-136 512	-126 581	Actuarial gain/loss on post employment benefit obligations		-126 581	-136 512
37 020	34 177	- Tax relating to pension		34 177	37 020
				-	-
		Items to be recycled to profit and loss		-	-
144 101	-112 533	Net investment hedge		-	-
-	30 384	- Tax relating to net investment hedge		-	-
-	-113 855	Cash flow hedge SPV	*22*	-	-
-	30 741	- Tax relating to cash flow hedge in SPV		-	-
-	564	Cash flow hedge EMTN	*22*	564	-
-	-152	- Tax relating to cash flow hedge from EMTN		-152	-
-67 157	153 885	Net exchange differences on translating foreign operations		-24 893	-1 399
-	-41 549	- Tax relating to exchange differences		6 721	-
-	-18 305	Value change of government bonds held for sale		-18 305	-
-	4 942	- Tax relating to government bonds		4 942	-
993 495	798 127	Total comprehensive income for the period		908 956	707 643

BALANCE SHEET - ASSETS

Group		All amounts in thousands of NOK		Santander Consumer Bank AS	
31.12.13	**31.12.14**		Note	**31.12.14**	31.12.13
		Cash and receivables on central banks			
-	56 463	Cash and receivables on central banks		56 463	-
-	56 463	Total cash and receivables on central banks		56 463	-
		Deposits with and receivables on financial institutions			
4 908 825	5 967 460	Deposits with and receivables on financial institutions	*23*	2 920 380	3 024 211
4 908 825	5 967 460	Total deposits with and loans to financial institutions		2 920 380	3 024 211
		Loans to customers			
2 461 641	2 686 198	Credit Card		2 686 198	2 461 641
4 639 197	6 408 752	Unsecured loans		4 223 525	2 689 660
53 063 747	60 814 274	Installment loans	*13*	50 675 058	45 027 852
11 726 477	13 412 702	Financial leasing	*16,17*	12 489 405	11 098 395
71 891 062	83 321 927	Total loans before specific -and generic write-downs	*9*	70 074 187	61 277 547
92 045	588 251	- Specific write-downs	*8*	515 299	55 498
1 061 253	1 028 653	- Generic write-downs	*8*	718 979	787 172
70 737 764	81 705 023	Net loans	*2*	68 839 909	60 434 877
18 339	12 945	**Repossessed assets**	*18*	5 372	5 312
		Commercial papers, bonds and other fixed-income securities			
995 650	2 042 744	Commercial papers and bonds	*23*	8 453 870	8 849 099
995 650	2 042 744	Total commercial papers, bonds and other fixed-income securities		8 453 870	8 849 099
862 151	2 263 768	Financial derivatives	*12,22*	1 015 493	200 479
862 151	2 263 768	Total financial derivatives		1 015 493	200 479
		Ownership interests in group companies			
-	-	Ownership interest in credit institutions	*21,22*	1 173 851	1 085 701
-	-	Sum ownership interests in group companies		1 173 851	1 085 701
		Intangible assets			
421 600	496 870	Goodwill		123 415	113 934
201 412	210 572	Deferred tax assets	*15*	75 846	37 020
352 445	243 665	Other intangible assets	*16*	232 023	339 840
975 458	951 106	Total intangible assets		431 284	490 794
		Fixed assets			
35 332	39 880	Machinery, fittings and vehicles	*16*	33 158	30 686
440 585	468 580	Operational leasing		-	-
475 917	508 459	Total fixed assets		33 158	30 686
		Other assets			
1 775 409	2 162 931	Consignment		872 528	699 441
282 845	285 265	Other assets	*23,27*	1 566 469	424 407
2 058 254	2 448 196	Total other assets		2 438 996	1 123 847
		Prepayments and earned income			
182 357	295 444	Prepayments and earned but not invoiced income		271 115	121 214
182 357	295 444	Total prepayments and earned income		271 115	121 214
81 214 715	96 251 608	Total assets		85 639 890	75 366 222

BALANCE SHEET - LIABILITIES AND EQUITY

Group		All amounts in thousands of NOK		Santander Consumer Bank AS	
31.12.13	**31.12.14**		Note	**31.12.14**	31.12.13
		Debt to credit institutions			
34 460 678	30 351 149	Loans and deposits from credit institutions with an agreed term	*23*	45 376 534	50 874 089
34 460 678	30 351 149	Total loans and deposits from financial institutions		45 376 534	50 874 089
		Deposits from and debt to customers			
9 216 043	18 089 036	Deposits from and debt to customers repayable on notice		18 089 036	9 216 043
9 216 043	18 089 036	Total deposits from customers		18 089 036	9 216 043
300 995	1 014 378	Financial derivatives	*12*	998 622	160 477
300 995	1 014 378	Total financial derivatives		998 622	160 477
		Debt established by issuing securities			
24 706 513	32 247 948	Bonds and other long term loan raising	*11*	7 399 366	3 705 014
24 706 513	32 247 948	Total debt established by issuing securities		7 399 366	3 705 014
		Other debt			
622 128	667 940	Other debt	*27*	627 149	559 526
622 128	667 940	Total other debt		627 149	559 526
		Provisions and liabilities			
905 516	895 570	Incurred expenses and deferred revenue		777 511	572 973
223 071	346 362	Pension liabilities	*19*	346 362	223 071
468 524	529 540	Deferred tax	*15*	529 540	468 524
1 597 110	1 771 472	Total provisions and liabilities		1 653 413	1 264 567
		Subordinated loan capital			
2 857 352	2 857 663	Subordinated loan capital	*23*	2 857 663	2 857 352
2 857 352	2 857 663	Total subordinated loan capital		2 857 663	2 857 352
73 760 819	86 999 585	Total liabilities		77 001 782	68 637 068
		Paid-in equity			
4 448 469	5 448 469	Share capital		5 448 469	4 448 469
891 314	891 314	Share capital premium		891 314	891 314
5 339 783	6 339 783	Total paid-in equity		6 339 783	5 339 783
		Earned equity			
2 114 113	2 912 240	Other equity		2 298 325	1 389 371
2 114 113	2 912 240	Total earned equity		2 298 325	1 389 371
7 453 896	9 252 023	Total equity	*6*	8 638 108	6 729 154
81 214 715	96 251 608	Total liabilities and equity		85 639 890	75 366 222

Lysaker, March 24th 2015

Erik Kongelf
(Chairman)

Bruno Montalvo Wilmot
(Deputy Chairman)

Henning Strøm

Maria Rosario Vacas Roldan

Bjørn Elvestad

Vibeke Hamre Krey
(Employee Representative)

Francisco Javier Anton San Pablo

Michael Hvidsten
(Chief Executive Officer)

Manuel Angel Menendez Barrero

CASHFLOW STATEMENT GROUP

Group		All amounts in thousands of NOK	Santander Consumer Bank AS	
31.12.13	**31.12.14**		**31.12.14**	31.12.13
		Cash flow from operations		
1 392 500	1 320 807	Profit before income taxes	1 330 114	1 098 347
-406 929	-288 457	Taxes paid in the period	-271 141	-285 709
196 193	320 759	Depreciation and impairment	195 102	77 258
-12 405 103	-11 239 756	Change in loans to customers	-8 497 798	-10 165 719
10 095	5 394	Change in repossessed assets	-60	10 784
-995 650	-1 047 094	Change in commercial papers and bonds	395 229	-4 263 711
-573 705	-688 233	Change in financial derivatives, net.	23 130	102 733
-636 778	-389 942	Change in consignment and other assets	-1 315 149	-465 585
-42 094	-113 087	Change in prepayments and earned income	-149 900	-21 245
-5 533 281	-4 109 529	Change in loans and deposits from financial institutions	-5 497 555	35 526
8 933 744	8 872 993	Change in loans and deposits from customers	8 872 993	8 933 744
-23 765	45 812	Change in other debt	67 623	301 864
-14 680	-11 771	Differences in expensed pensions and payments in/out of the pension scheme	-11 771	-14 680
348 723	-9 946	Change in other provisions	204 537	296 970
-9 750 730	-7 332 051	Net cash flow from operations	-4 654 645	-4 359 423
		Cash flow from investments		
27 277	4 842	Proceeds from sale of fixed assets	3 077	27 010
-189 714	-99 129	Purchase of fixed assets	-90 151	-183 654
-162 437	-94 287	Net cash flow from investments	-87 075	-156 644
		Cash flow from financing		
2 202 169	-	Receipt on subordinated loan capital	-	2 202 169
9 283 398	7 541 435	Receipts on issued bonds	3 694 352	3 455 160
-300 000	-	Paid out dividend	-	-300 000
600 000	1 000 000	Paid in share capital	1 000 000	600 000
11 785 567	8 541 435	Net cash flow from financing	4 694 352	5 957 329
8 299	-5 213	Exchange gains / (losses) on cash and cash equivalents	-19 768	8 299
1 880 699	1 115 097	Net change in cash and cash equivalents	-47 368	1 449 561
3 028 126	4 908 825	Cash and cash equivalents at the beginning of the period	3 024 211	1 574 650
4 908 825	6 023 922	Cash and cash equivalents at the end of the period	2 976 843	3 024 211

STATEMENT OF CHANGES IN EQUITY GROUP

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

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity (OCI)	Retained earnings	Total
Balance at 1 January 2013	3 848 469	891 314	(9 803)	1 430 420	6 160 401
Net profit for the year	-	-	-	1 016 043	1 016 043
Currency translation differences during the year	-	-	-	-	-
Actuarial gain/loss on post employment benefit obligations	-	-	-136 512	-	-136 512
Income tax relating to components of post employment benefit obligations	-	-	37 020	-	37 020
Net investment hedge	-	-	144 102	-	144 102
Net exchange differences on translating foreign operations	-	-	-67 157	-	-67 157
Other comprehensive income, net of tax	-	-	-22 548	-	-22 548
Total comprehensive income	-	-	-22 548	1 016 043	993 495
Share dividend	-	-	-	-300 000	-300 000
Capital increase	600 000	-	-	-	600 000
Balance at 31 December 2013	4 448 469	891 314	-32 350	2 146 463	7 453 896

1) Total shares registered as at December 31, 2014, was 444,85 million.

2) Restricted capital as at December 31, 2014, was NOK 5 340 million, unrestricted capital was NOK 1 389 million. The split between restricted and unrestricted capital is in accordance with the Norwegian limited companies act.

In March 2014 the Company issued 55 000 000 shares and in August 2014 an additional 45 000 000 shares, all with a par value of NOK 10. TNOK 1 000 000 in share capital was raised through these two transactions. The share capital is divided into 444.846.912 shares, of NOK 10,- par value.

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.

STATEMENT OF CHANGES IN EQUITY SANTANDER CONSUMER BANK AS

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

All amounts in thousands of NOK	Share capital	Share capital premium	Other equity (OCI)	Retained earnings	Total
Balance at 1 January 2013	3 848 469	891 314	-4 496	986 224	5 721 511
Net profit for the year	-	-	-	808 534	808 534
Currency translation differences during the year	-	-	-1 399	-	-1 399
Actuarial gain/loss on post employment benefit obligations	-	-	-136 512	-	-136 512
Income tax relating to components of other comprehensive income	-	-	37 020	-	37 020
Other comprehensive income, net of tax	-	-	-100 891	-	-100 891
Total comprehensive income	-	-	-100 891	808 534	707 643
Share dividend	-	-	-	-300 000	- 300 000
Capital increase	600 000	-	-		600 000
Balance at 31 December 2013	4 448 469	891 314	-105 387	1 494 758	6 729 154

[1] Total shares registered as at December 31, 2014, was 444,85 million.
[2] Restricted capital as at December 31, 2014, was NOK 5 340 million, unrestricted capital was NOK 1 389 million. The split between restricted and unrestricted capital is in accordance with the Norwegain limited companies act.

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ACCOUNTING PRINCIPLES

SANTANDER CONSUMER BANK GROUP

ACCOUNTING PRINCIPLES

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

The financial statements show the activities of the company in Norway, Sweden and Denmark (Santander Consumer Bank AS). The group accounts include, the Finnish subsidiary (Santander Consumer Finance OY) and the special purpose vehicles as, listed in note 24.

The 2014 consolidated financial statements of the Group and the 2014 financial statements of the Company cover the period between 01.01.2014 to 31.12.2014.

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

2.1. Basis of preparation
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets, and financial assets and financial liabilities.

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

2.2. Changes in accounting policy and disclosures

2.2.1. New and amended standards adopted by the group
The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2014 and are considered material to the group:

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. Adoption has not had any significant effect on the group's financial results as we already consolidate all entities in question.

IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. Requirements are met by related parties disclosure.

2.2.2. New standards and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

On July 25, 2014, the IASB completed the final elements of its comprehensive response to the financial crisis by issuing further amendments to IFRS 9, Financial Instruments, in respect of (i) revisions to its classification and measurement model and (ii) a single, forward-looking 'expected loss' impairment model.

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

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

The group has yet to assess IFRS 9's full impact.

2.3. Consolidation
The consolidated financial statement requires consolidation of the Finnish subsidiary and the special purpose vehicles (SPV), in accordance with IFRS 10 – Consolidated Financial Statements.

2.3.1. Subsidiaries
Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The acquisition method is used when consolidating subsidiaries. The consideration transferred when acquiring a business is measured at fair value, which is calculated as the sum of the fair value of the assets transferred, equity interests issued and liabilities incurred in exchange for control. Assets, incurred liabilities and contingent liabilities are measured at fair value at the acquisition date. Goodwill is measured as the excess of the sum of the consideration transferred over the net identifiable assets acquired and liabilities assumed as at the acquisition date. If the net identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognized immediately as gain.

ACCOUNTING PRINCIPLES

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

2.3.2. Special purpose entities

When the group incorporates special purpose entities, or holds ownership interests therein, to enable its customers to access certain investments, or for the transfer of risks or other purposes, it determines, using internal criteria and procedures, and taking into consideration the applicable legislation, whether control (as defined above) exists and, therefore, whether these entities should be consolidated (IFRS 10). These criteria and procedures take into account, inter alia, the risks and rewards retained by the group and, accordingly, all relevant matters are taken into consideration, including any guarantees granted or any losses associated with the collection of the related assets retained by the group. These entities include the securitization special purpose vehicles, which are fully consolidated in the case of the SPVs over which, based on the aforementioned analysis, it is considered that the group continues to exercise control.

