2023 Annual Report

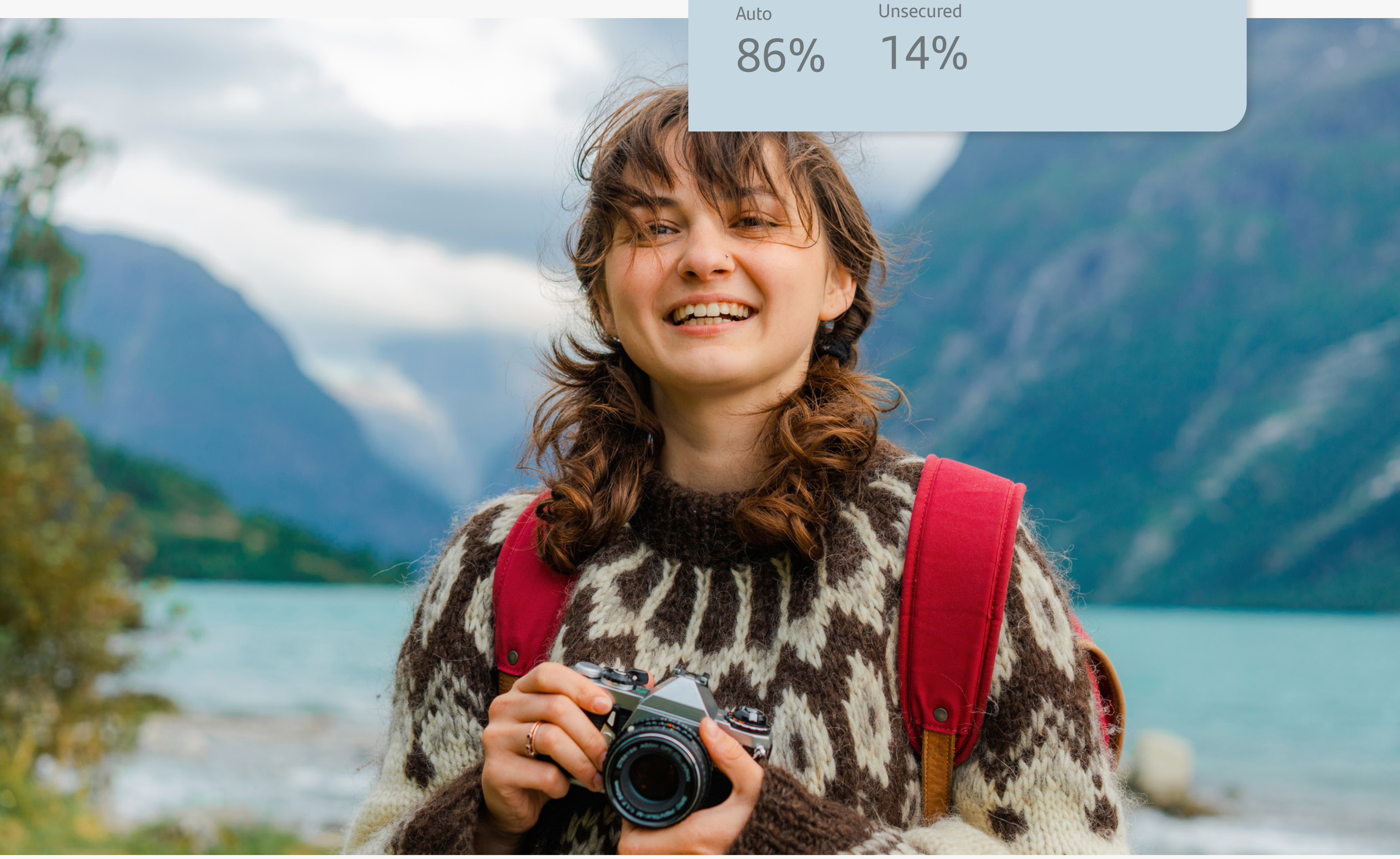
Santander

Highlights 2023

Profit Before Tax, MM NOK	Gross Outstanding Loans, MM NOK	Net Interest income, MM NOK	Deposits, MM NOK
3 706	194 884	7 685	88 546
▲ 3%	▲ 4%	▲ 14%	▲ 17%

% of Gross Outstanding

Auto	Unsecured
86%	14%



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Chief Executive Officer's letter

Delivering value for our customers and partners

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

2023 tested our resilience. International turmoil, record setting global temperatures and yet another financially difficult year for many families and businesses. Increased interest rates and higher prices reduced consumers purchasing power.

Our purpose of making people and business prosper adds extra meaning in the light of this backdrop. As we look back on 2023, we can say that we have managed to balance risk and lending. We have continued to provide needed capital, whilst ensuring our customers are able to maintain their obligations. We have also had a strong emphasis on advising our customers on the best economic choices they can make in their daily life. While we are closely monitoring the impact on customers and partners going forward, the level of payment holidays has been stable in 2023.

We are particularly pleased to see a substantial increase in our deposit product. Compared to 2022, we observed an increase in outstanding volumes of 17 percent, highlighting both our customers' ability to set aside money and our attractive product offering.

Strong results within auto finance

While it has been a challenging year for many of our auto partners, we have seen resilience and adaption in the market. Overall, the Nordic market is in line with 2022, but with major variations between the different months and countries. We have nonetheless delivered strong results throughout the year and maintained our position as market leader in the Nordics.

During 2023, 48% of all new cars financed by Santander are battery electric vehicles (BEVs), and 22% are hybrids. Finance penetration for BEVs is higher than that for non-BEVs, helped by the strong partnerships we have across the region.

As Grupo Santander has set out to become a complete provider of leasing products in all channels, they are establishing a full-service leasing business organization. At the end of 2023, Santander Consumer Finance, acquired the fleet company, Athlon Sweden with a portfolio of 5 200 cars and vans, further expanding their leading presence in the Nordic region. The formal closing of the deal is expected to take place in first half of 2024, pending approvals from competition authorities.

Delivering value for our customers and partners

As we move into the new year, we are focused on developing customer friendly services and delivering on the expectations from our stakeholders. While we cannot solve all of the challenges, we as a society face, we are determined to make our contribution, through our responsible banking agenda.

Our Nordic teams are dedicated to serve all our customers and partners in the best way possible. We are drawing on the strengths and experiences in the local markets, combined with our global presence to make people and business prosper in a responsible way.

"focused on developing customer friendly services and delivering on the expectations from our stakeholders."

Michael Hvidsten,
CEO Santander Consumer Bank Nordics

Global Corporate Culture

A strong and inclusive culture: our bedrock
for building a more responsible bank

Banco Santander is a leading commercial bank, founded in 1857 and headquartered in Spain. It has a meaningful presence in 10 core markets in the Europe, North America and South America regions, and is one of the largest banks in the world by market capitalization. Santander aims to be the best open financial services platform providing services to individuals, SMEs, corporates, financial institutions and governments. The bank's purpose is to help people and businesses prosper in a simple, personal and fair way. Santander is building a more responsible bank and has made a number of commitments to support this objective, including raising 220 000 MM EUR in green financing between 2019 and 2030.

Read more about ownership and governance under the Corporate governance chapter.

The Santander Way

Our purpose

To help people and business prosper.

Our aim

To be the best open financial services platform by acting responsibly and earning the lasting loyalty of our people, customers, shareholders and society.

Our how

Everything we do should be **Simple, Personal and Fair.**

Global meets Local

Our steady growth in the Nordic region has made us a strong player in the fields in which we operate. We serve over 1.6 million customers and thousands of partners, and our scale lets us keep proximity at the core.

Santander in the Nordics benefits from being part of Banco Santander, sharing the competencies and experiences of one of the biggest banks in the world with a solid history going back more than 160 years. We strive to be the best open financial service platform by acting responsibly.

The combination of local knowhow and global experience enables us to better understand our customers, partners, and their businesses, and provide flexible and trustworthy financing options tailored for their different needs. Key to this is having a strong culture - a responsible business in which all we do is Simple, Personal and Fair.

Read more about our Nordic culture under the People and Culture chapter.

Globally[1]

Number of employees	Number of customers
212 764	165 million

Nordic Region

Number of employees	Number of customers
1 202	1.65 million

Women in managerial positions	Men in managerial positions
69	121

Average age of employees	Average years of service
39.3 years	7.1 years

[1] Santander Financial Report 2023

Banco Santander - building a more responsible bank

Delivering on our commitments

In 2023, Banco Santander was ranked amongst the world's most sustainable banks in the Dow Jones Sustainability Index[2], an international corporate sustainability benchmark that measures companies' sustainable performance against economic, environmental, and social criteria. Banco Santander scored 80 out of 100 points, with high scores in every category: 69 points for environmental, 81 for social, and 83 for governance. Additionally, amongst companies in the banking sector, Banco Santander had some of the best scores in transparency and reporting, risk and crisis management, tax strategy, and talent. Banco Santander has featured on the Dow Jones Sustainability Index for the past 23 years.

Banco Santander's vision is to play a major role in society's transition to a low carbon economy, driving inclusive and sustainable growth and addressing social and environmental risks and opportunities. ESG is embedded throughout its culture and strategy, which is focused upon helping customers transition to a low carbon economy, by offering them best in class sustainable propositions in a simple, personal, and fair way.

In supporting the fight against climate change and promoting the green transition, Banco Santander continues to make progress on its goal to reach net zero carbon emissions group-wide by 2050, in line with the Paris Agreement.

To achieve its goals, Banco Santander is focused on supporting customers in their green transition. It remains committed to raising 220 Bn EUR in green finance between 2019 and 2030, with an interim target of 120 Bn EUR by 2025 - as of September 2023, it had already reached 105.9 Bn EUR. Banco Santander is also targeting 100 Bn EUR in assets under management classified as "socially responsible investment" by 2025 and has set interim targets to decarbonize its portfolio of emissions-intensive industries by 2030 (coal mining, oil and gas, power generation, steel, and aviation).

Among the world's most sustainable banks

In 2023, Euromoney named Banco Santander the World's Best Bank for Financial Inclusion for the third year in a row. Santander financially empowered 11.8 million people, exceeding its 10 million target three years early. The current target is the financial inclusion of 5 million people between 2023 and 2025 through banking access and lending initiatives. As part of Banco Santander's financial inclusion programs, it gave 950 million EUR in micro loans in 2022 (mainly in Brazil and Mexico).