2.4. Recognition of income and expenses

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

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

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

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

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

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

2.5. Financial assets and liabilities

Financial assets and liabilities are recorded in the balance sheet at the time the instruments become contractual obligations.

2.5.1. Classification

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

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

(b) Loans and receivables carried at amortized cost

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

(c) Available-for-sale financial assets

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

(d) Held to maturity investments

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

2.5.2. Recognition and measurement

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

ACCOUNTING PRINCIPLES

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

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

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

2.5.3. Impairment of financial assets

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

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

As a general rule, the carrying amount of impaired financial instruments is adjusted with a charge to the income statement for the period in which the impairment becomes evident, and the reversal, if any, of previously recognized impairment losses is recognized in the consolidated income statement for the period in which the impairment is reversed or reduced.

Balances are deemed to be impaired, and the interest accrual is suspended, when there are reasonable doubts as to their full recovery and/or the collection of the related interest for the amounts and on the dates initially agreed upon, after taking into account the guarantees received by the consolidated entities to secure (fully or partially) collection of the related balances. Collections relating to impaired loans and advances are used to recognize the accrued interest and the remainder, if any, to reduce the principal amount outstanding.

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

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

We assess whether objective evidence of impairment exists individually for loans that are individually significant, and collectively for loans that are not individually significant. If we determine that no objective evidence of impairment exists for an individually assessed loan, whether significant or not, the loan is included in a group of loans with similar credit risk characteristics and collectively assessed for impairment.
If there is objective evidence that a loan or group of loans has been subject to a fall in value, a write-down will be calculated for the fall in value that is equal to the difference between capitalized value and the net present value of estimated future cash flows, discounted by the financial asset's original effective interest (i.e. the effective interest calculated at initial rates). In estimating the future cash flows of debt instruments, the following factors are taken into account:

- All the amounts that are expected to be obtained over the remaining life of the instrument; including, where appropriate, those which may result from the collateral provided for the instrument (less the costs for obtaining and subsequently selling the collateral). The impairment loss takes into account the likelihood of collecting accrued past-due interest receivable.
- The various types of risk to which each instrument is subject; and
- The circumstances in which collections will foreseeably be made.

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

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

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

2.5.4. Derecognition

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. As part of the funding strategy, the group enters into agreements where car loan portfolios are transferred to counterparties (special purpose vehicles) where the banking group retains the risk and returns associated with the transferred portfolio by guaranteeing for risk of default in the portfolio or entering into a total return swap. Parts of or the entire risk and returns associated with the ownership are retained by the group. If the major part of risk and returns is retained, the financial asset is not derecognized, but recorded at a value limited to the group's continuing involvement.

Financial liabilities are derecognized at the time the rights to the contractual obligations have been fulfilled, cancelled or expired.

2.6. Offsetting financial assets

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

2.7. Derivative financial instruments and hedging activities

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

The group designates certain derivatives as either:

a) hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
b) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
c) hedges of a net investment in a foreign operation (net investment hedge).

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

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

2.8. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.8.1. Santander Consumer Bank as lessor

Santander Consumer Bank offers car leasing. Financial leasing is classified as lease financing and is accounted for as lending. Contracts with residual value are depreciated to agreed residual value, distributed over the lease term. The interest part of the leasing fee is entered as interest income in the profit and loss account according to the principles described under the point for loans, whereas the repayment of the principal reduces the balance sheet value. In taxation terms, the leasing objects depreciate according to the diminishing balance method. Sales profits from leasing objects (repossessed assets) are entered under "other operating income" in the P&L.
Contracts in which Santander Consumer Bank AS guarantees residual value, are classified as operating leasing. Income from leasing fees consists of interest and repayment of principal and is classified under the item interest income in the profit and loss account. Operating lease income is recognized as occurring in accordance with the underlying contracts. Initial direct costs incurred in negotiating and arranging the lease that are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. Operating equipment is included under the item fixed assets in the balance sheet.

2.8.2. Santander Consumer Bank as lessee

The group leases certain property, plant and equipment. Payments made under these operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

2.9. Foreign currency translation

The Group's functional currency is Norwegian kroner (NOK). Therefore, all balances and transactions denominated in currencies other than NOK are deemed to be denominated in foreign currency.

Foreign currency balances are translated to NOK in two consecutive stages:

1) Translation of foreign currency to the functional currency (currency of the main economic environment in which the entity operates, further described in section 2.9.1), and
2) Translation to NOK of the balances held in the functional currencies of entities whose functional currency is not NOK (further described in section 2.9.2).

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

ACCOUNTING PRINCIPLES

2.9.1. Translation of foreign currency to the functional currency

Foreign currency transactions performed by consolidated entities (or entities accounted for using the equity method), are initially recognized in their respective currencies.

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

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

2.9.2. Translation of functional currencies to Norwegian kroner for presentation purposes

If the functional currency of a consolidated or equity accounted entity is not NOK, the balances in the financial statements of the consolidated entities (or entities accounted for using the equity method) are translated to NOK as follows:

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

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

2.10. Property, plant and equipment

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

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

- Machines, fittings, equipment 3-10 years (average 5 years)
- IT equipment 5-10 years (average 5 years)
- Operational and financial leased Vehicles

1 month – 10 years (average 3 years)

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

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

2.11. Intangible assets

2.11.1. Goodwill

Goodwill arises on acquisitions, and represents the excess of the consideration transferred over Santander Consumer Bank's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire and the fair value of the non-controlling interest in the acquire.

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

ACCOUNTING PRINCIPLES

2.11.2. Computer software

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

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

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

2.12. Pension benefit plans

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

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

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

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

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

2.13. Current and deferred income tax

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

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

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

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

2.14. Cash and cash equivalents

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

2.15. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

ACCOUNTING PRINCIPLES

2.16. Dividends

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

3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

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

4. Capitalization policy and capital adequacy

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

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

New legislation on capital requirements for credit institutions was in force in Norway as of 1 July 2013 as a result of the Basel III standards and the European Commission's proposal.

Provisions

The Provisions are liabilities of uncertain timing or amount and are recognized when we have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligations. Provisions are measured as the best estimate of the consideration required to settle the present obligation at the reporting date. Significant judgment is required in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows. Provisions are recorded under Other debt and / or expenses incurred and earned income not received on our balance sheets.

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

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

NOTES

Santander Consumer Bank Group

NOTE 1 Risk Management

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

Credit risk/counterparty risk

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

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

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

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The group's strategy is to avoid taking on market risk in excess of what follows directly from the operation of the bank. Market risk comprises three types of risk; interest rate risk, currency risk, and other price risk.

Interest rate risk

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

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

Currency risk

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

The Group strives for a composition of the balance sheet that minimizes currency risk by ensuring that assets, liabilities and incoming and outgoing cash flows are, to a large extent, denominated in the same currency. Practical considerations and requirements laid down by the parent company will play a central role in connection with the management of currency risk.
For Santander Consumer Bank currency risk is connected to currency positions as a result of operations in Sweden, Finland, and Denmark. Treasury policy limits possible exposure for each currency and the same limit applies to the total net currency position. Treasury policy further specifies that currency risk should be minimized as far as possible through asset and debt items being in the same currency.

Routines which ensure that the bank's currency exposure is continuously monitored and controlled are in place. Treasury policy limits possible exposure in currencies upwards to NOK 100 million for each currency and a NOK 200 million limit applies to the total net currency position.

Other price risk

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

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

Liquidity risk

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

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

Operational risk

The Group defines operational risk as "the risk of loss resulting from inadequate or failed internal processes, human resources or systems or from external events". Unlike other risks, this is generally a risk that is not associated with products or businesses, but is found in processes and/or assets and is generated internally (people, systems, processes) or as a result of external risks, such as natural disasters. The aim pursued by the Group in operational risk control and management is primarily to identify, measure/assess, control/mitigate and report on this risk.

The Group's priority is to identify and eliminate any clusters of operational risk, irrespective of whether losses have been incurred. Measurement of this risk also contributes to the establishment of priorities in operational risk management. For the purpose of calculating regulatory capital for operational risk, the basis method is used. In the group's risk assessments, no areas of operational risk have been identified that involve a loss potential in excess of that covered under Pillar 1. The company's review of the risk situation is timed so that it can coincide as far as possible with the company's plan and budget processes, so that any conclusions and risk-reducing measures can be taken into consideration in the company's plans. The company has satisfactory monitoring and follow-up of operational risks. The bank has securitized a significant part of its Norwegian, Swedish, Danish and Finnish car loan portfolios. The securitization has not and will not affect front or back systems in any significant way. All systems remain the same but there are some additional information extracted for management and reporting purposes. The quality of the institution's risk management process is otherwise considered to be good.

NOTE 2 Risk classification

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

	Balance		Write Downs	
All amounts in thousands of NOK	**31.12.14**	**31.12.13**	**31.12.14**	**31.12.13**
Current - not past due date	77 161 711	65 206 265	864 729	500 166
Current - past due date	4 885 829	5 494 560	168 900	155 785
Total impaired loans	1 274 387	1 190 238	583 274	497 341
Total loans	83 321 927	71 891 063	1 616 904	1 153 293
Ageing of past due but not impaired loans				
1 - 29 days	3 876 728	4 358 847	67 404	48 935
30 - 59 days	760 961	883 506	55 694	51 844
60 - 89 days	248 140	252 206	45 803	55 007
Total loans due but not impaired	4 885 829	5 494 560	168 900	155 785
Ageing of impaired loans				
90 - 119 days	128 756	163 173	44 184	39 551
120 - 149 days	82 975	97 378	29 340	27 812
150 - 179 days	60 187	87 878	25 866	43 130
180 + days	500 576	673 880	283 373	285 588
Economic doubtful*	501 893	167 930	200 511	101 261
Total impaired loans	1 274 387	1 190 238	583 274	497 341

* Economic doubtful are current not past due loans where there is a reasonable doubt of full repayment.

SCB portfolio consist 89% of Auto Finance and 11% Unsecured finance (credit card and consumer loan); where for auto finance the underlying assets serve as collateral.

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

NOTE 3 Net foreign currency position

	Balance		Net Position	
All amounts in thousands of NOK	Asset	Debt	in NOK	in currency
SEK	15 299 407	15 316 629	-17 222	-17 891
DKK	16 880 399	16 918 362	-37 963	-31 260
EUR	19 587 055	19 087 030	500 024	55 300
Total 2014	51 766 860	51 322 021	444 839	
Total 2013	31 058 269	30 704 819	353 449	

A 5,00 % increase in EUR fx rate will result in a Agio gain of NOK 25 001 in the P&L
A 5,00 % decrease in EUR fx rate will result in a Agio loss of NOK 25 001 in the P&L
A 5,00 % increase in SEK fx rate will result in a Agio loss of NOK 861 in the P&L
A 5,00 % decrease in SEK fx rate will result in a Agio gain of NOK 861 in the P&L
A 5,00 % increase in DKK fx rate will result in a Agio loss of NOK 1 898 in the P&L
A 5,00 % decrease in DKK fx rate will result in a Agio gain of NOK 1 898 in the P&L

NOTE 4 Liquidity risk/remaining term on balance sheet items

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

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

All amounts in thousands of NOK	=< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	>5 years	With no specific maturity	Total
Cash and receivables on central banks	56 463	-	-	-	-	-	56 463
Deposits with and receivables on financial institutions	1 788 869	769 121	2 453 121	956 349	-	-	5 967 460
Net loans to customers	3 470 868	5 921 746	25 573 235	42 906 967	3 832 208	-	81 705 023
Commercial papers, bonds and other fixed-income securities	-	498 850	1 543 894	-	-	-	2 042 744
Derivatives	105 119	202 349	757 090	1 199 209	-	-	2 263 768
Consignments	495 208	370 365	1 278 637	18 721	-	-	2 162 931
Other assets (mostly accounts receivables)	285 265	-	-	-	-	-	285 265
Operational lease	22 633	42 644	155 024	248 278	-	-	468 580
Non liquidity generating assets	-	-	-	-	-	1 299 376	1 299 376
Total assets	6 224 425	7 805 075	31 761 001	45 329 524	3 832 208	1 299 376	96 251 609
Loans and deposits from financial institutions	6 752 213	7 810 016	7 217 815	8 571 105	-	-	30 351 149
Deposits from and debt to customers repayable on notice	2 828 930	1 060 029	3 180 087	10 666 646	353 343	-	18 089 036
Bonds and other long term loan raising	1 338 487	2 576 274	10 984 460	17 348 727	-	-	32 247 948
Subordinated loan capital	32 480	-	-	470 605	104 578	2 250 000	2 857 663
Derivatives	46739	89949	336534	541156	-	-	1 014 378
Other debt (mostly accounts payable)	667 940	-	-	-	-	-	667 940
Non liquidity risk related debt						1 771 472	1 771 471
Equity						9 252 024	9 252 024
Total debt and equity	11 666 789	11 536 269	21 718 896	37 598 239	457 921	13 273 496	96 251 609
Net cash flow	-4 142 988	-3 731 194	10 042 106	7 731 285	3 374 287	-	-

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

NOTE 5 Interest rate risk and interest rate adjustments

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

SANTANDER CONSUMER BANK GROUP

All amounts in thousands of NOK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Cash and receivables on central banks	56 463	-	-	-	-	-	56 463
Deposits with and receivables on financial institutions	5 967 460	-	-	-	-	-	5 967 460
Net loans to costumers	31 006 179	33 900 462	7 320 549	9 116 975	316 782	44 076	81 705 023
Commercial papers, bonds and other fixed-income securities	-	498 850	1 543 894	-	-	-	2 042 744
Derivatives	1 132 236	1 124 965	-	6 566	-	-	2 263 768
Consignments	2 162 931	-	-	-	-	-	2 162 931
Other non interest bearing assets	-	-	-	-	-	2 053 220	2 053 219
Total assets	37 030 102	34 399 312	8 832 799	9 116 975	316 782	6 555 639	96 251 608
Debt to credit institutions	13 823 310	11 703 864	1 903 257	2 920 717	-	-	30 351 149
Deposits from and debt to customers repayable on notice	2 827 229	8 657 897	6 184 212	419 698	-	-	18 089 036
Bonds and other long term loan raising	10 618 223	11 914 957	2 570 574	7 144 194	-	-	32 247 948
Subordinated loans	80 000	180 000	315 183	-	-	-	575 183
Hybrid capital	2 282 480	-	-	-	-	-	2 282 480
Other non interest bearing debt	-	-	-	-	-	3 453 789	3 453 789
Equity	-	-	-	-	-	9 252 023	9 252 023
Total debt and equity	29 631 242	32 456 718	10 973 226	10 484 609	-	12 705 813	96 251 608
Net interest risk exposure	7 398 859	1 942 594	-2 140 428	-1 367 634	316 782		

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

SANTANDER CONSUMER BANK AS NORWAY - MM NOK

All amounts in millions of EUR	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Asset	7 293	33 216	4 026	22	-	731	45 287
Liabitity	11 841	18 327	3 877	150	-	11 092	45 287
Net balance	-4 548	14 889	148	-128	-	10 361	-
Repricing gap	-4 548	14 889	148	-128	-	10 361	-

A +1,00 % parallell increase in market rates will result in a 20,35 million NOK decrease in profit in Norway.

SANTANDER CONSUMER BANK AS NORWAY - MM EUR

All amounts in millions of EUR	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Asset	38	-	-	-	-	4	43
Liabitity	15	-	18	90	-	-80	43
Net balance	23	-	-18	-90	-	85	-
Repricing gap	23	-	-18	-90	-	85	-

A +1,00 % parallell increase in market rates will result in a 1,46 million EUR increase in profit in Norway.

SANTANDER CONSUMER BANK AS FINLAND - MM EUR

All amounts in millions of EUR	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Asset	533	115	416	674	-	6	1 745
Liability	414	213	382	561	-	176	1 745
Net balance	119	-98	34	114	-	-169	-
Repricing gap	119	-98	34	114	-	-169	-

A +1,00 % parallell increase in market rates will result in a 4,9 million EUR decrease in profit in Finland.

SANTANDER CONSUMER BANK AS SWEDEN - MM SEK

All amounts in millions of SEK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Asset	14 593	1 057	22	9	-	236	15 917
Liability	7 636	6 117	1 805	-	-	359	15 917
Net balance	6 957	-5 060	-1 783	9	-	-123	-
Repricing gap	6 957	-5 060	-1 783	9	-	-123	-

A +1,00 % parallell increase in market rates will result in a 16,68 million SEK increase in profit in Sweden.

SANTANDER CONSUMER BANK AS DENMARK - MM DKK

All amounts in millions of DKK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Asset	9 440	274	1 057	2 727	266	111	13 875
Liability	4 993	4 463	1 237	2 889	-	293	13 875
Net balance	4 447	-4 189	-181	-161	266	-182	-
Repricing gap	4 447	-4 189	-181	-161	266	-182	-

A +1,00 % parallell increase in market rates will result in a 20,12 million DKK decrease in profit in Denmark.

NOTE 6 Capital adequacy

BALANCE SHEET EQUITY

All amounts in thousands of NOK	31.12.14	31.12.13
Paid in equity	5 448 469	4 448 469
Share premium	891 314	891 314
Retained earnings	956 408	1 017 216
Other reserves	1 955 832	1 096 898
Total Equity	9 252 023	7 453 896

COMMON EQUITY TIER 1 CAPITAL

All amounts in thousands of NOK	31.12.14	31.12.13
Goodwill	-496 870	-421 600
Other intangible assets	-243 665	-352 445
Defferred tax assets	-210 572	-201 412
Total common Equity Tier 1 Capital	8 300 917	6 478 439

TIER 1 CAPITAL

All amounts in thousands of NOK	31.12.14	31.12.13
Paid in Tier 1 capital instruments	2 250 000	2 250 000
Total Tier 1 Capital	10 550 917	8 728 439

TOTAL CAPITAL

All amounts in thousands of NOK	31.12.14	31.12.13
Paid up subordinated loans	575 170	571 732
Subordinated loans not eligible	-234 000	-140 000
Total capital	10 892 087	9 160 170

RISK EXPOSURE

All amounts in thousands of NOK	31.12.14	31.12.13
Regional governments or local authorities	71 116	59 663
Institutions	1 659 640	1 286 002
Corporates	5 556 252	5 664 125
Retail	58 168 760	50 808 364
Exposures in default	686 137	1 647 290
Other Exposures	3 265 045	2 734 867
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	69 406 949	62 200 311
Foreign exchange	353 540	353 449
Risk exposure amount for position, foreign exchange and commodities risks	353 540	353 449
Basic indicator approach	6 084 906	5 334 296
Risk exposure amount for operational risk	6 084 906	5 334 296
Standardized method	289 340	-
Risk exposure amount for credit valuation adjustment	289 340	-
Allowance which apply on the standardized approach for credit risk	-	-1 061 253
Deductions of risk exposure amount	-	-1 061 253
Total risk exposure amount	76 134 735	66 826 803
Common equity tier 1 capital ratio	10,90%	9,69%
Tier 1 capital ratio	13,86%	13,06%
Total capital ratio	14,31%	13,71%

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

NOTE 7 Segment information

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

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

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

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

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

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

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

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

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All amounts in thousands of NOK	Norway	Sweden	Denmark	Finland	Eliminations*	Total Group
Net interest income	1 788 162	437 910	553 427	713 737		3 493 237
Net commission income and income from banking services	80 140	52 590	34 266	27 095	-	194 090
Value change and gain/loss on foreign exchange and securities	46 041	7 600	21 747	20 743	2 415	98 546
Oher operating income	386 090	7 944	-448	9 262	-365 984	36 864
Operating expenses, salaries, depreciation	-917 836	-226 160	-197 012	-311 461	-	-1 652 470
Losses on loans, guarantees etc.	-563 497	-72 680	-108 169	-105 113	-	-849 460
Operating result	819 100	207 204	303 811	354 263	-363 569	1 320 808
Total tax	-230 938	-43 169	-23 524	-66 768	-	-364 400
Profit after tax	588 162	164 034	280 286	287 495	-363 569	956 408
						-
Cash and receivables on central banks	56 463	-	-	-	-	56 463
Deposits with and loans to financial institutions	3 469 135	1 135 954	536 351	826 020	-	5 967 460
Net loans	39 614 185	13 384 643	15 873 772	12 832 423	-	81 705 023
Repossessed assets	5 372	-	-	7 573	-	12 945
Commercial papers and bonds	2 042 744	-	-	-	-	2 042 744
Financial derivatives	2 248 651	-	15 117	-	-	2 263 768
Shares, interests and primary capital certificates	1 173 851	-	-	-	-1 173 851	-
Other assets	4 225 965	800 770	448 378	2 107 887	-3 379 795	4 203 206
Total assets	52 836 365	15 321 367	16 873 618	15 773 903	-4 553 646	96 251 608
						-
Debt to credit institutions	8 950 823	5 188 414	11 326 392	8 591 061	-3 705 540	30 351 149
Deposits from customers	9 903 456	4 963 662	3 221 918	-	-	18 089 036
Financial derivatives	998 622	-	15 756	-	-	1 014 378
Debt issued by securities	19 890 761	4 823 957	1 941 828	5 591 401	-	32 247 948
Other liabilities	4 528 376	340 595	322 880	144 317	-39 093	5 297 075
Allocated capital	8 564 327	4 739	44 845	1 447 123	-809 012	9 252 022
Total liabilities and equity	52 836 365	15 321 367	16 873 618	15 773 903	-4 553 645	96 251 608

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

31 DECEMBER 2013

All amounts in thousands of NOK	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Net interest income	1 628 560	345 716	423 511	626 248	-710	3 023 326
Net commission income and income from banking services	73 598	44 331	30 087	35 725	-	183 742
Value change and gain/loss on foreign exchange and securities	-29 857	5 012	14 014	-24	-463	-11 317
Oher operating income	18 961	8 007	1 751	10 472	-	39 191
Operating expenses, salaries, depreciation	-670 602	-192 385	-145 206	-320 780	-	-1 328 972
Losses on loans, guarantees etc.	-303 262	-67 991	-88 903	-53 312	-	-513 469
Operating result	717 399	142 690	235 255	298 329	-1 173	1 392 500
Total tax	257 770	32 042	-	86 646	-	376 458
Profit after tax	459 629	110 649	235 255	211 683	-1 173	1 016 042
						-
Cash and receivables on central banks	995 650	-	-	-		995 650
Deposits with and loans to financial institutions	2 863 836	970 964	543 144	530 882	-	4 908 825
Net loans	36 427 758	12 028 460	12 021 201	10 260 346	-	70 737 764
Commercial papers and bonds	-	-	-	-	-	-
Financial derivatives	845 759	-	11 209	5 183	-	862 151
Shares, interests and primary capital certificates	1 085 701	-	-	-	-1 085 701	-
Other assets	451 105	673 655	326 853	1 943 012	315 699	3 710 324
Total assets	42 669 810	13 673 079	12 902 407	12 739 422	-770 003	81 214 715
						-
Debt to credit institutions	11 710 177	6 497 552	9 104 144	7 140 451	8 354	34 460 678
Deposits from customers	6 822 170	2 393 872	-	-		9 216 043
Financial derivatives	282 608	-	12 451	5 936		300 995
Debt issued by securities	13 036 902	4 478 977	3 476 112	3 714 521		24 706 513
Other liabilities	4 233 901	249 725	187 331	430 095	-24 462	5 076 590
Allocated capital	6 584 050	52 952	122 369	1 448 419	-753 894	7 453 896
Total liabilities and equity	42 669 810	13 673 079	12 902 407	12 739 422	-770 003	81 214 715

NOTE 8 Losses and write-downs

SPECIFIC - AND GENERIC WRITE-DOWNS:

All amounts in thousands of NOK	31.12.2014	31.12.2013 (adjusted)	31.12.2013 (as presented in 2013)
Individual write-downs 01.01.	92 045	110 802	110 802
+/- Rate adjustment opening balance	7 782	12 611	12 611
Specific - and generic write-downs	467 333	291 357	-32 634
+ Individual write-downs for the period	21 091	1 266	1 266
= Specific write-downs 31.12	588 251	416 035	92 045

GROUP WRITE-DOWNS:

All amounts in thousands of NOK	31.12.2014	31.12.2013 (adjusted)	31.12.2013 (as presented in 2013)
Group write-downs 01.01	1 061 253	912 642	912 642
+/- Rate adjustment opening balance	35 757	45 182	45 182
Reclassification between specific and generic write down	-467 333	-291 357	32 634
+/- Write-downs for the year	398 976	70 795	70 795
= Generic write-downs 31.12	1 028 653	737 262	1 061 253
Total Write down 31.12.2014	1 616 904	1 153 298	1 153 298

LOAN LOSSES EXPENSES:

All amounts in thousands of NOK	2014	2013 (adjusted)	2013 (as presented in 2013)
Change in write down 2014	463 606	129 854	129 854
+/- Fx rate adjustment opening balance	-43 539	-57 793	-57 793
+ Total recognized losses	617 492	607 695	607 695
- Recoveries on recognized losses	-188 100	-166 287	-166 287
= Loan losses	849 460	513 469	513 469

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

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

In 2014 SBC Group has changed the presentation in the Balance sheet to include all non-performing loans (NPL) in the term "Specific write down". The previous term "Individual write downs" included only individually assessed NPLs. The collectively assessed NPLs that previously was presented as "Group wise write downs", are therefor not included in the term "Generic write down". Other than that the term "Generic write down" are the same as the previous "Group wise write downs"

NOTE 9 Loans and losses by main sectors

All amounts in thousands of NOK	Loans 31.12.14	Write-down 31.12.14	Loans 31.12.13	Write-down 31.12.13
Private individuals	68 461 894	-480 062	54 703 932	-77 495
Retail	5 248 109	-49 808	4 524 609	-4 100
Building and construction	2 069 355	-9 419	2 990 771	-3 868
Transportation	1 868 451	-14 749	2 598 896	-1 921
Industry	560 991	-2 044	933 164	-637
Public sector	343 334	-996	486 774	-29
Proprietary management	318 834	-1 879	375 495	-218
Agriculture and forestry	197 437	-1 612	597 947	-116
Various	4 253 522	-27 681	4 679 473	-3 661
Sum	83 321 927	-588 251	71 891 063	-92 045

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

NOTE 10 Classification of financial instruments

CLASSIFICATION OF FINANCIAL ASSETS 31 DECEMBER 2014

All amounts in thousands of NOK	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Cash and receivables on central banks	-	-	-	56 463	56 463
Ownership interest in credit institutions	1 173 851	-	-	-	1 173 851
Deposits with Norwegian financial institutions	-	-		5 967 460	5 967 460
Net loans to costumers	-	-	-	81 705 023	81 705 023
Commercial papers and bonds	-	2 042 744	-	-	2 042 744
Financial derivatives	2 263 768	-	-	-	2 263 768
Total financial assets	2 263 768	-	-	87 728 946	92 035 458
Non financial assets					4 216 150
Total assets					96 251 608

CLASSIFICATION OF FINANCIAL LIABILITIES 31 DECEMBER 2014

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

CLASSIFICATION OF FINANCIAL ASSETS 31 DECEMBER 2013

All amounts in thousands of NOK	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Deposits with Norwegian financial institutions	-	-	-	4 908 825	4 908 825
Net loans to costumers	-	-	-	70 737 764	70 737 764
Commercial papers and bonds	-	-	995 650	-	995 650
Financial derivatives	862 151	-	-	-	862 151
Total financial assets	862 151	-	995 650	75 646 590	77 504 391
Non financial assets					3 710 324
Total assets					81 214 715

CLASSIFICATION OF FINANCIAL LIABILITIES 31 DECEMBER 2013

All amounts in thousands of NOK	Financial liabilities at fair value through P&L	Available for sale financial assets at fair value	Booked value
Loans and deposits from credit institutions	-	34 460 678	34 460 678
Deposits from and debt to customers repayable on notice	-	9 216 043	9 216 043
Financial derivatives	300 995	-	300 995
Certificates and other short term loan raising	-	-	-
Bonds and other long term loan raising	-	24 706 513	24 706 513
Other subordinated loan capital	-	2 857 352	2 857 352
Total financial liabilities	300 995	71 240 586	71 541 581
Non financial liabilities and equity			9 673 134
Total liabilities			81 214 715