2) Santander press release December 9, 2023

Our progress with sustainability in the Nordics 2023

ESG component	Strategic ambition	2023 Highlights
Environmental Support climate transition	Deliver on Santander's **Net Zero** ambition **by 2050**, helping our customers in their transition to a sustainable and low carbon economy	› As a member of the Banco Santander Group, the ambition to become net zero by 2050 is fully embraced. › The Group continues to support and finance the decarbonization transition in transportation. As a leader in the Nordic auto finance market, the Group's share of all new BEVs (Battery Electric Vehicles) financed in the Nordics was 11%. › The financing of home energy solutions is an increasingly attractive business segment. The Finnish market is the Group's largest market for home energy financing, and the total home energy solutions business has grown in 2023 by 5.65 % (by number of contracts). › The Group has progressed initiatives to capture and report climate related aspects on both its own operations as well as its financing activities, aligned with emerging regulatory requirements. › 100% of the energy supplied to the offices in the Nordic countries came from renewable energy sources.
Social Contribute to generate positive returns to society	Support **productive inclusion** across our **main stakeholders**, employees, customers, and communities	› The Group continued to place strong focus on responsible lending and compliance with regulations. › The Group mobilized to adopt and respond to the Norwegian Transparency Act in relation to human rights and decent working practices in its value chain. In June 2023, the inaugural Transparency Act Statement was published on the Group's Norwegian website. › The Group is a proud sponsor of many sporting events across the Nordics, in addition to supporting selected charities. › The Group continued to operate a Flexiworking model to promote a healthy work-life balance amongst its employees. › In 2023, the Group donated 100 000 NOK to humanitarian aid through the Norwegian Red Cross to assist in the response to the earthquake and humanitarian crisis in Turkey and Syria.
Governance Embed ESG across the organization	**Incorporate ESG** in behaviors, policies, processes, and governance throughout the Group	› During 2023, the Group further progressed operationalization of its Responsible Banking agenda, including the publication of its second Sustainability Report. › The Group implemented its Responsible Banking model and Responsible Banking and Sustainability policy, further supporting the groupwide Santander Responsible Banking Framework › The Group continued its focus on embedding ESG risks and opportunities into its risk management and other strategic management processes. › The Group established an internal ESG Forum with regular meeting points to ensure cross functional collaboration and knowledge sharing relating to emerging ESG expectations. › The Group rolled out a broad program of mandatory training on internal control and governance related aspects. › The Group further incorporated Responsible Banking updates into the Board of Directors' agenda for 2023.

Annual Report of the Board of Directors 2023

Results

Net interest income, MM NOK
7 685

Gross margin, MM NOK
8 189

Profit before tax, MM NOK
3 706

Key figures Santander Consumer Bank Group

All amounts in million NOK

	2023	2022	2021
Net interest income	**7 685**	**6 754**	**7 087**
*Growth**	14%	-5%	-7%
Gross margin	**8 189**	**7 056**	**7 406**
*Growth**	16%	-5%	-5%
Profit before tax	**3 706**	**3 584**	**3 359**
*Growth**	3%	7%	24%
Profit after tax	**2 821**	**2 707**	**2 566**
*Growth**	4%	5%	20%
Total assets	**212 057**	**202 894**	**192 357**
*Growth**	5%	5%	-3%
Net Loans to customers	**190 212**	**182 976**	**170 640**
*Growth**	4%	7%	-3%
Customer deposits	**88 546**	**75 925**	**73 304**
*Growth**	17%	4%	-10%

** Year on year*

Financial performance

Review of the Annual Accounts

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors confirms that the accounts have been prepared on a going concern basis and that the going concern assumption applies.

Profit before tax for the Group[3] amounted to 3 706 MM NOK, up 3% compared to last year. The main driver for the increased result was a significantly improved gross margin, offset by higher operating expenses.

This year, the Group's financial results showed a net interest income of 7 685 MM NOK, representing an increase of 931 MM NOK (14%) compared to 2022. The change in net interest income was due to higher interest income of 4 978 MM NOK (59%), offset by higher interest expenses of 4 048 MM NOK (244%) compared to 2022. In 2023, both interest income and interest expenses have substantially increased following the significant increase in XIBOR rates in all Nordic markets. In addition, FX had a positive impact on net interest income of 461 MM NOK compared to 2022.

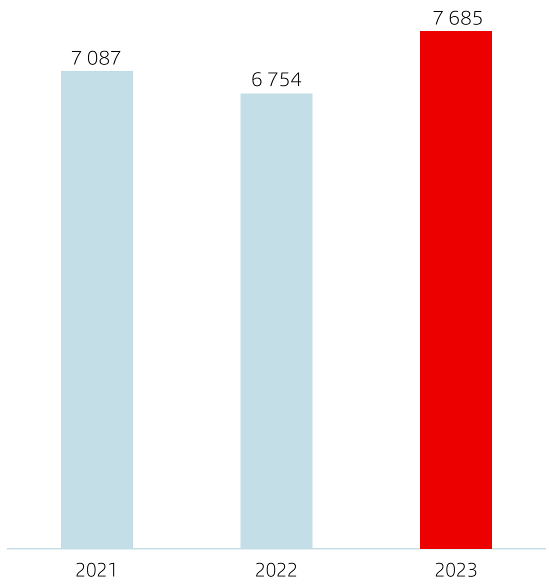
Of the total increase in interest income, 4 206 MM NOK was due to increased interest income from the Auto business driven by both higher volumes with 1 182 MM NOK and yields with 3 024 MM NOK. The Group's interest income from the Unsecured business increased with 306 MM NOK, driven by higher yields compared to 2022 of 388 MM NOK, but offset by lower volumes with an impact of -82 MM NOK. Higher interest income on liquidity assets make up the additional increase in interest income with 467 MM NOK compared to 2022.

Operating expenses for the year were 3 392 MM NOK compared to 2 622 MM NOK in 2022. The increase in operating expenses is mainly driven by negative FX impact and increased inflation. Also, in 2022 the Group had a one-off related to VAT true up in Finland and Sweden impacting the operating expenses positively with approximately 230 MM NOK.

Net impairment losses experienced a year-on-year increase of 153 MM NOK, stemming from the exceptionally strong year in 2022, and notably associated with the growth of the portfolio along with the unfavorable impact of currency volatility.

Net interest income

MM NOK



Allocation of profits

The profit of the year is proposed allocated in the following way: 800 MM NOK in dividends, the remaining is allocated towards other equity.

[3] The Group refers to Santander Consumer Bank AS including its subsidiary in Finland, Santander Consumer Finance OY.

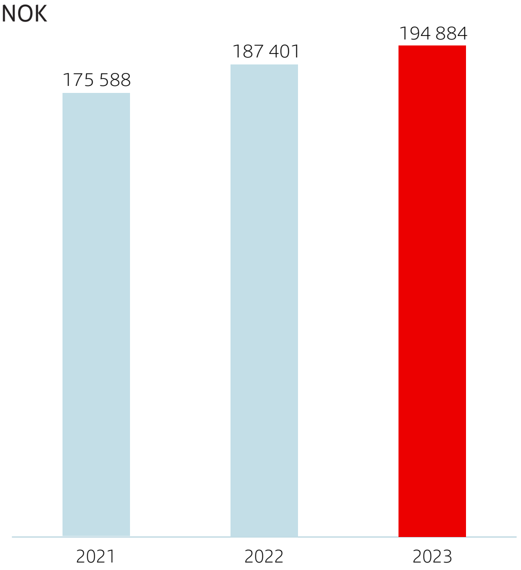
Loans and deposits performance

Loans to Customers

The Group's gross outstanding loans to customers came to 194 884 MM NOK per December 2023. This is an increase of 4% (7 483 MM NOK) compared to December 2022. Gross auto financing had a growth of 9 073 MM NOK during 2023 with real growth of 2 434 MM NOK and a positive FX impact of 6 639 MM NOK. On the other hand, the gross unsecured lending had a reduction of 1 590 MM NOK with real reduction of 3 041 MM NOK offset by positive FX impact of 1 451 MM NOK.

Gross loans to customers

MM NOK



Auto financing

The Group maintained its position as market leader in the Nordic auto finance market with a strong focus on partnerships with dealers and importers. During 2023, the new car sales have shifted from private towards commercial customers. With manufacturers catching up on their production and delivering their orders, new car sales are slightly down compared to last year. In 2023, 782 409 new units have been registered in the market in total. Personal Cars (PC) and Light Commercial Vehicles (LCV) registrations in the Nordic markets decreased with 0.9% compared to the last year. Used car sales increased by 175 units to 3 151 795 units compared to the previous year. In total, car sales have decreased by 0.2%, but with major variations between the months and countries as well as between the new and used car sales market.

During 2022, lack of consumer confidence and rising energy costs were causing ongoing decline in sales, whereas 2023 sees different movements in the market. The demand for Battery Electric Vehicles (BEV) continues to rise, whereas new Hybrid vehicles sales are in decline. Furthermore, the impact of tax changes in Sweden and Norway are having an impact on sales in those markets. With consumer confidence being low and rising interest rates causing private customers to order less cars, a shift towards commercial sales and leasing is visible and stocks of dealers and manufacturers are increasing.

Financing the green shift

The Corporate Average Fuel Economy (CAFE) Standards have come into effect, penalizing manufacturers who have a higher average CO2 emission. To meet the requirements, manufacturers increased production and registration of cars with a zero and low CO2 emission, especially in markets with higher demand for BEVs (including Norway and Sweden). Manufacturers can meet the demands, supplies are increasing, and delivery times have been reduced. With new orders declining due to the economic situation, the dealer stocks are starting to fill. The BEV and Hybrid car adoption in the Nordic market is among the highest in the world. Norway and Sweden have led the BEV sales, although the first quarter of 2023 marked a change as incentives in Sweden were reduced and removed, and taxation in Norway increased. Denmark and Finland doubled their new BEV sales despite a declining overall market. During 2023, 48% of all new cars financed by Santander are BEVs, and 22% are hybrids. Finance penetration for BEVs is higher than for non-BEVs, helped by the strong partnerships the Group has across the region.

The Nordic market

The Swedish market, which is the largest in the Nordic, experienced a growing share of BEVs with sales increasing by 21% versus 2022 while total new car sales increased by 3.45% and the used car sales market decreased by 0.5%. The Swedish market is becoming less attractive due to the SEK exchange rate reducing profit margins for most manufacturers. The removal of a government climate bonus, which benefited low emission cars by amounts up to 70 000 SEK, is negatively impacting BEV orders and sales during Q1 2023 after significantly increasing registrations in December 2022. Since Q2 2023, a recovery of the market has been seen, mostly driven by commercial customers.

In the Norwegian market, sales have decreased substantially mainly due to tax changes coming into effect in January 2023, December 2022 registrations were at record levels (over 20% of the annual registrations in a single month), causing very low registrations in the subsequent months. New car registration decreased by 23.2% during 2023. EU regulations caused many manufacturers to increase their efforts in one of Europe's largest BEV markets.

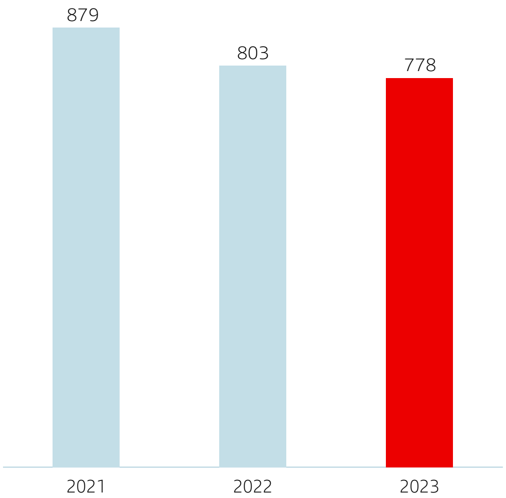
The Norwegian currency has weakened versus the Euro and other major currencies, causing profits for manufacturers to dwindle, and forcing price increases initially. Tesla moved against that trend setting an example for other manufacturers to decrease prices during the year causing visible changes in registrations. Used car sales decreased by 2.6% as supply dries up, and used BEVs can be more easily (and profitably) sold in other European markets, reducing the need to export to Norway.