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

NOTE 11 Issued securities

All amounts in thousands of NOK	2014	2013
Issued bonds	32 247 948	24 706 513
Total liability issued securities	32 247 948	24 706 513

CHANGES IN LIABILITY ISSUED SECURITIES

All amounts in thousands of NOK	Book value 31.12.13	New issues/ repurchase	Amortization	Book value 31.12.14
Issued bonds	24 706 513	18 524 208	-10 982 774	32 247 948
Total liability issued securities	24 706 513	18 524 208	-7 598 362	32 247 948

SPECIFICATION OF ISSUED SECURITIES - BONDS

All amounts in thousands of NOK

Bonds	Issuer	Net nominal value	Currency	Interest	Call date	Book value 31.12.14
Senior unsecured issued securities						
Santander Consumer Bank AS		1 475 000	NOK	Floating	18.11.2015	1 475 000
Santander Consumer Bank AS		1 405 000	NOK	Floating	18.11.2016	1 405 000
Santander Consumer Bank AS		500 000	EUR	Floating	10.06.2016	4 519 366
Asset backed issued securities						
Bilkreditt 3 ltd.		670 000	EUR	Floating	25.04.27	1 369 511
Bilkreditt 3 ltd.		1 096 100	NOK	Floating	25.04.27	687 223
Bilkreditt 3 ltd.		1 061 345	NOK	Floating	25.04.27	1 061 345
Bilkreditt 4 ltd.		357 013	EUR	Floating	26.12.27	1 939 577
Bilkreditt 4 ltd.		250 000	NOK	Floating	26.12.27	250 000
Bilkreditt 4 ltd.		281 967	NOK	Floating	26.12.27	281 967
Bilkreditt 5 ltd.		494 000	EUR	Floating	25.03.28	2 727 378
Bilkreditt 5 ltd.		381 900	NOK	Floating	25.03.28	381 900
Bilkreditt 5 ltd.		281 628	NOK	Floating	25.03.28	281 628
Bilkreditt 6 ltd.		715 000	EUR	Floating	25.07.29	5 768 539
Bilkreditt 6 ltd.		555 000	NOK	Floating	25.07.29	555 000
Bilkreditt 6 ltd.		353 243	NOK	Floating	25.07.29	353 243
Svensk Autofinans 1		3 963 045	SEK	Floating	30.08.29	535 842
Svensk Autofinans 1		592 178	SEK	Floating	30.08.29	570 049
SAF WH 1 ltd.		3 024 379	SEK	Floating	09.06.29	4 288 274
SAF WH 1 ltd.		354 815	SEK	Floating	09.06.29	503 094
Dansk Auto Finansiering 1 ltd.		3 100 350	DKK	Floating	25.03.29	1 941 760
Dansk Auto Finansiering 1 ltd. B1		1 459 310	DKK	Floating	25.03.29	1 772 270
Dansk Auto Finansiering 1 ltd. B2		299 000	DKK	Floating	25.03.29	363 123
Rahoituspalvelut ltd.		442 800	EUR	Floating	25.01.20	3 690 018
Rahoituspalvelut ltd.		43 500	EUR	Floating	25.01.20	393 327
Rahoituspalvelut ltd.		6 700	EUR	Floating	25.09.23	60 581
Rahoituspalvelut ltd.		7 200	EUR	Floating	25.09.23	65 102
Rahoituspalvelut ltd.		8 200	EUR	Floating	25.09.23	74 144
Rahoituspalvelut ltd.		9 300	EUR	Floating	25.09.23	84 091
Rahoituspalvelut 2013 ltd.		439 000	EUR	Fixed	25.05.21	1 508 056
Rahoituspalvelut 2013 ltd.		48 800	EUR	Fixed	25.05.21	441 250
Rahoituspalvelut 2013 ltd.		25 555	EUR	Fixed	25.05.21	231 068
Totals issued bonds						39 578 728
Repurchase						
Repurchased own issued bonds						7 330 780
Total issued securities						32 247 948

NOTE 12 Valuation Hierarchy

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

All amounts in thousands of NOK		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial assets					
Name:	**Type:**				
Bilkreditt 3	Front swap BK3		251 309		251 309
Bilkreditt 4	Front swap BK4		221 656		221 656
Bilkreditt 4	Fixed amort.profile BK4		218 615		218 615
Bilkreditt 5	Front swap BK5		215 500		215 500
Bilkreditt 5	Fixed amort.profile BK5		210 039		210 039
Bilkreditt 6	Front swap BK6		559 808		559 808
Bilkreditt 6	Fixed amort.profile BK6		565 157		565 157
TIVOLI	Basis swap (Back)		15 106		15 106
EMTN Bond	DKK fixed to float		6 562		6 562
Total financial derivatieves			2 263 752		2 263 752
Government bonds	bonds	2 042 744			2 042 744
Total commercial papers and bonds		2 042 744			2 042 744
Total		2 042 744	2 263 752		4 306 496
Financial liabilities					
Name:	**Type:**				
Bilkreditt 4	Pass-through swap BK4		221 656		221 656
Bilkreditt 5	Pass-through swap BK5		215 500		215 500
Bilkreditt 6	Pass-through swap BK6		559 808		559 808
TIVOLI	Basis swap (Front)		15 744		15 744
EMTN Bond	DKK fixed to fixed		1 657		1 657
Total financial derivatives			1 014 366		1 014 366
Total			1 014 366		1 014 366

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

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

Level 2:
Instruments at this level is not considered to have an active market. Fair value obtained from observable market data; this includes mainly prices based on identical instruments, but where the instrument is not sufficiently high trading frequency, as well as prices based on corresponding assets and price leading indicators that can be confirmed from market information. Examples of instruments at Level 2 are securities priced out of interest rate paths.
The fair value at level 2 is calculated by discounting future cash flows. The cash flows are mainly known due to contractual conditions, in addition to a marked regulated interest rate element. (e.g. EURIBOR)

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

NOTE 13 Securitization

The Group issues bonds with security in the auto loan portfolio. All securitized assets are transferred to related parties, as all the SPV's buying the assets are consolidated into the group accounts. There are no transfers of securitized assets to unrelated parties.

NOTE 14 Interest Expenses

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

TO CREDIT INSTITUTIONS

All amounts in thousands of NOK	2014	2013
Interest expenses	614 818	960 218
Average loan	32 405 914	41 325 987
Average nominal interest rate	1,90%	2,30%

TO CUSTOMERS

All amounts in thousands of NOK	2014	2013
Interest expenses	382 732	128 646
Average deposit	13 652 540	3 785 999
Average nominal interest rate	2,80%	3,35%

TO BONDHOLDERS

All amounts in thousands of NOK	2014	2013
Interest expenses	422 574	324 093
Average issued notes and bonds	28 477 231	9 486 576
Average nominal interest rate	1,48%	3,42%

SUBORDINATED LOAN CAPITAL

All amounts in thousands of NOK	2014	2013
Subordinated loan capital	215 562	75 313
Average issued notes and bonds	2 857 663	998 410
Average nominal interest rate	7,54%	7,54%

TOTAL

All amounts in thousands of NOK	2014	2013
Interest expenses	1 635 686	1 488 270
Loan	77 393 347	55 596 972
Average nominal interest rate	2,11%	2,68%

NOTE 15 Tax

All amounts in thousands of NOK	2014	2013
Tax payable	272 757	327 191
Adjustments in respect of prior years	-	2 159
Total current tax	272 757	329 350
Change in temporary differences	66 688	64 803
Impact of change in the Norwegian tax rate	-	-17 353
Currency effects	-12 035	-
Adjustments in respect of prior years **	36 990	-343
Total change in deferred tax	91 643	47 108
Income tax expense	364 400	376 458

All amounts in thousands of NOK	2014	2013
Profit before tax	1 320 807	1 393 673
Estimated income tax at nominal tax rate 27%	333 946	390 228
Tax effects of:		
- Income not subject to tax*	-	-7
- Non deductible expenses	5 499	2 614
- Remeasurement of deferred tax due to change in Norwegian tax rate	-	-18 194
Adjustments in respect of prior years **	36 990	2159
Currency effects	-12 035)	-343
Tax charge	364 400	376 458

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

All amounts in thousands of NOK	Before tax	Tax (charge) /credit	After tax
Actuarial assumption related to pension	-126 581	-34 177	-92 404
Cash flow hedges	-113 291	-30 589	-82 702
Net investment Hedge	-112 533	-30 384	-82 149
Value change investment in government bonds	-18 305	-4 942	-13 363
Currency translation differences	153 885	41 549	112 336
Other comprehensive income	-216 824	-58 542	-158 282
Tax payable	-	-6 721	-
Deferred tax	-	-51 821	-
Tax in OCI	-	-58 542	-

All amounts in thousands of NOK	2014	2013
Net deferred taxes at 1 January	267 112	283 986
Changes recognized in income statement	66 688	16 601
Changes recognized in OCI	-51 821	-33 475
Adjustments in respect of prior years **	36 990	-
Deferred tax assets/deferred taxes at 31 December	318 968	267 112

All amounts in thousands of NOK	2014	2013
Fixed assets	2 236 676	1 950 489
Net pension commitments	-346 364	-223 071
Financial instruments	-244 128	-
Net other taxable temporary differences	-801 781	-601 006
Net translation differences	178 778	-
OCI - pensions	-	-136 512
Total deferred tax assets	1 023 181	989 900
Fixed assets	603 902	526 632
Net pension commitments	-93 518	-60 229
Financial instruments	-65 915	-
Net other taxable temporary differences	-173 772	-162 272
Net translation differences	48 270	-
OCI - pensions	-	-37 019
Total deferred taxes	318 968	267 112

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

Tax effect of different tax rates in other countries
The Group has operations in a number of countries whose tax rates are different from that in Norway (27 per cent).

Change in tax rate
Relevant deferred tax balances have been re-measured as a result of the change in Norwegian tax rate from 28 % to 27 % and Danish tax rate from 25% to 24,5% that was substantively enacted in 2013 and that will be effective from 1 January 2014, the relevant deferred tax balances have been re-measured. For Finland the deferred tax balance have been re-measured as a result of change in the Finnish tax-rate from 24,5% to 20% effective from 1 January 2014. Further reductions to the Danish tax rate have been announced. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1 % per annum to 23,5% by 2015 with a further reduction by 1,5% to 22% in 2016.

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

NOTE 16 Fixed assets, intangible assets and lease financing

All amounts in thousands of NOK	Machines, fittings, own vehicles	Intangible assets	Leasing portfolio (financial and operational)	Total	Goodwill
Acquisition cost 1.1	79 637	589 287	17 884 801	18 553 725	421 600
Rate difference opening balance	2 362	3 557	192 660	198 579	75 270
Acquisition cost 1.1 rate 31.12	81 999	592 844	18 077 461	18 752 303	496 870
Additions during the year	24 068	75 062	7 601 032	7 700 162	-
Disposals during the year	-12 904	-	-5 767 214	-5 780 118	-
Impairment	-	-346 608	-	-346 608	
Acquisition cost 31.12	93 163	321 297	19 911 279	20 325 739	496 870
Acc. ordinary depreciation 1.1	-44 306	-235 211	-8 177 518	-8 457 036	-
Rate difference 01.01	-858	-1 281	-77 066	-79 205	-
Acc. ordinary depreciation 1.1 rate 31.12	-45 164	-236 492	-8 254 584	-8 536 241	-
Year's ordinary depreciation	-16 180	-56 579	-2 654 768	-2 727 527	-
Impairment	-	215 439	-	215 439	-
Rate difference year's depreciation average rate	-	-	-	-	-
Reversed depreciation on disposals	8 061	-	2 141 535	2 149 596	-
Acc. depreciation 31.12	-53 283	-77 632	-8 767 817	-8 898 732	-
Accrued fees and provisions			2 269 240	2 269 240	-
Book value in the balance sheet 31.12	39 880	243 665	13 412 702	13 696 247	496 870
Method on measurement	Acquisition cost	Acquisition cost	Acquisition cost		Acquisition cost
Depreciation method	Linear	Linear	Linear		-
Plan of depreciation and useful life	3 – 10 years	3 – 7 years	1 month – 10 years		-
Average useful life	5 years	5 years	3 years		-

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

NOTE 17 Financial lease

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

PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS RECEIVABLE

All amounts in thousands of NOK	2014	2013
Due in less than 1 year	4 920 337	4 191 454
Due in 1 - 5 years	8 364 737	7 418 309
Due later than 5 years	127 627	116 713
Total present value of future minimum lease payments receivable	13 412 702	11 726 477

NOTE 18 Repossessed assets

All amounts in thousands of NOK	31.12.14	31.12.13
Car Leasing	12 945	18 339
Net	12 945	18 339

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

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

NOTE 19 Pension expenses and provisions

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

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

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

Denmark and Finland has defined contribution plans.

PENSION EXPENSES FOR DEFINED BENEFIT PLANS

All amounts in thousands of NOK	2014	2013
Present value of year's pension earnings	21 957	16 773
Interest cost on accrued liability	16 893	10 422
Interest income on plan assets	-9 863	-6 946
Allowance for taxes	4 404	4 203
Net Pension expenses	33 392	24 453
Pension expenses for defined contribution plans		
Total expenses	53 151	20 562
Pension liabilities in balance sheet	**31.12.14**	**31.12.13**
Pension funds at market value	272 443	247 139
Estimated pension liability	-618 805	-470 211
Net pension liability	-346 362	-223 071

The movement in the defined benefit obligation over the year is as follows

All amounts in thousands of NOK	Present value of obligation	Fair value of plan assets	Net pension liability
At 1 January 2013	-294 940	187 705	-107 235
Current service cost	-36 705	-	-36 705
Interest expense / Income	-10 422	6 945	-3 477
	-47 128	6 945	-40 183
Remeasurements:			
- Return on plan assets	-	39 631	39 631
- Loss from change in demographic assumptions	-71 937	-	-71 937
- Loss from change in financial assumptions	-21 130	-	-21 130
- Loss from plan experience	-46 982	-	-46 982
	-140 048	39 631	-100 418
Exchange rate differences			
Contributions:			
- Employer	4 338	24 630	28 968
Payments from plans:			
- Benefit payments	11 771	-11 771	-
Others	-4 203	-	-4 203
	11 906	12 859	24 765
At 31 December 2013	-470 210	247 139	-223 071

The movement in the defined benefit obligation over the year is as follows:

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

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

		2014			2014	
All amounts in thousands of NOK	Norway	Sweden	Total	Norway	Sweden	Total
Present value of obligation	-510 324	-108 481	-618 805	-410 839	-59 370	-470 210
Fair value of plan assets	219 827	52 616	272 443	207 701	39 438	247 139
Total	-290 497	-55 865	-346 362	-203 138	-19 932	-223 071

The following assumptions have been used calculating future pensions:

	31.12.14		31.12.13	
All amounts in thousands of NOK	Norway	Sweden	Norway	Sweden
Discount rate	2,30%	2,50%	3,90%	3,75%
Inflation	N/A	2,00%	N/A	2,00%
Salary growth rate	2,75%	3,50%	3,75%	4,00%
Pension growth rate	2,35%	2,00%	3,37%	2,00%
Rate of social security increases	2,50%	3,00%	3,50%	3,00%

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

	31.12.14		31.12.13	
All amounts in thousands of NOK	Norway	Sweden	Norway	Sweden
Retiring at the end of the reporting period:				
- Male	21,8	21,1	21,7	19,7
- Female	25,0	23,6	24,9	22,8
Retiring 20 years after the end of the reporting period:				
- Male	23,7	23,1	23,7	21,7
- Female	27,1	25,5	27,0	24,2

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

IMPACT ON DEFINED BENEFIT OBLIGATION - NORWAY

All amounts in thousands of NOK	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 20,52%	Increase by 27,75%
Salary growth rate	1,00%	Increase by 12,51%	Decrease by 10,19%

IMPACT ON DEFINED BENEFIT OBLIGATION - SWEDEN

All amounts in thousands of NOK	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 24,50%	Increase by 33,75%
Salary growth rate	1,00%	Increase by 13,91%	Decrease by 12,86%

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

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

The group's expected contributions for defined benefit plans, including pension payments paid directly by the company and pension related taxes, for the next financial year amount to 33 319 TNOK.

The weighted average duration of the defined benefit obligation is 23.6 years in Norway and 29.0 years in Sweden.

Expected maturity analysis of undiscounted pension benefit payments:

	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
At 31 December 2014					
Pension benefit payments	17 032	17 098	54 569	106 057	194 756

NOTE 20 Information on related parties

Remuneration

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

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

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

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

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

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

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

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

Granted options are not part of the corporate plan.

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

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

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

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

The pension is normally paid from the age of 65.

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

The compensation paid or payable to key management for employee services is shown below:

KEY MANAGEMENT COMPENSATION

All amounts in thousands of NOK	Salary	Bonus	Pension	Share based payments	Other benefits	Total 2014	Total 2013
Chief Executive Officer	**2 566**	**121**	**116**	150	409	3 362	3 389
*The current CEO, Michael Hvidsten, since March 28 2012.							

OTHER KEY MANAGEMENT

All amounts in thousands of NOK	2014	2013
Salary	11 763	13 351
Bonus	1 338	519
Shares	1 338	-
Pension	1 044	6 956
Other benefits	3 494	2 976
Total	18 977	23 801

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

BONUS SHARES (PART OF CBS PROGRAM)

All amounts in thousands of NOK	CEO	Other key management	Total
Number of shares earned in 2014	9 834	25 914	35 748
Number of the shares earned in 2014 issued in 2014	-	-	-
Number of shares issued in 2014 based on deferrals from 2012 till today	2 992	13 130	16 122
Total Number of shares earned, but not issued per 31.12.2014	14 581	51 075	65 656

DEFINED SHARE VALUE

All amounts in thousands of NOK	2014	2013	2012
Share value - Banco Santander (EUR)	6,19	6,68	6,43
Share value - Banco Santander (NOK)	56	56	47

VALUE OF OUTSTANDING SHARES 31.12.2014

All amounts in thousands of NOK	CEO	Other key management	Total
Value of the shares earned, but not issued per 31.12.2014	815 571	2 856 819	3 672 390

The valuation of shares are decided on a corporate level. The number of shares that potentially may be delivered to each beneficiary in accordance with the plan (the "Approved Number of Shares") is to be calculated by dividing the Approved Amount of the bonus (Long Term Incentive) of the Beneficiary by the weighted average per daily volume of the average weighted price of the Santander shares over the fifteen trading days immediately prior to 16 January, 2015 ("2015 Listing Price"), the date on which the board of directors approved the 2014 bonuses for the executive directors. For the Agreed Amount of the Long Term Incentive not denominated in euros, the said amount will be converted into euros, according to the average 2014 annual exchange rate as provided by the Group's General Intervention and Management Control Division; then, the Approved Number of Shares will be calculated for the corresponding beneficiaries.

BOARD OF DIRECTORS

All amounts in NOK		2014	2013
Erik Kongelf	Chairman	-	-
Bruno Montalvo Wilmot	Deputy Chairman	-	-
Javier Anton San Pablo	Member	-	-
Manuel Mendez	Member	-	-
Maria Del Rosario Vacas Roldan	Member	-	-
Bjørn Elvestad	Member	200 000	200 000
Henning Strøm	Member	200 000	100 000
Vibeke Hamre Krey	Employee representative	200 000	200 000
Stine Camilla Rygh	Deputy Employee representative	100 000	100 000

SUPERVISORY BOARD

All amounts in NOK		2014	2013
Total	Chairman	70 000	70 000

CONTROL COMMITTEE

All amounts in NOK		2014	2013
Finn Myhre	Chairman	-	-
Egil Dalviken	Deputy Chairman	20 000	20 000
Tone Bjørnhov	Member	20 000	20 000
Terje Sommer	Deputy Member	-	-
Total		40 000	40 000

STAFF

All amounts in NOK	Norway 2014	Abroad 2014	Norway 2013	Abroad 2013
Number of employees as of 31.12	364	301	340	304
FTE year as of 31.12	339	279	322	284

AUDIT SERVICES AND ADVISORY SERVICES (WITHOUT VAT)

All amounts in thousands of NOK	2014	2013
Audit services	4 490	1 477
Other certification services	459	48
Tax advice	313	217
Other non-audit services	52	420
Total	5 313	2 163

NOTE 21 Ownership interests in group companies

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

To reduce the risk related to changes in foreign exchange values it is established a net investment hedge loan of MEUR 123. The ownership in Santander Consumer Finance OY is booked at historical cost adjusted for the effect of the hedge, according to IAS 39. Se note 25 for further details.

NOTE 22 Hedging

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

NET INVESTMENT HEDGE

	2014		2013	
All amounts in thousands of NOK	Book value 31.12	Amount recognized in P&L	Book value 31.12	Amount recognized in P&L
Hedging instrument (EUR-loan)	1 112 116	-112 532	1 112 116	-112 532
Fx effect on equity in Finland	-	99 194	-	99 194
Net exposure over P&L	-	-13 338	-	-13 338

The Group has Cashflow hedges on one bond issue in EUR, and Cash flow hedge on the issued bonds in the SPV's.

CASH FLOW HEDGE

	2014		2013	
All amounts in thousands of NOK	Book value 31.12	Amount recognized in OCL	Book value 31.12	Amount recognized in OCL
Hedge instrument (Bond)	-1 657	564	-	-
Hedge instruments (SPV)	1 248 274	-23 469	506 456	808
Net exposure over OCI	-	-22 905	-	808

NOTE 23 Receivables and liabilities to related parties

DEBT TO RELATED PARTIES

All amounts in thousands of NOK	31.12.14	Accrued Interest 31.12.2014	31.12.13	Accrued Interest 31.12.2014
Balance sheet line: "Loans and deposits from credit institutions with an agreed term"				
Santander Benelux	21 633 569	-	31 856 960	862 985
Santander Consumer Finance S.A.	7 380 931	-	8 057 088	218 261
Total	29 014 500	-	39 914 048	1 081 246
Balance sheet line: "Subordinated loan capital" - Bonds				
MNOK 180, maturity September 2016, 3 months NIBOR +0.55% (Banco Santander S.A)	180 000	460	180 000	471
MNOK 80, maturity October 2017, 3 months NIBOR +1.00% (Santander Consumer Finance S.A)	80 000	41	80 000	44
MNOK 210, maturity June 2019, 6 months NIBOR +3.43% (Santander Benelux)	210 000	104	210 000	60
MEUR 13 maturity December 2020 12 months EURIBOR +3,20% (Santander Consumer Finance S.A)	117 546	23	108 719	23
Hybrid capital - perpetual bond, 3M NIBOR + 6,50% (Santander Consumer Finance S.A)	2 250 000	32 480	2 250 000	32 680
Total	2 837 546	32 648	2 828 719	32 807

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

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

NOTE 24 Transaction with related parties

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

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

The following transactions were carried out with related parties:

All amounts in thousands of NOK	2014	2013
Interest income	306 501	767 759
Interest expenses	-1 004 749	-1 843 280
Fees	2 806	-866
Net transactions	-695 442	-1 076 387

Santander Consumer Bank AS has had transactions with the following related parties in 2014:
- Banco Santander S.A
- Santander Benelux B.V.
- Santander Consumer Finance S.A.
- Santander Insurance Europe Ltd.
- Santander Insurance Services Ireland Ltd.

NOTE 25 Guarantee liabilities

Santander Consumer Bank has as at 31.12.2014 a guarantee liability of 120,9 MNOK (31.12.13: 123,7 MNOK). This is mainly payment guarantees issued to customers.

NOTE 26 Result over total assets

All amounts in thousands of NOK	2014	2013
Profit after tax (PAT)	956 408	1 016 043
Total assets (Assets)	96 251 608	81 214 715
PAT over Assets	0,99%	1,25%

NOTE 27 Specification of certain balance sheet items

OTHER ASSETS

All amounts in thousands of NOK	2014	2013
Account receivables	284 624	282 279
Guarantees	625	566
Intercompany receivables	16	-
Total other assets	285 265	282 845

OTHER DEBT

All amounts in thousands of NOK	2014	2013
Accounts payable	486 955	386 554
Tax payable	173 873	214 370
Withholding tax	59 879	20 480
VAT payable	-52 767	724
Total other debt	667 940	622 128

NOTES

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NOTES - SANTANDER CONSUMER BANK AS

NOTE 1 Risk Management

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

Credit risk/counterparty risk

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

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

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

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The group's strategy is to avoid taking on market risk in excess of what follows directly from the operation of the bank. Market risk comprises three types of risk; interest rate risk, currency risk, and other price risk.

Interest rate risk

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

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

Currency risk

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

The Group strives for a composition of the balance sheet that minimizes currency risk by ensuring that assets, liabilities and incoming and outgoing cash flows are, to a large extent, denominated in the same currency. Practical considerations and requirements laid down by the parent company will play a central role in connection with the management of currency risk.
For Santander Consumer Bank currency risk is connected to currency positions as a result of operations in Sweden, Finland, and Denmark. Treasury policy limits possible exposure for each currency and the same limit applies to the total net currency position. Treasury policy further specifies that currency risk should be minimized as far as possible through asset and debt items being in the same currency.

Routines which ensure that the bank's currency exposure is continuously monitored and controlled are in place. Treasury policy limits possible exposure in currencies upwards to NOK 100 million for each currency and a NOK 200 million limit applies to the total net currency position.

Other price risk

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

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

Liquidity risk

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

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

Operational risk

The Group defines operational risk as "the risk of loss resulting from inadequate or failed internal processes, human resources or systems or from external events". Unlike other risks, this is generally a risk that is not associated with products or businesses, but is found in processes and/or assets and is generated internally (people, systems, processes) or as a result of external risks, such as natural disasters. The aim pursued by the Group in operational risk control and management is primarily to identify, measure/assess, control/mitigate and report on this risk.

The Group's priority is to identify and eliminate any clusters of operational risk, irrespective of whether losses have been incurred. Measurement of this risk also contributes to the establishment of priorities in operational risk management. For the purpose of calculating regulatory capital for operational risk, the basis method is used. In the group's risk assessments, no areas of operational risk have been identified that involve a loss potential in excess of that covered under Pillar 1. The company's review of the risk situation is timed so that it can coincide as far as possible with the company's plan and budget processes, so that any conclusions and risk-reducing measures can be taken into consideration in the company's plans. The company has satisfactory monitoring and follow-up of operational risks. The bank has securitized a significant part of its Norwegian, Swedish, Danish and Finnish car loan portfolios. The securitization has not and will not affect front or back systems in any significant way. All systems remain the same but there are some additional information extracted for management and reporting purposes. The quality of the institution's risk management process is otherwise considered to be good.

NOTE 2 Risk classification

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

	Balance		Write Downs	
All amounts in thousands of NOK	**31.12.14**	**31.12.13**	**31.12.14**	**31.12.13**
Current - not past due date	65 220 780	56 147 250	609 194	305 333
Current - past due date	3 713 251	4 066 760	114 761	116 272
Total impaired loans	1 140 156	1 063 538	510 323	421 064
Total loans	70 074 187	61 277 547	1 234 278	842 670
Ageing of past due but not impaired loans				
1 - 29 days	65 220 780	56 147 250	609 194	305 333
30 - 59 days	3 713 251	4 066 760	114 761	116 272
60 - 89 days	1 140 156	1 063 538	510 323	421 064
Total loans due but not impaired	70 074 187	61 277 547	1 234 278	842 670
Ageing of impaired loans				
90 - 119 days	90 674	129 577	24 527	22 236
120 - 149 days	67 818	87 271	21 310	17 945
150 - 179 days	48 044	76 863	19 567	37 494
180 + days	499 775	672 955	282 738	285 426
Economic doubtful*	433 845	96 871	162 181	57 964
Total impaired loans	1 140 156	1 063 538	510 323	421 064

* Economic doubtful are current not past due loans where there is a reasonable doubt of full repayment

SCB portfolio consist 90% of Auto Finance and 10% Unsecured finance (credit card and consumer loan); where for auto finance the underlying assets serve as collateral.