In the Danish market sales increased by 13.1% for new vehicles and declined by 0.3% for used vehicles compared to 2022. Denmark is the only Nordic market where diesel still has a significant market share. With the Danish Krone pegged to the Euro, the profit margins make the market more attractive, and deliveries have picked up. During this period, the new vehicles sales have increased, and BEV sales have doubled.

The Finnish market experienced a growth in new car sales of 6.2%. Visible growth of 4.0% in used car registration resulted in the total car registration increasing by 4.3. Finland is experiencing imports from Sweden and Norway (due to the favorable FX for Finland) and is catching up on deliveries. However, new orders are reported at record low level. The BEV and (mild)-Hybrid vehicles make up about 73% of car registrations in 2023. Consumer confidence reached the lowest level ever recorded during the last months of 2022 and customer orders continue to decline during 2023.

Sales of new cars (PC and LCV*)

Units in thousands (Market total)



*Personal Cars and Light Commercial Vehical

Innovation changes the market

In all markets, there is an increased trend of dealer consolidation where the distribution of a brand is concentrated on fewer owners, often private importers taking over from manufacturers. The Swedish Hedin Group purchasing the major Finnish dealer group Laakkonen and becoming the importer for Ford in Finland is one example of the consolidation trend across the Nordics.

Sweden has become the testing ground for the Agent Model, where manufacturers sell directly to consumers and the dealerships solely operate as a delivery point. Where BEV manufacturers already operate direct to consumer (e.g., Tesla, Nio, Lynk&Co), this is a major change for traditional manufacturers. Mercedes was the first manufacturer to change, while others recently announced their intentions to change as well (e.g. Stellantis, Nissan Sweden).

Finance has become a more integrated part of the car sales offer in terms of finance bundled with services such as insurance, maintenance, and other relevant products. The Group expects this trend to continue with more flexible “mobility” models, including flexible finance periods and the possibility to trade in and exchange cars based on an agreed residual value.

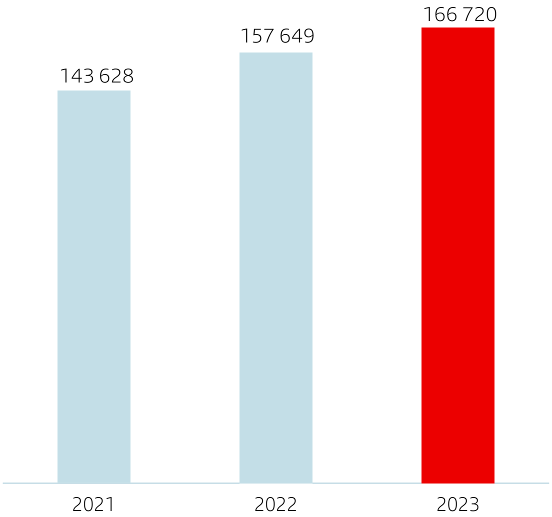
Nordic market leader

The competition has increased with parties such as leasing companies entering car financing in different market segments, causing pressure on the margins. The Group has maintained its position as market leader in the Nordic auto finance market. The main focus is on partnerships with dealers and importers and Original equipment manufacturer (OEM) owned national sales companies. Important partnerships have been renewed, and the Group has ensured operations and processes have been optimized to protect margins and increase focus on market developments.

Overall, in the Nordics, the Group is the market leader, but positions vary by month and by market. In the Swedish car finance market, which is dominated by captive lenders for the two largest brands (Volvo and Volkswagen), the Group became the leader in Private Lease financing during 2022 for the first time and is currently on top for 2023 as well. Total outstanding auto financing is 166 720 MM NOK, an increase of 5.75% compared the end of 2022.

Gross Auto Financing

MM NOK



Future expectations

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

Incentives for low emission cars are being rolled back in some of the markets, such as tax benefits that are significantly reduced in Sweden and Norway. BEV sales will continue to grow as supply and consumer demand remain high.

Increased regulations and global unrest, inflation and rising interest rates continue to impact consumer confidence and sales. Built up order banks from manufacturers will soften the sales impact with deliveries continuing while new orders are at significantly lower levels. Some (smaller) manufacturers may choose to exit from certain markets and sell their importerships to private importers or exit completely. At the same time there is an opportunity with regards to car brands, as many new, mostly Chinese brands are entering the Nordic market, exclusively focusing on BEV cars.

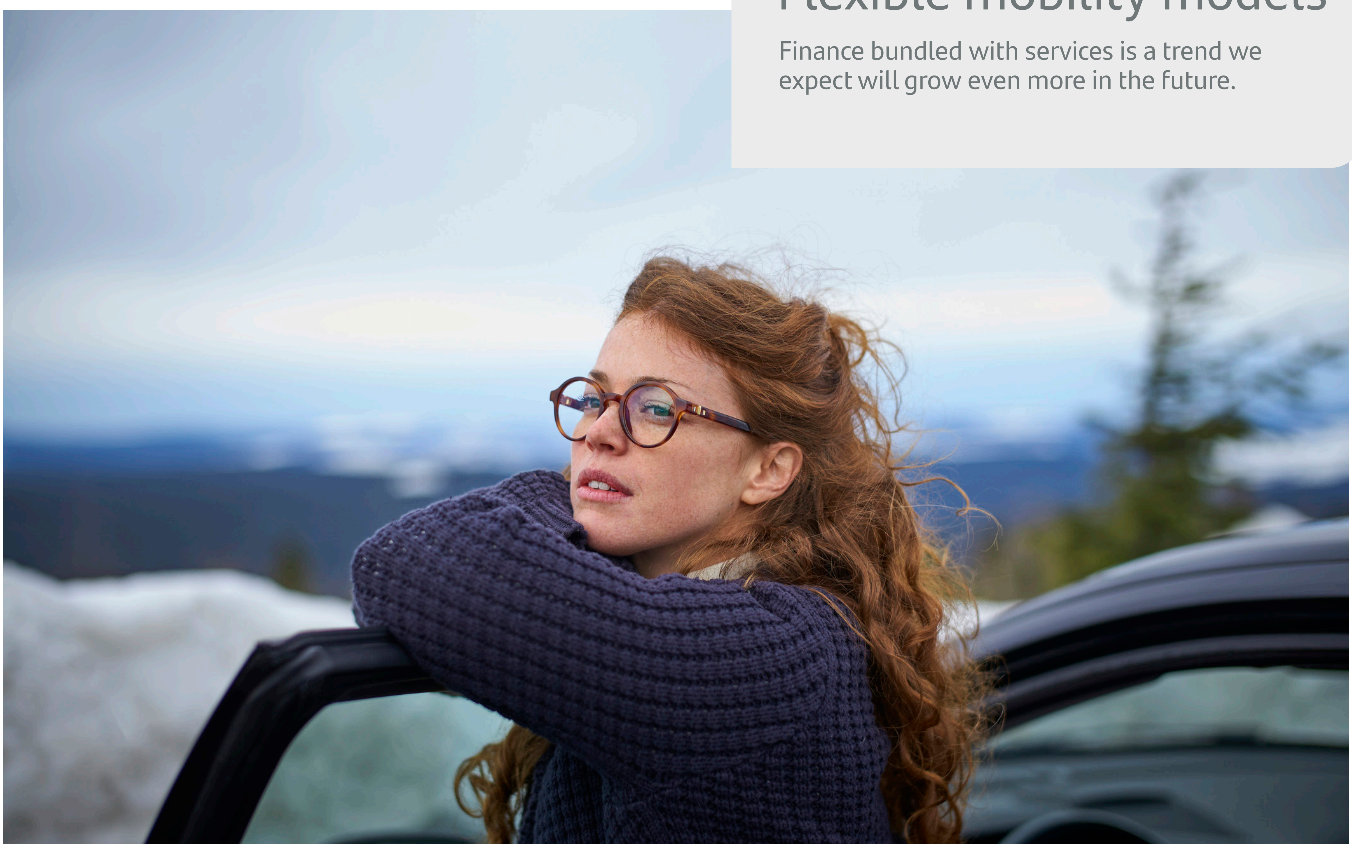
The rising interest rates will stabilize over time but will have short term impact on profitability and customer's ability to borrow. In auto finance, bundled products will continue, but the growth for mobility solutions is delayed as mobility has reduced since the COVID-19 pandemic changed consumer behavior. In the largest cities, we anticipate increased focus from governments on reducing car traffic and providing incentives for other mobility solutions such as car sharing and public transportation.

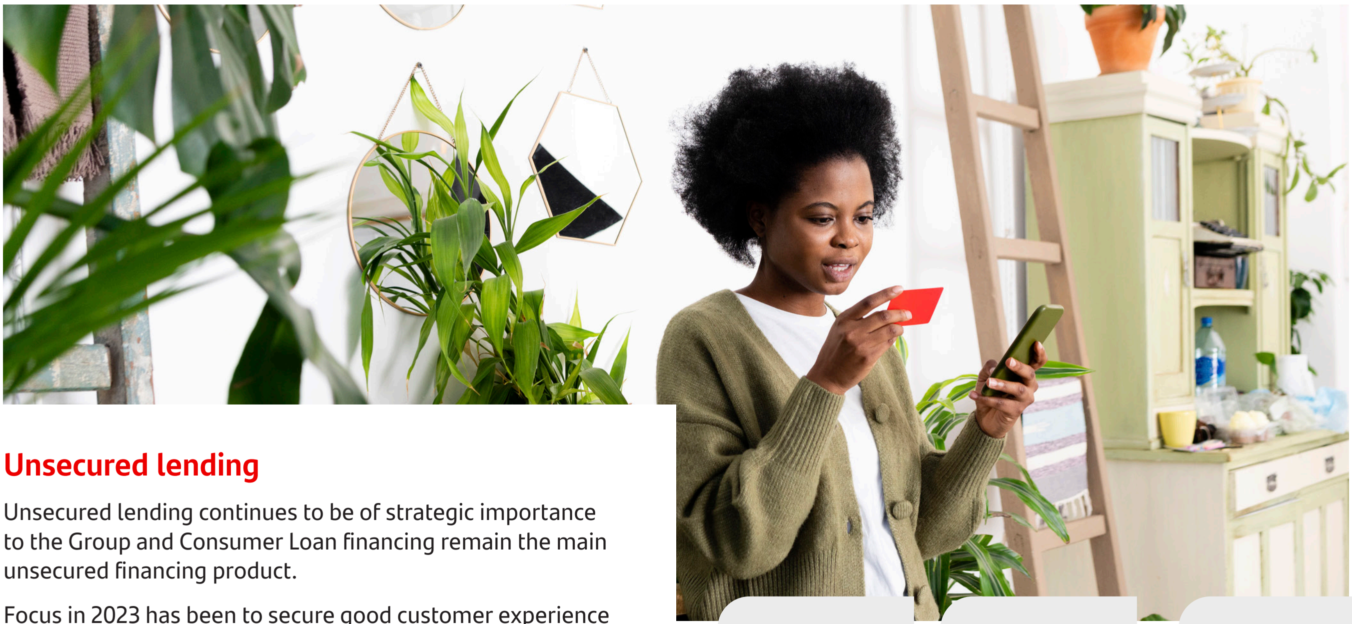
OEMs are expected to grow their online presence, enabling customers to order cars and car related services online. Dealer relationships will change when alternative distribution models are implemented. The Group will support partners during this transformation and integrate financial solutions into their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

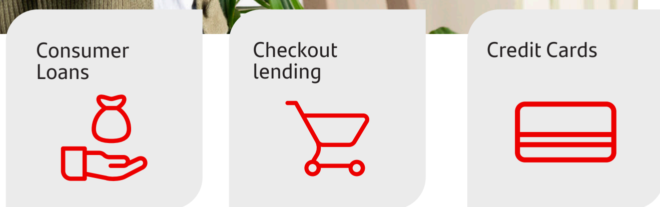
Group has a strong position in the Nordic market and will further strengthen this position with its existing and new partnerships and is well positioned to meet the changes predicted within the auto area.