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

NOTE 3 Net foreign currency position

	Balance		Net Position	
All amounts in thousands of NOK	Asset	Debt	in NOK	in currency
SEK	8 961 644	8 978 866	-17 222	-17 891
DKK	12 396 173	12 336 935	59 238	48 778
EUR	4 901 991	4 819 386	82 605	9 136
Total 2014	26 259 809	26 135 187	124 622	
Total 2013	19 283 629	19 292 898	-9 269	

A 5,00 % increase in EUR fx rate will result in a Agio gain of NOK 4 130 in the P&L
A 5,00 % decrease in EUR fx rate will result in a Agio loss of NOK 4 130 in the P&L
A 5,00 % increase in SEK fx rate will result in a Agio loss of NOK 861 in the P&L
A 5,00 % decrease in SEK fx rate will result in a Agio gain of NOK 861 in the P&L
A 5,00 % increase in DKK fx rate will result in a Agio gain of NOK 2 962 in the P&L
A 5,00 % decrease in DKK fx rate will result in a Agio loss of NOK 2 962 in the P&L

NOTE 4 Liquidity risk/remaining term on balance sheet items

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

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

All amounts in thousands of NOK	=< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	>5 years	With no specific maturity	Total
Cash and receivables on central banks	56 463	-	-	-	-	-	56 463
Deposits with and receivables on financial institutions	2 920 380	-	-	-	-	-	2 920 380
Net loans to customers	2 322 563	4 593 825	21 682 115	36 752 982	3 488 424	-	68 839 909
Commercial papers, bonds and other fixed-income securities	-	498 850	1 543 894	-	6 411 126	-	8 453 870
Derivatives	46 512	89 504	334 844	544 634		-	1 015 493
Consignments	59 125	105 148	708 254	-	-	-	872 528
Other assets (mostly accounts receivables)	1 837 583	-	-	-	-	-	1 837 583
Non liquidity generating assets	-	-	-	-	-	1 643 664	1 643 664
Total assets	7 242 627	5 287 327	24 269 107	37 297 615	9 899 550	1 643 664	85 639 890
Loans and deposits from financial institutions	9 246 686	12 554 829	9 125 106	14 449 913	-	-	45 376 534
Deposits from and debt to customers repayable on notice	2 828 930	1 060 029	3 180 087	10 666 646	353 343	-	18 089 036
Bonds and other long term loan raising	-	-	1 475 000	5 924 366	-	-	7 399 366
Subordinated loan capital	32 480	-	-	470 605	104 578	2 250 000	2 857 663
Derivatives	45 661	87 835	328 286	536 841			998 622
Other debt (mostly accounts payable)	627 149	-	-	-	-	-	627 149
Non liquidity risk related debt						1 653 413	1 653 412
Equity						8 638 108	8 638 108
Total debt and equity	12 780 906	13 702 693	14 108 479	32 048 371	457 921	12 541 521	85 639 889
Net liquidity risk	(7 434 988)	(8 520 514)	9 452 374	5 249 244	9 441 630	-	-

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

NOTE 5 Interest rate risk and interest rate adjustments

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

SANTANDER CONSUMER BANK AS

All amounts in thousands of NOK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Cash and receivables on central banks	56 463			-	-	-	56 463
Deposits with and receivables on financial institutions	2 920 380	-	-	-		-	2 920 380
Net loans to costumers	27 285 041	33 058 430	3 704 682	3 243 293	314 186	1 234 278	68 839 909
Commercial papers, bonds and other fixed-income securities		498 850	1 543 894		6 411 126		8 453 870
Derivatives	443 770	565 157		6 566			1 015 493
Consignments	872 528						872 528
Other non interest bearing assets	-	-	-	-	-	3 481 247	3 481 247
Total assets	31 578 181	34 122 437	5 248 576	3 249 859	6 725 312	4 715 525	85 639 890
Debt to credit institutions	20 392 030	19 990 610	1 334 091	3 659 803	-	-	45 376 534
Deposits from and debt to customers repayable on notice	2 827 229	8 657 897	6 184 212	419 698	-	-	18 089 036
Bonds and other long term loan raising	-	2 880 000	-	4 519 366	-	-	7 399 366
Subordinated loans	80 000	180 000	315 183	-	-	-	575 183
Hybrid capital	2 282 480	-	-	-	-	-	2 282 480
Other non interest bearing debt	-	-	-	-	-	3 279 184	3 279 184
Equity	-	-	-	-	-	8 638 108	8 638 108
Total debt and equity	25 581 738	31 708 507	7 833 486	8 598 866	-	11 917 292	85 639 890
Net interest risk exposure	5 996 443	2 413 929	-2 584 911	-5 349 007	6 725 312		

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

SANTANDER CONSUMER BANK AS NORWAY - MM NOK

All amounts in millions of EUR	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Assets	7 293	33 216	4 026	22	-	731	45 287
Liabilities	11 841	18 327	3 877	150	-	11 092	45 287
Net balance	-4 548	14 889	148	-128	-	-10 361	-
Repricing gap	-4 548	14 889	-574	-128	-	-10 361	-

A +1,00 % parallell increase in market rates will result in a 20,35 million NOK decrease in profit in Norway.

SANTANDER CONSUMER BANK AS NORWAY - MM EUR

All amounts in millions of EUR	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Assets	38	-	-	-	-	4	43
Liabilities	15	-	18	90	-	-80	43
Net balance	23	-	-18	-90	-	85	-
				-			
Repricing gap	23	-	-18	-90	-	85	-

A +1,00 % parallell increase in market rates will result in a 1,46 million EUR increase in profit in Norway.

SANTANDER CONSUMER BANK AS SWEDEN - MM SEK

All amounts in millions of SEK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Assets	14 593	1 057	22	9	-	236	15 917
Liabilities	7 636	6 117	1 805	-	-	359	15 917
Net balance	6 957	-5 060	-1 783	9	-	-123	-
			-	-			
Repricing gap	6 957	-5 060	-1 783	9	-	-123	-

A +1,00 % parallell increase in market rates will result in a 16,68 million SEK increase in profit in Sweden.

SANTANDER CONSUMER BANK AS DENMARK - MM DKK

All amounts in millions of DKK	0 - 1 months.	1 - 3 months.	3 - 12 months	1 - 5 years	> 5 years	Non Interest Bearing	Totalt
Assets	9 440	274	1 057	2 727	266	111	13 875
Liabilities	4 993	4 463	1 237	2 889	-	293	13 875
Net balance	4 447	-4 189	-181	-161	266	-182	-
			-	-			
Repricing gap	4 447	-4 189	-181	-161	266	-182	-

A +1,00 % parallell increase in market rates will result in a 20,12 million DKK decrease in profit in Denmark.

NOTE 6 Capital adequacy

BALANCE SHEET EQUITY

All amounts in thousands of NOK	31.12.14	31.12.13
Paid in equity	5 448 469	4 448 469
Share premium	891 314	891 314
Retained earnings	1 032 483	808 534
Other reserves	1 265 843	580 836
Total Equity	8 638 109	6 729 154

COMMON EQUITY TIER 1 CAPITAL

All amounts in thousands of NOK	31.12.14	31.12.13
Goodwill	-123 415	-113 934
Other intangible assets	-232 023	-339 840
Defferred tax assets	-75 846	-37 020
Total common Equity Tier 1 Capital	8 206 825	6 238 359

TIER 1 CAPITAL

All amounts in thousands of NOK	31.12.14	31.12.13
Paid in Tier 1 capital instruments	2 250 000	2 250 000
Total Tier 1 Capital	10 456 825	8 488 359

TOTAL CAPITAL

All amounts in thousands of NOK	31.12.14	31.12.13
Paid up subordinated loans	575 170	575 183
Subordinated loans not eligible	-234 000	-140 000
Total Capital	10 797 995	8 923 542

RISK EXPOSURE

All amounts in thousands of NOK	31.12.14	31.12.13
Regional governments or local authorities	70 167	60 939
Institutions	1 872 856	3 615 033
Corporates	11 434 287	4 440 663
Retail	48 735 876	43 617 684
Exposures in default	624 858	1 512 060
Other Exposures	2 748 641	1 281 060
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	65 486 684	54 527 439
Foreign exchange	-	148 894
Risk exposure amount for position, foreign exchange and commodities risks	-	148 894
Basic indicator approach	5 010 803	4 189 380
Risk exposure amount for operational risk	5 010 803	4 189 380
Standardized method	289 340	-
Risk exposure amount for credit valuation adjustment	289 340	-
Allowance which apply on the standardized approach for credit risk	-	-787 172
Deductions of risk exposure amount	-	-787 172
Total risk exposure amount	70 786 827	58 078 540
Common equity tier 1 capital ratio	11,59%	10,74%
Tier 1 capital ratio	14,77%	14,62%
Total capital ratio	15,25%	15,36%

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

NOTE 7 Segment information

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

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

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

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

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

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

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

31 DECEMBER 2014

All amounts in thousands of NOK	Norway	Sweden	Denmark	Eliminations*	Total Group
Net interest income	1 662 909	402 771	500 268	-	2 565 948
Net commission income and income from banking services	149 906	78 347	58 623	-	286 876
Value change and gain/loss on foreign exchange and securities	73 993	7 600	30 934	-	112 527
Oher operating income	386 090	7 944	-2 729	-	391 305
Operating expenses, salaries, depreciation	-914 037	-226 145	-197 012	-	-1 337 194
Losses on loans, guarantees etc.	-539 761	-63 314	-86 273	-	-689 348
Operating result	819 100	207 203	303 811	-	1 330 114
Total tax	-230 937	-43 169	-23 524	-	-297 630
Profit after tax	588 163	164 034	280 287	-	1 032 484
					-
Cash and receivables on central banks	56 462	-	-	-	56 462
Deposits with and loans to financial institutions	1 643 259	884 187	392 934	-	2 920 380
Net loans	39 581 489	13 384 648	15 873 772	-	68 839 909
Repossessed assets	5 372			-	5 372
Commercial papers and bonds	5 208 508	1 073 174	2 172 186	-	8 453 868
Financial derivatives	1 000 376	-	15 117	-	1 015 493
Ownership interests in group companies	1 173 850			-	1 173 850
Other assets	4 304 000	804 613	448 718	-2 382 775	3 174 556
Total assets	52 973 316	16 146 622	18 902 727	-2 382 775	85 639 890
					-
Debt to credit institutions	21 591 317	10 839 661	15 297 658	-2 352 104	45 376 532
Deposits from customers	9 903 456	4 963 662	3 221 918	-	18 089 035
Financial derivatives	998 622	-	-		998 622
Debt issued by securities	7 399 366	-	-	-	7 399 366
Other liabilities	4 492 004	338 577	338 316	-30 671	5 138 226
Allocated capital	8 588 551	4 722	44 836		8 638 109
Total liabilities and equity	52 973 316	16 146 622	18 902 727	-2 382 775	85 639 890

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

31 DECEMBER 2013

All amounts in thousands of NOK	Norway	Sweden	Denmark	Eliminations	Total Group
Net interest income	1 381 242	324 960	382 394	-	2 088 596
Net commission income and income from banking services	128 217	57 960	54 510	-	240 687
Value change and gain/loss on foreign exchange and securities	136 090	5 012	23 697	3 002	167 801
Oher operating income	18 961	8 007	263	-	27 232
Operating expenses, salaries, depreciation	-668 676	-192 385	-145 206	-	-1 006 266
Losses on loans, guarantees etc.	-278 434	-60 864	-80 404	-	-419 702
Operating result	717 399	142 690	235 255	3 002	1 098 347
Total tax	257 770	32 042	-	-	289 812
Profit after tax	459 629	110 649	235 255	3 002	808 534
Cash and receivables on central banks	995 650	-	-	-	995 650
Deposits with and loans to financial institutions	1 758 692	881 405	384 114	-	3 024 211
Net loans	36 385 148	12 028 465	12 021 264	-	60 434 877
Commercial papers and bonds	5 276 660	559 046	2 017 743	-	7 853 449
Financial derivatives	263 921	-	-	-63 442	200 479
Shares, interests and primary capital certificates	1 085 701	-	-	-	1 085 701
Other assets	732 969	692 336	338 517	8 033	1 771 854
Total assets	46 498 741	14 161 253	14 761 638	-55 410	75 366 222
Debt to credit institutions	27 843 241	8 591 060	14 439 788	-	50 874 089
Deposits from customers	6 822 170	2 393 872	-	-	9 216 043
Financial derivatives	214 471	-	12 451	-66 444	160 477
Debt issued by securities	850 000	2 855 014	-	-	3 705 014
Other liabilities	4 250 499	268 371	187 038	-24 462	4 681 446
Allocated capital	6 518 361	52 936	122 361	35 497	6 729 154
Total liabilities and equity	46 498 741	14 161 253	14 761 638	-55 410	75 366 222

NOTE 8 Losses and write-downs

SPECIFIC - AND GENERIC WRITE-DOWNS:

All amounts in thousands of NOK	31.12.2014	31.12.2013 (adjusted)	31.12.2013 (as presented in 2013)
Individual write-downs 01.01.	55 498	74 783	74 783
+/- Rate adjustment opening balance	2 051	6 176	6 176
Reclassification between specific and generic write down	433 522	260 203	-32 634
+ Individual write-downs for the period	24 228	7 173	7 173
= Specific write-downs 31.12	515 299	348 334	55 498

GROUP WRITE-DOWNS:

All amounts in thousands of NOK	31.12.2014	31.12.2013 (adjusted)	31.12.2013 (as presented in 2013)
Group write-downs 01.01	787 172	659 449	659 449
+/- Rate adjustment opening balance	12 693	12 941	12 941
Reclassification between specific and generic write down	-433 522	-260 203	32 634
+/- Write-downs for the year	352 636	82 149	82 149
= Generic write-downs 31.12	718 979	494 336	787 172
Total Write down 31.12.2014	1 234 278	842 670	842 670

LOAN LOSSES EXPENSES:

All amounts in thousands of NOK	2014	31.12.2013 (adjusted)	2013 (as presented in 2013)
Change in write down 2014	391 608	108 438	108 438
+/- Fx rate adjustment opening balance	-14 744	-19 117	-19 117
+ Total recognized losses	402 251	414 415	414 415
- Recoveries on recognized losses	-89 766	-84 034	-84 034
= Loan losses	689 349	419 702	419 702

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

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

In 2014 SBC AS has changed the presentation in the Balance sheet to include all non-performing loans (NPL) in the term "Specific write down". The previous term "Individual write downs" included only individually assessed NPLs. The collectively assessed NPLs that previously was presented as "Group wise write downs", are therefor not included in the term "Generic write down". Other than that the term "Generic write down" are the same as the previous "Group wise write downs".