Flexible mobility models

Finance bundled with services is a trend we expect will grow even more in the future.







Unsecured lending

Unsecured lending continues to be of strategic importance to the Group and Consumer Loan financing remain the main unsecured financing product.

Focus in 2023 has been to secure good customer experience and strengthen our collaborations with partners while adapting to a changing market dynamics and increased legislation. The Group's Responsible Banking agenda is of high importance and will continue to be a key focus area in 2024.

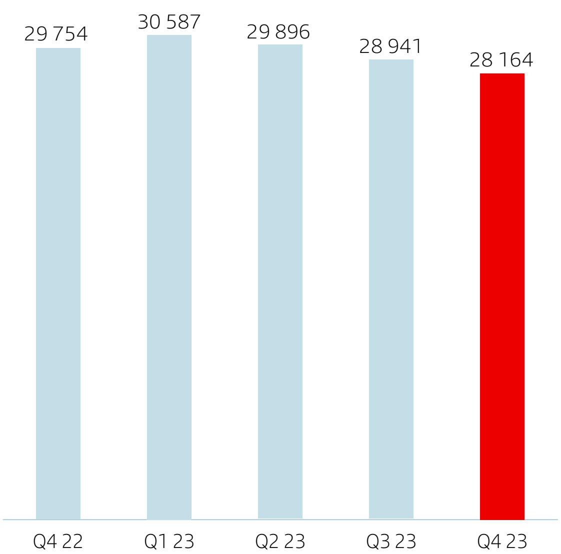
The Group needed to balance risk and lending in 2023 which has led to lower volumes in the end of year for Consumer Lending. The Swedish Market is still the lead shareholder of the total Consumer loan portfolio with 46% of the total Nordic Market while the largest market growth within Consumer Loan were in Denmark.

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

The Nordic Checkout Lending portfolio was up by +4.8% in 2023 compared to 2022 due to new partnership and focus on The Group's Responsible Banking agenda.

Gross Consumer Financing

MM NOK



Consumer Loans

The Consumer Loans segment offers unsecured loans. The Group's main priority for 2023 has been to focus on profitability to maintain a strong position and a robust portfolio in a challenging macro environment. The Group has also put extra effort in Denmark and Sweden on finalizing IT infrastructure and securing compliance and improved customer experience.

Adapting to new market conditions

The Group has continuous focus on adapting to changing market dynamics, especially regarding increased funding costs and challenging macro-economic factors. With inflation rates continuing at a high level and continuous interest rate increases in all markets, the Group is adapting to a new norm with higher costs of funds. The Group has done several adjustments across the region to secure profitability on both new business and portfolio and has solid plans on how to navigate going forward.

The Consumer loans market in the Nordics is primarily driven by legislation aimed at protecting consumers, well in line with the Group's Responsible Banking agenda. Additional tightening in the regulatory landscape related to credit worthiness and affordability will strengthen the competition in the market even more. The Group continues to focus on optimizing the Nordic capabilities and protecting the portfolio by continuing the work with harmonizing the product offer and optimize digital processes across the Nordics. The Group is convinced this will secure its attractiveness as a large player in the region.

Future expectations
The Group expects continuous growth in the broker channel, an even stronger shift towards debt-consolidation across the region, increased consumer protection from the Financial Supervisory Authority's (FSA), increased competition on price and continuous focus on digitalization and optimizing customer journeys. The Group is meeting the changes in the market with several development initiatives to be implemented in 2024 which will strengthen the Group's position in this highly competitive market.

Checkout lending

Changing consumer behavior
The Group observed a shift in consumer spending where, notably, Do It Yourself (DIY), Home Electronics and furniture retailers have gained traction. The Group has established a strong presence in the region with extensive retail coverage in the above-mentioned segments, positioning itself for future growth once the market recovers.

In addition, the Group has observed that the shift in sales from physical stores to e-commerce continues. The e-commerce share of the Group's total transactions is significant. The move to e-commerce will be beneficial for the Group, as it has established robust solutions in all markets within the region.

A Nordic offering
The Group has successfully managed to defend and grow the position as a leading player with a positive merchant base growth across the markets, where Sweden has had the largest increase in new business volume in 2023. The Group continue to grow within the green energy segment.

Enhanced regulations
2023 had high focus from a regulatory perspective, with new regulations being implemented with the intention to further strengthen the consumer protection in the region. The practical implication for the Group is an even more thorough credit evaluation to secure compliance. From a commercial perspective, this has impacted approval rates negatively, especially in Norway and Denmark.

Future expectations
For 2024, the Group expects a continued increase of e-commerce share of sale volumes across all retail segments. Solid plans are in place to launch updated customer journeys and solutions for the merchants that will further strengthen the position as a leading player in the checkout lending market in the region. The work continues within the Group to expand and grow the green energy products to support the Group's Responsible Banking agenda.

Credit cards

Nordic consumers are among the fastest in the world in terms of adoption of mobile payment solution and checkout options. The Group focuses on optimizing customer journeys with mobile wallet solutions across the region. The Group has also introduced several initiatives to ensure that we continue to meet and go beyond consumer expectations, from a product, platform, and experience point of view.

The Group continues to work on expanding the green transaction by offering Eco card, Biometric features, and Virtual card.

Improving product offering
The Group has consolidated the card payment infrastructure in the region to minimize costs and streamline products and processes across the region, which is important for attractiveness and competitiveness. The Group has invested in repositioning the future Cards and Payments offering in the region.

Digital first
The use of the physical card will continue to be a part of the Payment ecosystem for years to come. However, as the adoption of digital payment solutions evolve, so does the possibilities of giving customers more control of their exposure. The Group's My Cards App gives cardholders the possibility to manage their own risk and exposure, while creating a possibility of safe and instant issuance of a new virtual card or pushing the Cards to Payment solutions.

Deposits

In 2023, the Group focused on further establishing Deposits as its main funding source and achieved growth of 17% year over year. In addition, customer loyalty and improving customer experience continue to be key priorities.

Total outstanding volume for the Group is 88 546 MM NOK end of 2023, representing an increase of 12 621 MM NOK (17%) compared to 2022. Of this, approximately 9 Bn NOK represents real growth, while 3.6 BN NOK is due to a weaker Norwegian kroner. The Group operates deposit platforms in three of its four home markets: Denmark, Norway, and Sweden.

Volumes in the Danish platform have grown to represent the largest share of deposits within the three markets. Outstanding balances end of 2023 was 35 124 MM NOK, ending the year 5 228 MM NOK (17%) higher compared to 2022.

Denmark offers a diverse product range, including a demand product, a notification product, and fixed rate deposits of varying tenors. The notification product requires customers to notify any withdrawals 31 days in advance of the actual withdrawal The fixed rate products provide customers with the choice of three tenors (6, 12 and 24 months).

In Norway, the Group had an outstanding balance of 28 788 MM NOK end of 2023, representing a 3 657 MM NOK (15%) increase compared to 2022. Like Denmark, Norway offers a demand product, a notification product and fixed rate deposits. The floating rate products use a tiered pricing model to manage pricing competitively and to reward small savers. The fixed rate products currently include terms of 6 and 12 months.

Sweden offers both a demand product and a notification product. In addition, the unit has an ongoing cooperation with a broker. While the Group's strategy is focused on maintaining its in-house products, the cooperation provides additional flexibility for managing the Swedish deposits portfolio. Outstanding volumes in Sweden stood at 24 634 MM NOK end of 2023, which is 3 736 MM NOK (18%) higher compared to 2022.

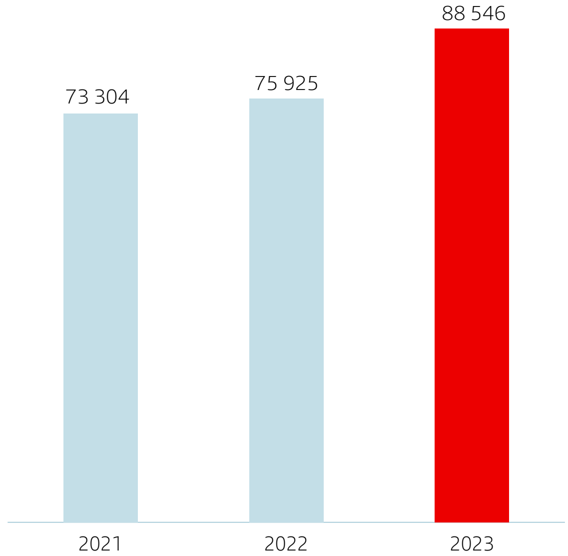
Helping people prosper

The Group continues to focus on improving customer experience through the optimization of mobile responsive onboarding solutions, net banks, apps, chat bots and a range of product offerings.

The Group is a member of the Norwegian Banks' Guarantee Fund. Customer Deposits are covered according to the local guarantee limits, providing our deposits customers a guaranteed amount per debtor of 100 000 EUR in the Danish and Swedish market and 2 MM NOK in the Norwegian market.

Gross customer deposits

MM NOK



Insurance

In 2023, the insured customer base expanded, surpassing 500,000 across the Group. The macroeconomic landscape in Europe heightened awareness among both consumers and partners regarding the significance of insurance coverage. Representing 2.6% of total revenue in 2023, insurance has consolidated its place as a strategic focus for the Group. Its growing contribution to both fiscal performance and strategic objectives underscores its increasing importance for the Group.

Insurance Distribution Directive (IDD)

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

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

Introducing Digital Sales for Finland

In the past, the Group's approach to driving insurance sales in Finland centered solely on telemarketing. However, in 2023, the Group initiated a strategic transformation by implementing a digital point-of-sale solution. This forward-thinking approach, effectively launched in June 2023, seeks to reshape the customer experience, and strengthen our long-term customer retention.

New & Enhanced Product Offerings

In the Danish market, the Group achieved success by launching a new Guaranteed Asset Protection (GAP) product. Initially sold through telemarketing channels, this product will soon be introduced into the auto dealer network. This strategic expansion aims to broaden accessibility, offering customers innovative solutions through multiple touchpoints in line with the Group's commitment to customer-centric financial services.

To strengthen the Group's position in the Norwegian market, the Bank is set to unveil a new ancillary product tailored explicitly for the auto dealer network in Q1 2024. This initiative not only ensures comprehensive coverage for customers but also strengthens collaboration with the auto dealer network.

Throughout 2024, the Group will embark on an expansive initiative to enhance all Customer Protection Insurance (CPI) products. These comprehensive improvements are meticulously designed to elevate customer value across the board. The strategic enhancements underscore the Group's dedication to constantly refining and optimizing our product suite to better serve our customers' evolving needs.

Risk Management

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

Credit Risk

Throughout the year, the credit quality indicators have exhibited a consistently stable trend.

Cost of Credit	NPL Ratio	Coverage Ratio
0.48%	2.88%	83.93%
▲ 4 bps vs. Q4.22	▲ 25 bps vs. Q4.22	▼ 739 bps vs. Q4.22

Structural and Liquidity risk

Robust liquidity buffer with ratios above regulatory limits.

LCR	NSFR
166%	112%
▼ 19 pp vs. Q4.22	▲ 5 pp vs. Q4.22

Operational Risk

During 2023 efforts have been focused not only on addressing the deficiencies and recommendations related to AML that were identified by the N-FSA but also on enhancing the overall control environment and internal processes across the Group.

Capital Risk

Capital ratios above regulatory requirements.

CET1 %
18.45%
▼ 24 bps vs. Q4.22

Risk Management Framework

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

The Group uses a comprehensive and forward-looking risk management approach that spans across the organization and encompasses all risk types. This approach is underpinned by our risk culture, "Risk Pro", embedded in our three lines of defense model, and aligned with Santander's core values. The Group's Risk Management Framework fosters continuous monitoring, promotes risk awareness, and advocates for prudent operational and strategic decision-making. Moreover, it ensures a consistent methodology for identifying, assessing, managing, and reporting the risks assumed by the Group, in accordance with its Risk Appetite.

Executive Summary and outlook as of Q4 2023

The trials of 2022 clouded the first months of 2023, and at the outset, the outlook for the year ahead was pessimistic. While challenges arising from the macroeconomic environment continued to be prevalent throughout the year, despite initial concerns, the credit quality indicators stayed within expected levels.

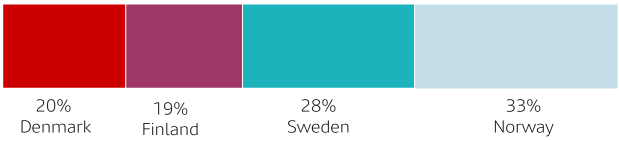
Throughout the last quarter of 2023, following the trend observed during most of the year, the credit portfolio remained robust and stable, showing consistent resilience. This stability stemmed from overall good performance, a portfolio weighted towards secured lending, a strong provisions base, and tighter admission processes. Our customer base has also shown adaptability by adjusting their consumption patterns in response to the economic environment and has been protected by savings accrued during the Covid period.

The Group's proactive, holistic, and forward-looking approach to risk identification and mitigation has also supported its stable performance. Throughout 2023, the Group has closely monitored the development of its credit portfolios, paying particular attention to any changes in customer behavior, to identify potential portfolio deterioration at an early stage. This proactive pre-emptive approach has enabled the ensures that the Group is well-prepared to promptly identify customers in need of assistance or support, in full alignment with our commitment to operate in a simple, personal, and fair way.

Credit Risk

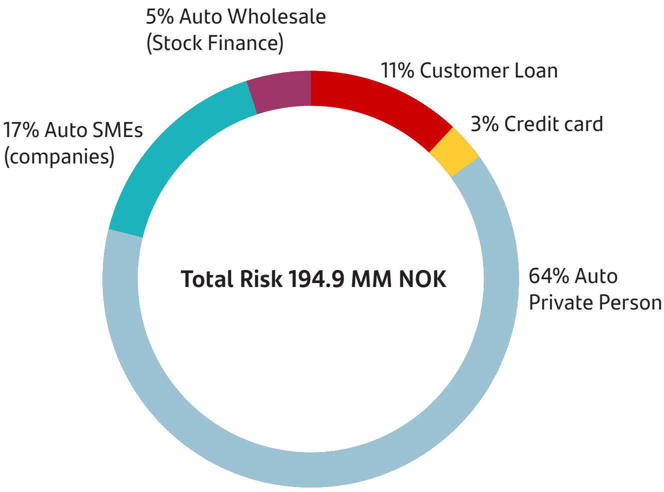
Total risk by country

The Group maintains a portfolio with good diversification across the Nordic countries:



Total risk by product

The Group maintains a portfolio with good diversification across products:



Non-Performing Loans

The Group's Credit Risk profile in Q4 2023 remained stable for the total portfolio, in line with business strategy. The consolidated Non-Performing Loans (NPL) Ratio ended at 2.88% (1.58% for the secured portfolio and 10.54% for unsecured) in Q4 2023, compared to 2.67% in Q4 2022 (1.45% for Secured and 8.83% for Unsecured).

Cost of Credit

At the end of the quarter, the Group's strong reserve base reflects the evolution of its portfolio mix, which has tilted towards secured lending, and its stable to improved quality. This evolution of the portfolio is aligned with the Group's risk appetite and its prudent risk management model.

The aggregate loan loss reserves increased, moving from 4 491 MM NOK in Q4 2022 to 4 705 MM NOK in Q4 2023. Whitin the total reserves as of Q4 2023, 4 671 MM NOK is allocated to loans to customers, while 34 MM NOK is associated with off balance exposures. The Group continues to maintain a robust reserve against potential future loan losses. The macro-economic and inflationary forward-looking overlay booked in Q4 2022 was released at the end of Q4 2023 based on an improved macroeconomic and inflationary outlook.

For further information, see Note 1 (Risk Management) and Note 4 (Credit Risk Exposure).

Liquidity Risk and Interest Rate Risk

Liquidity Risk in the Group is measured using the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and Liquidity Stress Testing. Both LCR and NSFR are regulatory metrics used to measure short and long-term liquidity risk. The Group has a strong liquidity position, managed at Nordic level to ensure efficient use of liquidity across the Group.

As of December 2023, the Group's LCR was 165.96% and the NSFR was 112.06%. Both metrics are comfortably exceeding the regulatory requirements. The Group has a credit line with the parent company and can utilize this to manage short term liquidity needs, if external funding becomes unavailable or is considered unfavourable.

The Group also measures asset encumbrance. The main source of asset encumbrance in the Group are Auto Asset Backed Securities issued and retained or placed in the market. In addition, the Bank can execute repurchase agreements encumbering assets to obtain liquidity. The Total Encumbered Assets as of December 2023, was 12 944 MM NOK, representing an Asset Encumbrance Ratio of 6.10%.

The Group's balance sheet composition is designed to ensure that interest rate risk is managed at prudent levels and within established limits. The Group's policy is to not actively take on interest rate risk in its operations, and to continuously monitor the sensitivity of its net interest income (NIM) and equity value (MVE) to changes in interest rates. At the end of December 2023, the exposure to interest changes on both metrics are within the defined limits.

166%

Liquidity Coverage Ratio (LCR) remained above regulatory thresholds in 2023

Foreign Currency Risk

The Group is exposed to currency risk through its activities in the Swedish, Danish, and Finnish markets and from funding activities in the Euro-markets. The main source of currency exposure is retained earnings in EUR, which are accumulated in the Finnish subsidiary to meet its solvency targets. The Group minimizes currency risk by ensuring assets are funded by liabilities in the same currency. Accumulated earnings in SEK and DKK are spotted to NOK when needed to minimize the open exposure. The risk is measured through an FX exposure report, covering all significant currencies for the Group.

The total open currency exposure as of December 2023 was the equivalent of 3 731 MM NOK for consolidated SEK, DKK, and EUR exposures. This is comfortably within the defined FX exposure limits for the Group in 2023.

Operational Risk

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

Furthermore, the Group has not only directed its efforts and resources to addressing identified deficiencies, which are a top priority, but also to strengthening internal processes and routines The Bank is committed to fight against money laundering and terrorist financing and has a zero tolerance for non-compliance with AML legislation. The Bank's anti money laundering and counter terrorist financing program is an area of high priority and focus, that is implemented in all countries. The Executive Management alongside the Board is determined to continue the journey towards a more robust control culture and instill a constant improvement risk cycle.

The Group, along with the rest of the banking industry, is actively addressing the challenges posed by the evolving legal landscape, including the implementation of the Norwegian Financial Contracts Act (Lov om finansavtaler, Finansavtaleloven). In this sense, the Group is continuously enhancing its fraud detection systems to detect and prevent fraudulent activities and minimize potential losses.

Climate & Environmental Risk

Climate-related and environmental risk management, under both a physical and transitional perspective, is key to fulfilling the Group's objectives. The Group takes aiding customers' and households' transition to a low-carbon economy seriously. In keeping with our sustainability commitments and the objectives of the Paris Agreement, the Group offers financial products and services to environmentally and socially responsible businesses.

In 2023, work continued to further embed climate-related and environmental risk in the Group's second line of defense processes (Top Risks, Risk Appetite Statement, Risk Map, and Risk Strategy) and key strategic exercises (findings from these exercises fuel our Internal Capital and Liquidity Adequacy Assessment Processes (ICAAP and ILAAP). The management of this risk is continuously evolving. The Group is taking a comprehensive and holistic approach and aims to fully integrate it within all phases of the risk cycle, and to meet the expectations of our supervisors and stakeholders.

As an area of growing focus, building internal capabilities through training (ensuring that employees have the necessary knowledge and skills) is an important step in effectively managing climate-related and environmental risk. Our Risk-Pro culture has proved to be a key tool for raising awareness among our employees.

Risk Pro: The Group's risk culture

Santander's strong risk culture is deeply rooted in the principle: Risk is Everyone's Business. All employees are risk managers and are responsible for managing the risks they encounter, regardless of their level or role. The Risk Pro culture is embedded in all steps of the employee lifecycle: recruitment, onboarding, growth and development, day-to-day operations, and leadership across all functions. Operational Risk Coordinators are continuously being empowered to support employees in managing risks.

In 2023, the Group continued to focus on deepening employees' understanding of the risks they face in their daily work and ensuring they are fully equipped to manage them. The Group has reinforced and widened the scope of mandatory trainings, covering important Risk areas. The well-established non-mandatory risk training concept - the Risk Pro Academy - was continued in 2023 offering consistent, effective, and multifaced risk training to all employees.

The Group has also continued pursuing consistent, recurrent and multifaced "Risk Pro Communications" featuring a tone from the top and focusing on increasing outreach to First line of defense, as well as relevant messages from all other functions. Another important step in building risk culture was the integration of the 10% Risk goal to each employees' goals and objectives.

Having a robust risk culture is one of the key success factors that allows the Group to effectively respond to changes in economic cycles, new customer demands, increased competition, and heightened regulatory pressure.

It is an integral part of what defines the Group and the way it operates: Simple, Personal and Fair.

risk pro

Everybody's business

Funding

The Group continues to pursue a diversified funding strategy. Over the past few years, diversification efforts have proven advantageous for the Group, providing stability especially during the ongoing conflict in Ukraine. As a result, the Group's deposit base and access to parent liquidity have remained consistent throughout the year.