NOTE 9 Loans and losses by main sectors

All amounts in thousands of NOK	Loans 31.12.14	Write-down 31.12.14	Loans 31.12.13	Write-down 31.12.13
Private individuals	57 571 915	-420 527	46 542 634	-48 729
Retail	4 415 420	-43 631	3 986 093	-2 650
Building and construction	1 741 021	-8 251	2 524 129	-525
Transportation	1 571 994	-12 920	2 375 407	-1 261
Industry	471 982	-1 791	738 561	-95
Public sector	288 859	-872	486 774	-29
Proprietary management	268 246	-1 646	313 843	-131
Agriculture and forestry	166 111	-1 412	530 442	-97
Various	3 578 638	-24 248	3 779 664	-1 981
Sum	70 074 187	-515 299	61 277 547	-55 498

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

NOTE 10 Classification of financial instruments

CLASSIFICATION OF FINANCIAL ASSETS 31 DECEMBER 2014

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

CLASSIFICATION OF FINANCIAL LIABILITIES 31 DECEMBER 2014

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

CLASSIFICATION OF FINANCIAL ASSETS 31 DECEMBER 2013

All amounts in thousands of NOK	Financial assets at fair value through P&L	Available for sale financial assets at fair value	Held to maturity investments	Loans and receivables	Book value
Deposits with Norwegian financial institutions	-	-		3 024 211	3 024 211
Net loans to costumers	-	-	-	60 434 877	60 434 877
Commercial papers and bonds	-	-	8 849 099	-	8 849 099
Financial derivatives	200 479	-	-	-	200 479
Total financial assets	200 479	-	8 849 099	63 459 088	72 508 666
Non financial assets					2 857 556
Total assets					75 366 222

CLASSIFICATION OF FINANCIAL LIABILITIES 31 DECEMBER 2013

All amounts in thousands of NOK	Financial liabilities at fair value through P&L	Financial liabilities measured at amortized cost	Booked value
Loans and deposits from credit institutions	-	50 874 089	50 874 089
Deposits from and debt to customers repayable on notice	-	9 216 043	9 216 043
Financial derivatives	160 477	-	160 477
Bonds and other long term loan raising	-	3 705 014	3 705 014
Other subordinated loan capital	-	2 857 352	2 857 352
Total financial liabilities	160 477	66 652 498	66 812 975
Non financial liabilities and equity			8 553 247
Total liabilities			75 366 222

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

NOTE 11 Issued securities

All amounts in thousands of NOK	2014	2013
Issued bonds	7 399 366	3 705 014
Total liability issued securities	7 399 366	3 705 014

CHANGES IN LIABILITY ISSUED SECURITIES

All amounts in thousands of NOK	Book value 31.12.13	New issues/ repurchase	Payments	Amortization	Book value 31.12.14
Issued bonds	3 705 014	3 694 352	-	-	7 399 366
Total liability issued securities	3 705 014	3 694 352	-	-	7 399 366

SPECIFICATION OF ISSUED SECURITIES - BONDS

All amounts in thousands of NOK

Bonds	Issuer	Net nominal value	Currency	Interest	Call date	Book value 31.12.14
Senior unsecured issued securities						
Santander Consumer Bank AS		1 475 000	NOK	Floating	18.11.2015	1 475 000
Santander Consumer Bank AS		1 405 000	NOK	Floating	18.11.2016	1 405 000
Santander Consumer Bank AS		500 000	EUR	Floating	10.06.2016	4 519 366
Totals issued bonds						1 475 000
Repurchase						
Repurchased own issued bonds						-
Total repurchased own securities						-
Total issued securities						7 399 366

NOTE 12 Valuation Hierarchy

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

All amounts in thousands of NOK		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial assets					
Name:	**Type:**				
Bilkreditt 4	Fixed amort.profile BK4	-	218 615	-	218 615
Bilkreditt 5	Fixed amort.profile BK5	-	210 039	-	210 039
Bilkreditt 6	Fixed amort.profile BK6	-	565 157	-	565 157
TIVOLI	Basis swap (Back)	-	15 106	-	15 106
EMTN Bond	DKK fixed to float	-	6 577	-	6 577
Total financial derivatieves		-	1 015 493	-	1 015 493
Government bonds*	bonds	2 042 744			2 042 744
Total commercial papers and bonds		2 042 744			2 042 744
Total		2 042 744	1 015 493		3 058 236
Financial liabilities					
Name:	**Type:**				
Bilkreditt 4	Pass-through swap BK4		221 656		221 656
Bilkreditt 5	Pass-through swap BK5		215 500		215 500
Bilkreditt 6	Pass-through swap BK6		559 808		559 808
EMTN Bond	DKK fixed to fixed		1 657		1 657
Total financial derivatives			998 622		998 622
			998 622		998 622

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

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

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

Level 2:
Instruments at this level is not considered to have an active market. Fair value obtained from observable market data; this includes mainly prices based on identical instruments, but where the instrument is not sufficiently high trading frequency, as well as prices based on corresponding assets and price leading indicators that can be confirmed from market information. Examples of instruments at Level 2 are securities priced out of interest rate paths.

The fair value at level 2 is calculated by discounting future cash flows. The cash flows are mainly known due to contractual conditions, in addition to a marked regulated interest rate element. (e.g. EURIBOR)

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

NOTE 13 Securitization

The company securitizes auto loan to customers by selling the loans to a special purpose company, which funds the purchase by issuing bonds with security in the assets. The portfolio of auto loans consists of financing of motor vehicles (including but not limited to cars, light commercial vehicles, motor homes, motorcycles) and the related collateral. At 31.12.2014, Santander Consumer Bank AS has sold auto loan portfolio to seven different SPV's. (see note 24 for a list of SPVs, the seven SPVs are the SPVs in Norway, Denmark and Finland)

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

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

The table below shows the amount of securitized loans as of 31.12.2014 and the size of the liability in relation to securitization:

All amounts in thousands of NOK	2014	2013
Sold portfolio retined in the balance sheet	23 548 139	26 743 861

NOTE 14 Interest Expenses

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

TO CREDIT INSTITUTIONS

All amounts in thousands of NOK	2014	2013
Interest expenses	490 633	838 887
Average loan	48 125 312	34 417 573
Average nominal interest rate	1,02%	2,41%

TO CUSTOMERS

All amounts in thousands of NOK	2014	2013
Interest expenses	382 732	128 646
Average deposit	13 652 540	3 785 999
Average nominal interest rate	2,80%	3,35%

TO BONDHOLDERS

All amounts in thousands of NOK	2014	2013
Interest expenses	78 106	12 130
Average issued notes and bonds	5 552 190	297 597
Average nominal interest rate	1,41%	4,00%

SUBORDINATED LOAN CAPITAL

All amounts in thousands of NOK	2014	2013
Subordinated loan capital	210 285	57 349
Average issued notes and bonds	2 857 663	779 343
Average nominal interest rate	7,36%	7,36%

TOTAL

All amounts in thousands of NOK	2014	2013
Interest expenses	1 161 756	1 037 012
Loan	70 187 704	39 280 512
Average nominal interest rate	1,66 %	2,64 %

NOTE 15 Tax

All amounts in thousands of NOK	2014	2013
Tax payable	239 404	244 500
Adjustments in respect of prior years	-	2 159
Total current tax	239 404	246 659
Change in temporary differences	24 167	64 803
Impact of change in the Norwegian tax rate	-	-17 353
Currency effects	-2 930	-4 298
Adjustments in respect of prior years **	36 990	-
Total change in deferred tax	58 227	43 153
Income tax expense	297 631	289 812

All amounts in thousands of NOK	2014	2013
Profit before tax	1 330 114	1 098 347
Estimated income tax at nominal tax rate 27%	359 131	307 537
Tax effects of:		
- Income not subject to tax*	-98 675	-7
- Non deductible expenses	3 115	2 614
- Remeasurement of deferred tax due to change in Norwegian tax rate	-	-18 194
Adjustments in respect of prior years **	36 990	2 159
Currency effects	-2 930	-4 298
Tax charge	297 631	289 812

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

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

All amounts in thousands of NOK	Before tax	Tax (charge) /credit	After tax
Actuarial assumption related to pension	-126 581	-34 177	-92 404
Cash flow hedges	564	152	412
Value change investment in government bonds	-18 305	-4 942	-13 363
Currency translation differences	-24 893	-6 721	-18 172
Other comprehensive income	-169 214	-45 688	-123 527
Tax payable		-6 721	
Deferred tax		-38 967	
Tax in OCI		-45 688	

All amounts in thousands of NOK	2014	2013
Deferred tax assets/deferred taxes as at 1 January	431 504	417 528
Changes recognized in income statement	24 167	50 996
Changes recognized in OCI	-38 967	-37 020
Adjustments in respect of prior years **	36 990	-
Net Deferred tax assets/deferred taxes at 31 December	453 694	431 504

All amounts in thousands of NOK	2014	2013
Fixed assets	2 236 676	1 950 489
Net pension commitments	-346 364	-223 071
Financial instruments	-18 305	-
Net other taxable temporary differences	-191 658	7 854
OCI - pensions	-	-136 512
Total deferred tax position	1 680 349	1 598 760
Fixed assets	603 902	526 632
Net pension commitments	-93 518	-60 229
Financial instruments	-4 942	-
Net other taxable temporary differences	-51 748	2 121
OCI - pensions	-	-37 020
Net Deferred tax assets/deferred taxes at 31 December	453 694	431 504

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

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

Change in tax rate
2014 figures: No changes in tax rates.

2013 figures: Relevant deferred tax balances have been re-measured as a result of the change in Norwegian tax rate from 28% to 27% and Danish tax rate from 25% to 24,5% that was substantively enacted in 2013 and that will be effective from 1 January 2014, the relevant deferred tax balances have been re-measured. Further reductions to the Danish tax rate have been annonced. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1 % per annum to 23,5% by 2015 with a futher reduction by 1,5% to 22% in 2016.

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

NOTE 16 Fixed assets, intangible assets and lease financing

All amounts in thousands of NOK	Machines, fittings, own vehicles	Intangible assets	Leasing portfolio (financial and operational)	Total	Goodwill
Acquisition cost 1.1	69 038	560 610	16 324 736	16 954 384	113 935
Rate difference opening balance	2 101	4 641	209 135	215 877	9 480
Acquisition cost 1.1 rate 31.12	71 139	565 251	16 533 871	17 170 261	123 415
Additions during the year	17 668	72 483	7 365 332	7 455 483	-
Disposals during the year	-8 945	-	-5 509 866	-5 518 811	-
Impairment	-	-346 608	-	-346 608	-
Acquisition cost 31.12	79 862	291 126	18 389 337	18 760 325	123 415
Acc. ordinary depreciation 1.1	-38 351	-220 770	-5 033 128	-5 292 249	-
Rate difference 01.01	-1 015	-1 712	-82 557	-85 284	-
Acc. ordinary depreciation 1.1 rate 31.12	-39 366	-222 482	-5 115 685	-5 377 533	-
Year's ordinary depreciation	-13 207	-52 060	-2 529 462	-2 594 728	-
Impairment	-	215 439	-	215 439	-
Rate difference year's depreciation average rate	-	-	-	-	-
Reversed depreciation on disposals	5 869	-	2 002 180	2 008 048	-
Acc. depreciation 31.12	-46 704	-59 103	-5 642 967	-5 748 774	-
Accrued fees and provisions	-	-	-256 965	-256 965	-
Book value in the balance sheet 31.12	33 158	232 023	12 489 405	12 754 586	123 415
Method on measurement	Acquisition cost	Acquisition cost	Acquisition cost		Acquisition cost
Depreciation method	Linear	Linear	Linear		-
Plan of depreciation and useful life	3 – 10 years	3 – 7 years	1 month – 10 years		-
Average useful life	5 years	5 years	3 years		-

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

NOTE 17 Financial lease

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

PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS RECEIVABLE

All amounts in thousands of NOK	2014	2013
Due in less than 1 year	4 581 978	3 957 158
Due in 1 - 5 years	7 870 973	7 090 987
Due later than 5 years	36 454	50 250
Total present value of gross receivable from Financial lease	12 489 405	11 098 395

NOTE 18 Repossessed assets

All amounts in thousands of NOK	31.12.14	31.12.13
Car Leasing	5 372	5 312
Net	5 372	5 312

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

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

NOTE 19 Pension expenses and provisions

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

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

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

Denmark has defined contribution plans

PENSION EXPENSES FOR DEFINED BENEFIT PLANS

All amounts in thousands of NOK	2014	2013
Present value of year's pension earnings	21 957	16 773
Interest cost on accrued liability	16 893	10 422
Interest income on plan assets	-9 863	-6 946
Allowance for taxes	4 404	4 203
Net Pension expenses	33 392	24 453

Pension expenses for defined contribution plans	2014	2013
Total expenses	14 094	11 845

Pension liabilities in balance sheet	31.12.14	31.12.13
Pension funds at market value	272 443	247 139
Estimated pension liability	-618 805	-470 211
Net pension liability	-346 362	-223 071

The movement in the defined benefit obligation over the year is as follows

All amounts in thousands of NOK	Present value of obligation	Fair value of plan assets	Net pension liability
At 1 January 2013	-294 940	187 705	-107 235
Current service cost	-36 705	-	-36 705
Interest expense / Income	-10 422	6 945	-3 477
	-47 128	6 945	-40 183
Remeasurements:			
- Return on plan assets	-	39 631	39 631
- Loss from change in demographic assumptions	-71 937	-	-71 937
- Loss from change in financial assumptions	-21 130	-	-21 130
- Loss from plan experience	-46 982	-	-46 982
	-140 048	39 631	-100 418
Exchange rate differences			-
Contributions:			
- Employer	4 338	24 630	28 968
Payments from plans:			
- Benefit payments	11 771	-11 771	-
Others	-4 203	-	-4 203
	11 906	12 859	24 765
At 31 December 2013	-470 210	247 139	-223 071

The movement in the defined benefit obligation over the year is as follows

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

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

		2014			2014	
All amounts in thousands of NOK	Norway	Sweden	Total	Norway	Sweden	Total
Present value of obligation	-510 324	-108 481	-618 805	-410 839	-59 370	-470 210
Fair value of plan assets	219 827	52 616	272 443	207 701	39 438	247 139
Total	-290 497	-55 865	-346 362	-203 138	-19 932	-223 071

The following assumptions have been used calculating future pensions:

	31.12.14		31.12.13	
All amounts in thousands of NOK	Norway	Sweden	Norway	Sweden
Discount rate	2,30%	2,50%	3,90%	3,75%
Inflation	N/A	2,00%	N/A	2,00%
Salary growth rate	2,75%	3,50%	3,75%	4,00%
Pension growth rate	2,35%	2,00%	3,37%	2,00%
Rate of social security increases	2,50%	3,00%	3,50%	3,00%

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

	31.12.14		31.12.13	
All amounts in thousands of NOK	Norway	Sweden	Norway	Sweden
Retiring at the end of the reporting period:				
- Male	21,8	21,1	21,7	19,7
- Female	25,0	23,6	24,9	22,8
Retiring 20 years after the end of the reporting period:				
- Male	23,7	23,1	23,7	21,7
- Female	27,1	25,5	27,0	24,2

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

IMPACT ON DEFINED BENEFIT OBLIGATION - NORWAY

All amounts in thousands of NOK	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 20,52%	Increase by 27,75%
Salary growth rate	1,00%	Increase by 12,51%	Decrease by 10,19%

IMPACT ON DEFINED BENEFIT OBLIGATION - SWEDEN

All amounts in thousands of NOK	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 24,50%	Increase by 33,75%
Salary growth rate	1,00%	Increase by 13,91%	Decrease by 12,86%

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

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

The group's expected contributions for defined benefit plans, including pension payments paid directly by the company and pension related taxes, for the next financial year amount to 33 319 TNOK.