Self-funding strategy

A solid funding platform

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

Senior unsecured issuances and commercial papers outstandings per year-end 2023 include 2 000 MM EUR in the Euro bond market, 3 000 MM SEK in the Swedish bond market, and 4 800 MM NOK in the Norwegian bond market and 800 MM NOK in the Norwegian commercial paper market. Given strong deposits liquidity, the Group have temporarily scaled back our presence in the commercial paper market in Sweden.

The weighted average remaining term to maturity, excluding commercial papers, is approximately 1.5 years.

The Green Bond program

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

Ratings

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

Asset-Backed Securities (ABS)

The Group accessed the asset-backed securities market in Q2 2023 with a 450 MM EUR transaction backed by Finnish assets. Securitizing the Finnish portfolio has been a consistent source of funding. While the Group's overall funding from securitizations has decreased since 2016 due to the change in securitization law in Norway, which has prevented issuing ABS backed by Scandinavian assets, the Finnish program has provided approximately 10% of the Group's funding since 2016. Total outstanding volumes in securitizations currently equals 12 107 MM NOK.

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

The Risk Participation Agreement allowed Santander Consumer Finance S.A to issue a synthetic securitization by issuing Credit Linked Notes (CLN) on the mezzanine risk purchased by third-party investors, referencing the Danish auto portfolio. The Risk Participation fee Santander Consumer Bank AS need to pay Santander Consumer Finance S.A matches the coupon on the CLN and the issuance of the CLNs allowed Santander Consumer Finance S.A. to achieve significant risk transfer (SRT).

The Group looks to utilize its securitization capabilities more frequently going forward, once Norwegian legislation is harmonized with the new Securitization Regulation (Regulation (EU) 2017/2402), together with the amendment to the Capital Requirements Regulation (Regulation (EU) 2017/2401). The new Securitization Regulation establishes a standardized framework for securitization and creates a specific framework for simple, transparent, and standardized securitizations. In June 2019, the Norwegian Ministry of Finance (MoF) released a consultation paper on the adoption of the new regulations. In December 2020, the MoF published a proposal to implement the EU Securitization Regulation into Norwegian law.

The proposal was adopted by the Norwegian Parliament on April 23, 2021, and is expected to enter into force once the relevant EU regulations have been implemented in the European Economic Area (EEA) Agreement. The exact timing of the latter is currently unknown but is likely to occur during 2024.

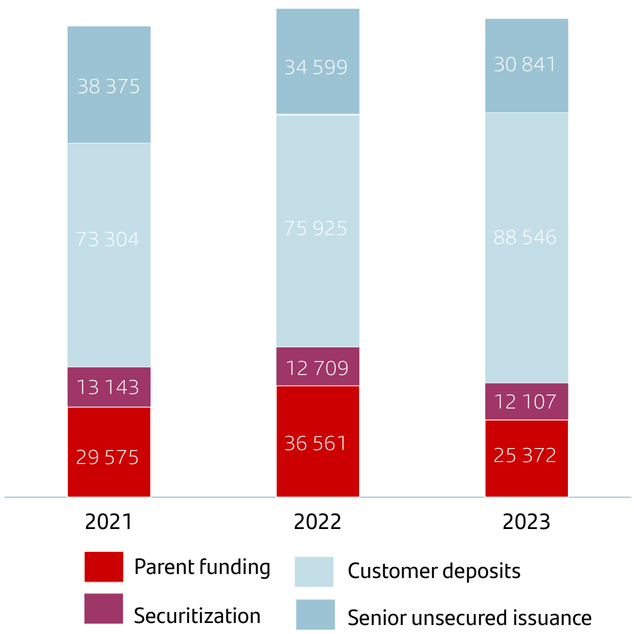
Once adopted, the legislation will align the Norwegian securitization legal framework with that under which European financial institutions currently operate.

Intragroup Funding

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

Funding composition

MM NOK



Solvency and capital adequacy

Capital ratios remained solid, and year 2023 closed with a good margin above the minimum capital regulatory requirements. During 2023, Nordic authorities have concluded the increases in the countercyclical buffer requirements bringing up the levels to 2.5% in Norway and Denmark and to 2% in Sweden. The Group is well positioned to meet present and future changes in capital requirements.

Capital position

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

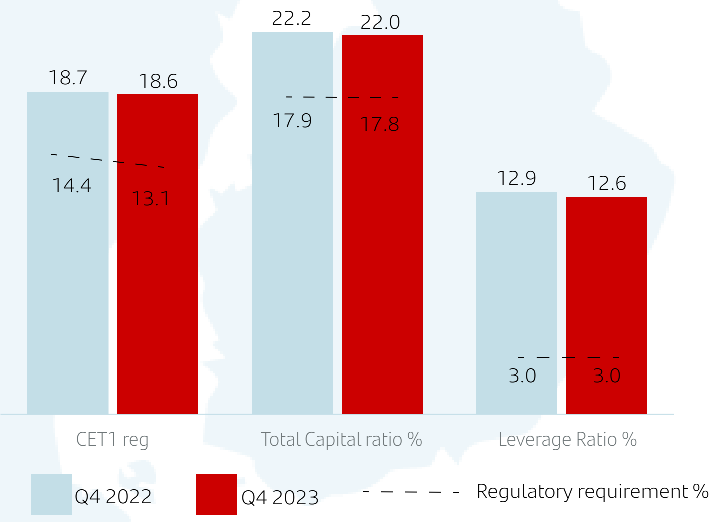
The Group closed Q4 2023 with a common equity Tier 1 (CET1) ratio of 18.61%, slightly down from 18.69% in Q4 2022. The corresponding number for SCB AS was a ratio of 17.27%, down from 17.92%. The total risk weighted assets have increased during the year leading to lower CET1 ratios. This is mainly explained by exchange rate effects (NOK weakening versus SEK, DKK, and EUR) and, to a lesser degree, by volume growth.

Despite this decrease, the Group remains in a solid capital position with a good buffer towards the minimum capital requirements (including Pillar 2 Guidance). This is driven by the reduction in CET1 minimum requirement as Pillar 2 Requirement does not need to be entirely met by CET1 capital from January 1, 2023.

The leverage ratios for the Group and SCB AS closed Q4 2023 at 12.61% and 12.09%, respectively and are well above the regulatory requirement of 3%.

Capital adequacy

SCB Group



SCB Group

Actuals	Q4 2022	Q4 2023
CET1 capital ratio	**18.69%**	**18.61%**
Tier 1 capital ratio	**20.39%**	**20.26%**
Total capital ratio	**22.19%**	**22.02%**
Leverage ratio	**12.94%**	**12.61%**
Capital requirements	**Q4 2022**	**Q4 2023**
CET1 capital ratio	**14.35%**	**13.07%**
Minimum Core Equity	4.50%	4.50%
Pillar 2 Requirement	3.30%	1.52%
Pillar 2 Guidance	1.50%	1.50%
Countercyclical Buffer (combined)	1.32%	1.88%
Conservation Buffer	2.50%	2.50%
Systemic Risk Buffer (combined)	1.23%	1.17%
Tier 1 capital ratio	**15.85%**	**15.08%**
Total capital ratio	**17.85%**	**17.76%**
Leverage ratio	**3.00%**	**3.00%**

SCB AS

Actuals	Q4 2022	Q4 2023
CET1 capital ratio	**17.92%**	**17.27%**
Tier 1 capital ratio	**19.73%**	**19.03%**
Total capital ratio	**21.66%**	**20.90%**
Leverage ratio	**12.98%**	**12.09%**
Capital requirements	**Q4 2022**	**Q4 2023**
CET1 capital ratio	**14.41%**	**13.13%**
Minimum Core Equity	4.50%	4.50%
Pillar 2 Requirement	3.30%	1.52%
Pillar 2 Guidance	1.50%	1.50%
Countercyclical Buffer (combined)	1.35%	1.92%
Conservation Buffer	2.50%	2.50%
Systemic Risk Buffer (combined)	1.25%	1.19%
Tier 1 capital ratio	**15.91%**	**15.14%**
Total capital ratio	**17.91%**	**17.82%**
Leverage ratio	**3.00%**	**3.00%**

Current and future capital requirements

From January 1, 2024, the Group is subject to the revised Pillar 2 requirement of 2.4% of RWAs which can be covered by a minimum of 56.25% of CET1 capital and a minimum of 75% of Tier 1 capital. The Pillar 2 Guidance remained unchanged at 1.5% and still needs to be entirely covered by CET1 capital.

After a period of more than one year building up the countercyclical buffer requirements (CCyB), Nordic authorities have concluded the increases bringing up the levels to 2.5% in Norway and Denmark and to 2% in Sweden. No other changes in CCyB are expected in the short/medium term. Systemic Risk Buffer (SyRB) requirement remains at 4.5% in Norway and 0% in Sweden, Denmark, and Finland. Going forward, the Finnish FSA has announced that SyRB in Finland will increase to 1% as of April 1, 2024.

Also from January 1, 2024, the Group is subject to MREL requirement set forth by the Norwegian FSA. Since 2022, the Group has progressively built up its MREL debt with own funds and eligible liabilities issued directly or indirectly to the ultimate Parent Company, Banco Santander, S.A.

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

Regulatory

The Group uses the advanced IRB-approach for the private auto portfolios in Norway, Sweden, and Finland. In July 2021, the Group submitted updated IRB models to the Joint Supervisory Team incorporating new regulations and guidelines. The submitted models have not yet been approved by the regulators.

For further details regarding Capital Adequacy, see Note 9.

Regulatory changes in the financial sector

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

Consumer protection

Consumer protection is a continuous focus area from European and Nordic regulators and supervisors.

The new Norwegian Financial Agreements Act entered into force January 1, 2023, having a considerable impact on financial institutions in Norway, further enhancing consumer protection. The Act implements provisions from several EU legislative acts such as directives on mortgages, payment services, and payment accounts.

The new Norwegian Loan Distribution Act and Regulations entered into force July 1, 2023. The Loan Distribution Act does not apply to the Bank as such but affects partners mediating our products in Norway.

A proposal to expand the Norwegian debt register to include also secured debt, such as car loans and mortgages, was issued for public consultation during the summer of 2022. This consultation was due October 14, 2022, and the proposal is currently being reviewed by the Ministry of Children and Families. If adopted, it will provide financial institutions with a better tool when performing credit worthiness assessments of its customers.

In Finland, the amendments to the consumer protection legislation, including changing the responsibility for supervision of credit institutions from the Regional State Agency, AVI, to the Finnish Financial Supervisory Authority, was effective July 1, 2023. The supervision of the Bank's subsidiary in Finland, Santander Consumer Finance Oy, has changed from AVI to the Finnish FSA. In addition, amendments were made to the Finnish Consumer Protection Act, changing the requirements on interest rate cap and marketing. These amendments were effective on October 1, 2023. The Finnish law on a positive credit information register entered into force on August 1, 2022. The register stores comprehensive information on loans of private persons, and information about a person's income. Financial institutions will be required to report all existing consumer credits to the register from April 1, 2024.

The new directive 2023/2225 on Credit Agreements for Consumers, repealing the Consumer Credit Directive 2008/48/EC, was published in the Official Journal on October 30, 2023 and is now in force.

In this context, the Swedish government has decided to appoint a special investigator to implement the new consumer credit directive into Swedish legislation. Investigation report to be provided on October 11, 2024 at the latest. The Danish government has not decided to appoint a special investigator to implement the new consumer credit directive, but the Danish government has invited finance associations to discuss on the topic.

Additions to the Swedish Consumer Credit Act on amendments of consumer credit agreements and alternatives to taking enforcement actions entered into force on January 1, 2024.

The combat against money laundering and terror financing continues with increased strength

The combat against money laundering (ML) and terror financing (TF) continues to be an area of high focus from the EU and Nordic regulators and supervisors.

The European Commission's AML package that was presented in 2021, which aims to further strengthen the EU legislation on anti-money laundering and countering the financing of terrorism, is still subject to EU discussions. The proposal for the creation of a new EU authority to fight money laundering (the Anti-money-laundering Authority AMLA) is also still subject to discussions, hence delayed.

In relation to the existing AML-framework, the Commission has also proposed an anti-corruption package which includes a new Directive on the fight against corruption and a new EU sanction regime.

From the European Banking Authority (EBA) there have been amendments to the EBA Guidelines on money laundering and terrorist financing risk factors (ML/TF risk factors), new EBA Guidelines on de-risking, and the publication of EBA's Fourth Opinion on ML/TF risks across EU. Further, the EBA guidelines on remote customer onboarding were announced in Nov 2022, and all Nordic FSAs have communicated that they will apply the Guidelines in their supervisory practices. Lastly, the International Monetary Fund's (IMF) "Nordic-Baltic Regional Report" on money laundering risks in the Nordic-Baltic highlights the current risk picture.

Following the global situation, more international financial sanctions are put in place. The EU announced the 12th package of sanctions on the December 18, 2023. Banks must comply with such sanctions by screening customers and freeze assets. The N-FSA published during Q3 2023, a report on sanction screening review of 20 Norwegian banks, which found deficiencies in screening systems. The N-FSA stated that banks are responsible for ensuring that screening systems are suitable and sufficient to comply with the bank's obligations.

Looking to Finland, the Fin-FSA published a new supervision strategy and guidelines on AML in 2023.

Data Privacy and protection

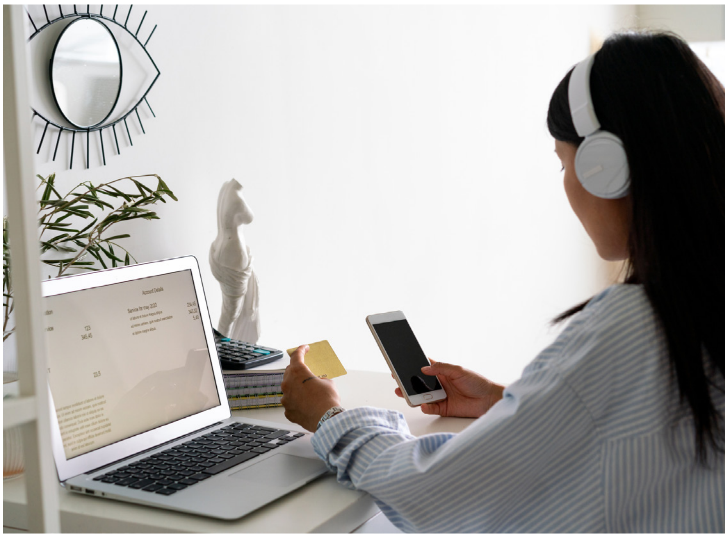
Data privacy and data protection also continues to be an area of high focus from European and Nordic regulators and supervisors.

During the spring of 2022, the European Commission and the United States announced that they have agreed in principle on a new EU-US Data Privacy Framework, which will foster trans-Atlantic data flows and address the concerns raised by the Court of Justice of the European Union in the Schrems II decision of July 2020. In December 2022, the European Commission published a draft Adequacy decision for the EU-US Data Privacy Framework. The draft decision reflects the Commission's assessment that, following the signature of the Executive Order by President Biden in October 2022, the US legal framework provides comparable safeguards for personal data. The draft decision was in December 2022 sent to the European Data Protection Board for its opinion. On July 10, 2023, adopted its adequacy decision for the EU-US Data Privacy Framework.

EU's Digital Operational Resilience Act (DORA) was adopted November 28, 2022, and must be implemented within January 2025. DORA comprises both a directive and a regulation and is part of a larger digital finance regulatory initiative. The package also includes a digital finance strategy, a proposal for distributed ledger technology and a proposal on markets for crypto assets. The most important aim of DORA is to prevent and mitigate the impact of cyber threats on financial entities. The EU acknowledges that financial institutions and payment systems provide essential services in the European society. Thus, Europe risks being severely impacted by a disruption of the technological services on which financial institutions and payment systems rely, regardless of whether those disruptions are the result of natural disasters or actions by hostile powers. DORA aims to enhance and streamline the financial entities' conduct of information and communication technologies (ICT) risk management, establish a thorough testing of ICT systems, increase supervisors' awareness of cyber risks and ICT-related incidents faced by financial entities, as well as introduce powers for financial supervisors to oversee risks stemming from financial entities' dependency on ICT third-party service providers. During 2023, several Regulatory Technical Standards under DORA were issued for publication by the EU.

During Q2 2023, the European Data Protection Board (the EDPB) has published final guidelines 9/2022 on personal data breach notification following public consultation, which replace the WP250 Guidelines on personal data breach notification, and updated guidelines on right to access. The European Data Protection Board has also published draft Guidelines 2/2023 on Technical Scope of Art. 5(3) of ePrivacy Directive for public consultation.

Further, the European Data Protection Board has adopted a binding decision to impose a ban on Meta's processing of personal data for behavioral advertising on the legal bases of contact and legitimate interest across within the entire EEA, following the ban from the Data Protection Authority in Norway in July.



Looking to Norway, the Norwegian Data Protection Authority has published new/updated guidelines on transfer of personal data to third countries and cyber-attacks and General Data Protection Regulation (GDPR).

The European Court of Justice (ECJ) made on November 9, 2023, a judgement on whether vehicle identification numbers (VIN numbers) constitute personal data. The ECJ ruled that VIN numbers as such are not personal data, but the VIN become personal data when combined with identifiable information such as name and address, and when there are reasonable means for someone to link the VIN to a specific person. Whether a VIN is personal data must be determined case specific. Furthermore, the European Court of Justice has in two judgements stated that only a wrongful infringement of the GDPR may result in an administrative fine being imposed.

Sustainable finance

The European Commission has adopted a series of legislative proposals to achieve the goal of climate neutrality in the EU by 2050 and the intermediate target of an at least 55% net reduction in greenhouse gas emissions by 2030. Sustainable finance has an important role in mobilizing the necessary capital to deliver on the policy objectives under the European Green Deal as well as the EU's international commitments on climate and sustainability objectives.

The EU Taxonomy Regulation has been implemented in Norwegian law and entered into force January 1, 2023 in Norway. The EU Taxonomy is the first step of the EU Commission Action Plan on Financing Sustainable Growth and is a framework to facilitate environmentally and socially sustainable investments.

For more information about the taxonomy, see the Responsible Banking chapter.

On January 5, 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force in the EU. The directive modernizes and strengthens the rules concerning the social and environmental information that companies must report and amends the existing ESG-reporting requirements under the NFRD. Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS). The draft standards are developed by the EFRAG and will be tailored to EU policies, while building on and contributing to international standardization initiatives. On May 22, 2023, the proposal for implementation of the CSRD in Norwegian law was published.

On March 22, 2023, the Commission proposed the Green Claims Directive regulating common criteria against greenwashing and misleading environmental claims. A public consultation was opened in Norway with deadline September 1, 2023. The proposal will amend inter alia the Marketing Practices Act.

On October 24, 2023, the Council adopted a regulation creating a European green bond standard. The regulation lays down uniform standards for issuers who wish to use the designation European green bond (EUGB) for the marketing of their bond. In Norway the Ministry of Finance has sent the proposal for new rules on green bonds on a public consultation.

Governance

In Norway the proposal for new requirements for gender balance on the board was approved the December 12, 2023. The requirements for gender balance will be in force as of January 1, 2024 with implementation deadline by end of 2024 for larger companies such as the Bank. The Bank will assess the new requirements and prepare for adjustments of the Board's composition to comply with the gender balance requirements.

The N-FSA has published a new Circular nr. 3/2023 on the Assessment of suitability requirements for board members, general managers, and other actual managers. The suitability requirements relate to education, experience, financial circumstances, and behavior, in which the essential is that the person concerned must have the necessary competence for the specific position.

Corporate Governance

Santander Consumer Bank AS is a Norwegian commercial bank, operating under a banking license granted and supervised by the Financial Supervisory Authority of Norway. The Group has branches in Sweden and in Denmark, and a wholly owned subsidiary in Finland. Our offices are located in Oslo, Stavanger, Stockholm, Helsinki and Copenhagen. The Bank is fully owned by Santander Consumer Finance S.A, which in turn is owned by Banco Santander S.A.

The Group has solid corporate governance, based on its strong culture and values, and a robust control of risks, all of which ensure that management is aligned with the interests of our shareholders, investors, employees, suppliers, customers, and other stakeholders. Pursuant to section 2-2 of the Group's articles of association, the acquisition of shares is conditional on consent from the Board. Consent may however only be refused on just ground and refusal of consent must be justified in writing. The Group does not have a Santander Consumer Bank AS share scheme for employees.

The composition of the Board of Directors

The Board of Directors is the Group's highest decision-making body, except for matters reserved for the general meeting.

The Board has, pursuant to the Norwegian Act on Limited Companies section 6-23, established a policy outlining rules of procedure for the Board's work. In 2023, the Board met six times in addition to handling certain Board items via circulation.

The composition of the Board of Directors is balanced between external and internal (employed by the shareholder Santander Consumer Finance S.A. and the Santander Consumer Bank Nordic Group) directors. The Board of Directors has seven members, two external members, three internal members, and two employee representatives. The chair and deputy chair of the Board are elected by the general assembly and the employee representatives are elected by employees of the Group. The Board of Directors consists of two women and five men. The elected members of the Board serve for two years. If a Board member retires before their period of office has expired, a replacement for the remaining period is elected.

Each employee representative has a personal deputy also elected among and by the employees. In addition, the employees elect an observer to the Board. The election of the employee representatives is organized so that each of the countries in the Group always has a Board representative, either by the means of a fixed member, or as a deputy or observer.

In Norway, the proposal for new requirements for gender balance on the board was approved the December 12, 2023. The requirements for gender balance will be in force as of January 1, 2024 with implementation deadline by end of 2024 for larger companies such as the Bank.

The Bank will assess the new requirements and prepare for adjustments of the board composition to comply with the gender balance requirements.

The Board has a skills matrix to always ensure an overview of board competencies and to support and ensure successful succession planning. Each year, the Board carries out a self-assessment of its competencies and work, and every other year it is carried out with an external facilitator. Santander has taken out a civil liability insurance policy for directors subject to usual terms proportionate to its circumstances.