The weighted average duration of the defined benefit obligation is 23.6 years in Norway and 29.0 years in Sweden.

Expected maturity analysis of undiscounted pension benefit payments:

	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
At 31 December 2014					
Pension benefit payments	17 032	17 098	54 569	106 057	194 756

NOTE 20 Information on related parties

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

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

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

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

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

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

Conditions for bonus scheme are to be based on a combination of an individual appraisal of each employee, the performance of the SCB AS and Business Unit (except for those in Control functions), as well as the business of the Bank as a whole measured over a two year period, but the pool calculation is still measured against annual results, hereunder Annual Targets set each year in compliance with legislation.
The bonus scheme is based on the different methods for measuring results, such as Net Income, Risk adjusted PBT, Risk adjusted VMG targets etc. In addition, non-financial measures are employed, such as Employee satisfaction with leadership style and work environment, Compliance and Level of delivery of non-financial targets.

Granted options are not part of the corporate plan.

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

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

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

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

The pension is normally paid from the age of 65.

Denmark

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

The compensation paid or payable to key management for employee services is shown below:

KEY MANAGEMENT COMPENSATION

All amounts in thousands of NOK	Salary	Bonus	Pension	Share based payments	Other benefits	Total 2014	Total 2013
Chief Executive Officer	**2 566**	**121**	**116**	150	409	3 362	3 389
*The current CEO, Michael Hvidsten, since March 28 2012.							

OTHER KEY MANAGEMENT

All amounts in thousands of NOK	2014	2013
Salary	9 852	11 609
Bonus	1 113	441
Shares	1 113	-
Pension	1 044	6 956
Other benefits	3 269	2 874
Total	16 391	21 878

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

BONUS SHARES (PART OF CBS PROGRAM)

All amounts in thousands of NOK	CEO	Other key management	Total
Number of shares earned in 2014	9 834	21 266	31 100
Number of the shares earned in 2014 issued in 2014	-	-	-
Number of shares issued in 2014 based on deferrals from 2012	2 992	11 042	14 034
Total Number of shares earned, but not issued per 31.12.2014	14 581	42 018	56 599

DEFINED SHARE VALUE

All amounts in thousands of NOK	2014	2013	2012
Share value - Banco Santander (EUR)	6,19	6,68	6,43
Share value - Banco Santander (NOK)	56	56	47

VALUE OF OUTSTANDIG SHARES 31.12.2014

All amounts in thousands of NOK	CEO	Other key management	Total
Value of the shares earned, but not issued per 31.12.2014	815 571	2 350 227	3 165 798

The valuation of shares are decided on a corporate level. The number of shares that potentially may be delivered to each beneficiary in accordance with the plan (the "Approved Number of Shares") is to be calculated by dividing the Approved Amount of the bonus (Long Term Incentive) of the Beneficiary by the weighted average per daily volume of the average weighted price of the Santander shares over the fifteen trading days immediately prior to 16 January, 2015 ("2015 Listing Price"), the date on which the board of directors approved the 2014 bonuses for the executive directors. For the Agreed Amount of the Long Term Incentive not denominated in euros, the said amount will be converted into euros, according to the average 2014 annual exchange rate as provided by the Group's General Intervention and Management Control Division; then, the Approved Number of Shares will be calculated for the corresponding beneficiaries.

BOARD OF DIRECTORS

All amounts in NOK		2014	2013
Erik Kongelf	Chairman	-	-
Bruno Montalvo Wilmot	Deputy Chairman	-	-
Javier Anton San Pablo	Member	-	-
Manuel Mendez	Member	-	-
Maria Del Rosario Vacas Roldan	Member	-	-
Bjørn Elvestad	Member	200 000	200 000
Henning Strøm	Member	200 000	100 000
Vibeke Hamre Krey	Employee representative	200 000	200 000
Stine Camilla Rygh	Deputy Employee representative	100 000	100 000

SUPERVISORY BOARD

All amounts in NOK		2014	2013
Total	Chairman	70 000	70 000

CONTROL COMMITTEE

All amounts in NOK		2014	2013
Finn Myhre	Chairman	-	-
Egil Dalviken	Deputy Chairman	20 000	20 000
Tone Bjørnhov	Member	20 000	20 000
Terje Sommer	Deputy Member	-	-
Total		40 000	40 000

STAFF

All amounts in NOK	Norway 2014	Abroad 2014	Norway 2013	Abroad 2013
Number of employees as of 31.12	364	184	340	190
FTE year as of 31.12	339	175	322	179

AUDIT SERVICES AND ADVISORY SERVICES (WITHOUT VAT)

All amounts in thousands of NOK	2014	2013
Audit services	3 563	838
Other certification services	459	48
Tax advice	313	99
Other non-audit services	52	420
Total	4 386	1 406

NOTE 21 Investments in subsidiaries

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

As of 31.12.2014 the following changes on the hedge loan and the owner interests in Santander Consumer Finance OY are booked:

All amounts in MNOK						
Historical cost price of the stocks in Santander Consumer Finance OY						1 159
Book value in balance sheet of hedge at 31.12.2013						-73
Book value of investment at 31.12.2013						1 086
Change in value of hedge object						88
Book value of investment as 31.12.2014						1 174
Adjustment of the hedge loan on EUR to the exchange value as of 31.12.14:						80
Company name	Share Capital	Number of shares	Book value	Equity	Result 2014	Result 2013
	-1,2		-1	-1	-1	-1
Santander Consumer Finance OY	669 108	600 000	1 173 842	1 447 123	287 495	211 683

(1) amounts in thousands of NOK

(2) Incl share capital premium

(3) Incl company SCF Rahoituspalvelut LTD, SCF Ajoneurohallinto LTD, SCF Ajoneuvohallinta LTD and SCF Rahoituspalvelut 2013 LTD.

Investment is hedged with a fair value hedge, se note 25 for further details

NOTE 22 Hedging

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

FAIR VALUE HEDGE

	2014		2013	
All amounts in thousands of NOK	Book value 31.12	Amount recognized in P&L	Book value 31.12	Amount recognized in P&L
Hedging instrument (EUR-loan)	1 112 116	-112 532	1 187 546	-144 100
Fx effect on equity in Finland	1 173 851	88 149	1 085 701	131 730
Net exposure over P&L	-	-24 383	-	-12 370

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

CASH FLOW HEDGE

	2014		2013	
All amounts in thousands of NOK	Book value 31.12	Amount recognized in OCI	Book value 31.12	Amount recognized in OCI
Hedge instrument (SWAP)	-1 657	564	-	-
Net exposure over OCI	-	564	-	-

Fair value of instrument is equal to book value

NOTE 23 Receivables and liabilities to related parties

DEBT TO RELATED PARTIES

All amounts in thousands of NOK	31.12.14	Accrued Interest 31.12.2014	31.12.13	Accrued Interest 31.12.2013
Balance sheet line: "Loans and deposits from credit institutions with an agreed term"				
Santander Benelux			26 027 611	1 143 868
Santander Consumer Finance S.A.			1 137 368	3 502
Debt to SPV on future cash flow of securitized loans			23 743 993	-
Total	45 372 232	44 005	50 908 972	1 147 370
Balance sheet line: "Subordinated loan capital" - Bonds				
MNOK 180, maturity September 2016, 3 months NIBOR +0.55% (Banco Santander S.A)	180 000	460	180 000	471
MNOK 80, maturity October 2017, 3 months NIBOR +1.00% (Santander Consumer Finance S.A)	80 000	41	80 000	44
MNOK 210, maturity June 2019, 6 months NIBOR +3.43% (Santander Benelux)	210 000	104	210 000	60
MEUR 13 maturity December 2020 12 months EURIBOR +3,20% (Santander Consumer Finance S.A)	117 546	23	108 719	23
Hybrid capital - perpetual bond, 3M NIBOR + 6,50% (Santander Consumer Finance S.A)	2 250 000	32 480	2 250 000	32 680
Total	2 837 546	32 648	2 828 719	32 807

RECEIVABLES ON RELATED PARTIES

All amounts in thousands of NOK	31.12.14	Accrued Interest 31.12.2014	31.12.13	Accrued Interest 31.12.2013
Balance sheet line: "commercial papers and bonds"				
B and C notes issued by SPVs	6 451 550	904	8 148 559	3 636
Balance sheet line :"other assets"				
Subordinated loan to SPVs	2 202 248	663	2 343 902	3 623
Loan to subsidiary (Santander Consumer Bank OY)	1 356 300	7 573	0	0

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

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

NOTE 24 Transaction with related parties

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

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

The following transactions were carried out with related parties:

All amounts in thousands of NOK	2014	2013
Interest income	1 655 091	1 619 296
Interest expenses	-907 639	-1 757 041
Fees	126 184	103 169
Net transactions	873 636	-34 576

Santander Consumer Bank AS has had transactions with the following related parties in 2014:

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

SPV:
- SCF RAHOITUSPALVELUT Ltd.
- SCF AJONEUROHALLINTO Ltd.
- SCF Ajoneuvohallinta Ltd.
- SCF Rahoituspalvelut 2013 Ltd.
- Bilkreditt 1 Ltd.
- Bilkreditt 2 Ltd.
- Bilkreditt 3 Ltd.
- Bilkreditt 4 Ltd.
- Bilkreditt 5 Ltd.
- Bilkreditt 6 Ltd.
- Dansk Auto Finansiering 1 Ltd.
- SV Autofinans 1 Ltd.
- SV Autofinans Warehousing 1 Ltd. -
- SCF Ajoneuvohallinto Ltd.
- SCF Rahoituspalvelut Ltd.

NOTE 25 Guarantee liabilities

Santander Consumer Bank AS has as at 31.12.2014 a guarantee liability of MNOK 120,3 (31.12.13: MNOK 123,1). This is mainly payment guarantees issued to customers.

Santander Consumer Bank AS has pledged collateral of MNOK 160,6 in cash at 31.12.2014, compared to MNOK 182,1 in cash per 31.12.2013.

NOTE 26 Result over total assets

All amounts in thousands of NOK	2014	2013
Profit after tax (PAT)	1 032 483	808 534
Total assets (Assets)	85 639 890	75 366 222
PAT over Assets	1,21%	1,07%

NOTE 27 Specification of certain balance sheet items

OTHER ASSETS

All amounts in thousands of NOK	2014	2013
Account receivables	113 231	97 807
Guarantees	19	17
Intercompany receivables	1 453 219	326 583
Total other assets	1 566 469	424 407

OTHER DEBT

All amounts in thousands of NOK	2014	2013
Accounts payable	372 787	266 417
Tax payable	176 108	187 076
Intercompany debt	16 929	86 737
Withholding tax	61 325	18 572
VAT payable	-	724
Total other debt	627 149	559 526

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To the Annual Shareholders' Meeting of Santander Consumer Bank AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Santander Consumer Bank AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company and the financial statements of the group comprise the statement of financial position as at December 31, 2014, and profit and loss account, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Santander Consumer Bank AS and of the group as at December 31, 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Deloitte.

Report on Other Legal and Regulatory Requirements

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

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

Opinion on Registration and Documentation

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

Oslo, March 24, 2015
Deloitte AS

Jørn Borchgrevink

Jørn Borchgrevink
State Authorised Public Accountant (Norway)

STATEMENT OF THE CONTROL COMMITTEE

Santander Consumer Bank AS | Kontrollkomitéen

Kontrollkomitéens uttalelse

Til Representantskapet og Generalforsamlingen i Santander Consumer Bank AS

Kontrollkomitéen i Santander Consumer Bank AS har gjennom regnskapsåret 2014 ført tilsyn med banken i henhold til Forretningsbankloven § 13 og forskrift om instruks for kontrollkomiteer fastsatt av Finanstilsynet 18. desember 1995.

Kontrollkomitéen har gjennomgått årsregnskapet for 2014 for Santander Consumer Bank AS, styrets årsberetning for 2014 og revisors beretning for 2014.

Komitéen finner at styrets vurdering av bankens økonomiske stilling er dekkende, og anbefaler at bankens årsregnskap for 2014 fastsettes.

Lysaker, 24. mars 2015

Finn Myhre

Leder

Terje Sommer

Medlem

Tone Bjørnov

Medlem

Egil Dalviken

Varamedlem

Santander Consumer Bank

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

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

The goal of Santander Consumer Bank AS is to be one of the leading companies in the Nordics. The company has 600 employees in Norway, Sweden, Finland and Denmark, and its total assets is NOK 96 billion.

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Santander
CONSUMER BANK