The committees

The Group has a Board audit committee consisting of three members chosen by and among Board members, currently the Board's two external directors, one of whom has the required qualifications in auditing and accounting, and one employee representative. The committee carries out the tasks set forth in section 8-19 of the Norwegian Financial Undertakings Act (Finansforetaksloven). The Board audit committee's objective is to serve as an advisory and preparatory committee in relation to the Board's administrative and supervisory tasks connected to financial reporting and associated internal controls and to follow up on the internal and external audit of the Group including its operations via branches and subsidiaries.

The Group has a board risk committee consisting of three members chosen by and among Board members, currently consisting of two of the Board's external directors and one internal director. They carry out the tasks set forth in section 13-6 of the Norwegian Financial Undertakings Act. Among other functions, the Board risk Committee advises the Board on the Group's overall current and future risk appetite and strategy and assists the Board in the overseeing the implementation of the Group's risk strategy.

The Group has a Remuneration Committee consisting of four members chosen by and among Board members, currently two of the Board's external directors and two internal directors, where one is an employee representative. They carry out the tasks set forth in section 15-3 of the Norwegian Regulation on Financial Undertakings (Finansforetaksforskriften). The remuneration committee, among other functions, is preparatory and advisory committee for the Board with respect to the group Remuneration Policy and corresponding procedures and the monitoring and control with the effectiveness of the implementation of them.

The Group has a Nomination Committee consisting of four Board members, elected in the General Assembly, currently two of the Board's external directors and two internal directors, where one is an employee representative. The objective of the Nomination Committee is to be a preparatory and advisory to the general assembly and sole owner with respect to suitability assessments, selections, and nominations of candidates to the Board, including senior management, CEO, and succession planning.

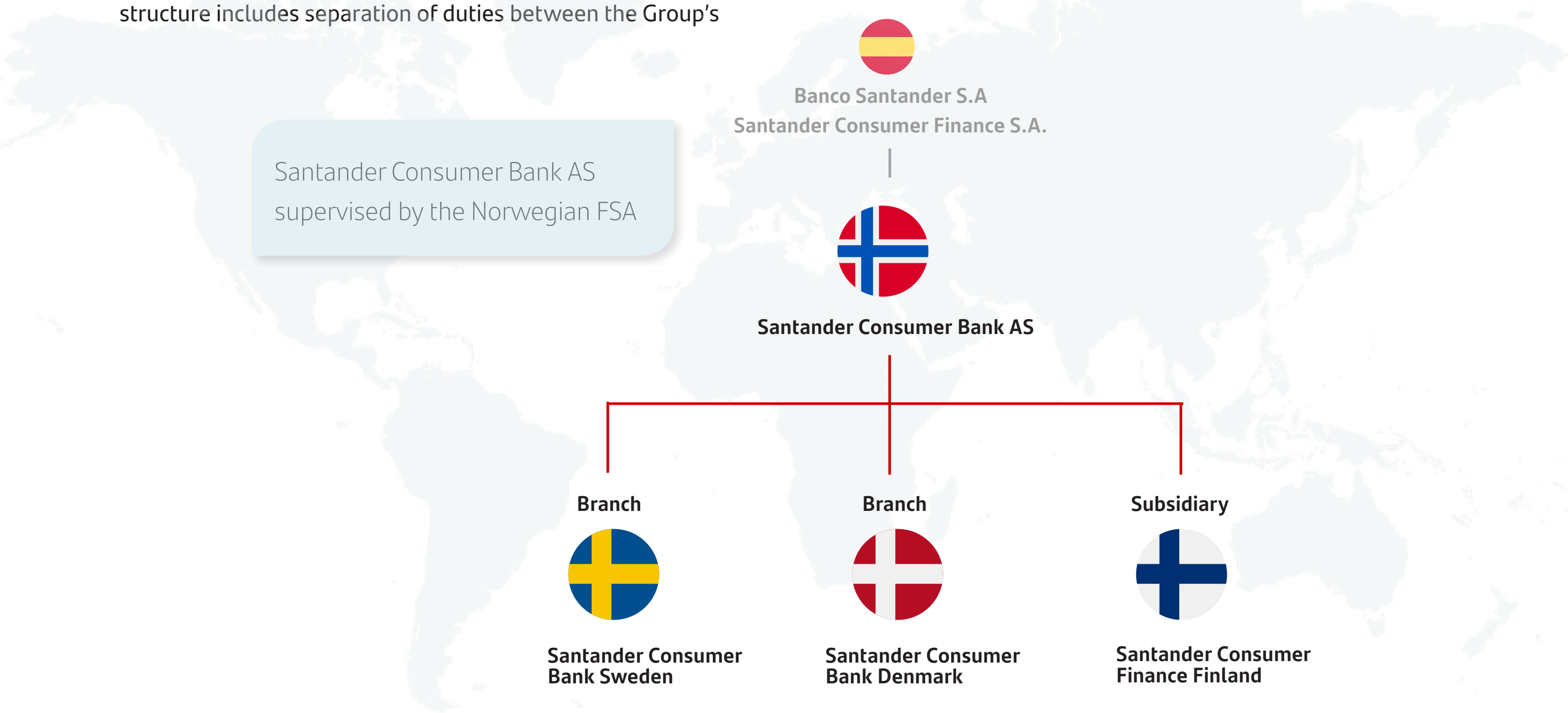
Day-to-day management

The Board has delegated the day-to-day management to the Group's CEO. Management committees, including an Executive Management Committee, have been established to facilitate the work of the CEO and to ensure effectiveness and efficiency of business and to enhance the internal control of the Group. The Executive Management Committee consists of the senior managers of the Group's main functions; CEO, Commercial, Financial Control, Financial Management, Technology and Operations, Operating Office, Compliance, and Risk, currently two women and six men. The Executive Management Committee meet on a weekly basis. The Group's organizational structure includes separation of duties between the Group's functions, with defined responsibilities to ensure a healthy and prudent management.

The Group has a process for the review, approval, and implementation of internal and external regulations such as frameworks, models, policies, and procedures, outlined in a governing document approved by the Board. Further, the Group has an internal governance unit focusing on always ensuring a strong internal governance. The Group further has a process of the identification, monitoring, and reporting to the business, management, and Board of regulatory developments relevant for the Group. The Group strives to take an active role in the public debate and in legislative processes, either via its membership in the financial institutions' associations or directly. The Group also has a process for the communications and reporting to its supervisory authorities.

The Finnish subsidiary and Board of Directors

The subsidiary in Finland, Santander Consumer Finance OY (SCF OY), has its own Board of Directors who are overall responsible for the organization and administration of the subsidiary's affairs, including internal governance and control structure. However, it is the board of the Group's responsibility to ensure sound and proper communication with the Board of SCF OY, including ensuring that the Board of SCF OY receives relevant information, with regards to resolutions that may concern them, in a timely manner and prior to any related resolution being made by the Board of SCF OY. The Board consists of two members and one deputy.



Compliance and Conduct

The Compliance risk is defined as a risk of legal and regulatory sanctions, financial loss or damage to the reputation of the Group arising from the Group or its directors, officers and employees not adhering to applicable laws, rules, regulations, and internal policies.

The Group has adopted the three lines of defense model. The business units and functions constitute the first line of defense and have primary responsibility for identifying, managing, and mitigating the compliance risk. To oversee the compliance processes in the Group and to secure that management and the Board of Directors are provided with independent information regarding the compliance status in the business, the Group has an independent Compliance & Conduct function (C&C) in second line of defense. The third line of defense consists of the Internal Audit function, reviewing and reporting on the first and second line of defense activities.

The Group's Compliance and Conduct Program covers among others the following compliance risk areas: Regulatory Compliance Risk, Anti-Money Laundering and Countering Terrorism Financing Compliance Risk, Sanctions and Financial Countermeasures Compliance Risk, Anti-Bribery and Corruption Compliance Risk, Data Protection Compliance Risk, Product Governance and Customer Protection Compliance Risk as well as Reputational Risk.

The C&C function promotes adherence to rules, supervisory requirements, principles of good conduct and values by acting as a second line of defense – establishing standards, challenging, advising, and reporting – in the interest of employees, customers, shareholders, and the wider community. The function performs independent assessments by performing risk-based monitoring, controls, testing, and thematic reviews. Annual risk assessment forms the risk-based approach of the C&C function activities, and the prioritizing between the activities is concluded in the Annual Compliance Plan.

The function consists of compliance professionals across the Nordics, overseen by the Chief Compliance Officer (CCO), who reports to the CEO and has a functional reporting line to the Chief Compliance Officer at Santander Consumer Finance S.A. To ensure the independence of the C&C function, the CCO has direct access to the Board of Directors and the Board Risk Committee.

Furthermore, the function has enhanced and further developed the Compliance and Conduct program by structuring the function in teams based on the previously mentioned compliance risk areas to further specialize the work of the compliance subject matter experts in the function across the four markets of the Group. The function reports quarterly to the management, the Board Risk Committee, and the Board of Directors.

The conduct program is continuously being improved and developed to ensure that customers are treated fairly throughout all stages of the customer lifecycle. This includes a new product approval process to ensure that the compliance and conduct risk is mitigated in the design and development of new and significantly changed products and services.

The Group's General Code of Conduct is applicable to all employees and members of the Board and sets the ethics, principles, and rules of conduct by which all activities of the Group should be governed, and therefore comprises the central component of the Santander Group's Compliance Program. All employees are required to complete a mandatory training in the Code of Conduct to ensure proper knowledge and awareness of the ethical principles.

The Group has a digital and secure whistleblowing channel (Canal Abierto). Reporting should be made on improper conduct that is believed illegal or which violates the Group's Code of Conduct and other internal policies. Employees are free to report their concerns anonymously to the C&C function, and employees who report such concerns in good faith are protected from retaliation.

Responsible Banking - the approach to sustainability

As a founding member of the Principles for Responsible Banking and the Net Zero Banking Alliance, Banco Santander places sustainability at the center of its core activities.

Banco Santander has established a Responsible Banking agenda, based on three ESG-aligned strategic pillars to guide its actions - outlined below.

3 strategic pillars	Ambition	Strategic Actions
(E) Support the transition to a low carbon economy	Deliver our **Net zero ambition by 2050**	• Set targets in our portfolios to align with pathways to net zero, while taking into consideration other environmental goals as Nature • Support customers in their transition, engaging with them and developing a best-in-class sustainable finance and investment proposition
(S) Promote inclusive growth	Support **inclusive growth** across our **main stakeholders**: employees, customers and communities	• Diverse and inclusive workplace that fosters employees' wellbeing • Support financial inclusion and financial health promoting access to financial products and services and offering financial education • Support communities, with focus on Education, Employability and Entrepreneurship
(G) Strong governance and culture across the organisation	**Incorporate ESG** in behaviours, policies, processes and governance throughout the Group	• Drive culture, conduct and ethical behaviour • Integrate ESG into strategic processes, Risk Management & rest of relevant units and build capabilities

Figure 1. Banco Santander's 3 Strategic Pillars

Climate and environmental targets

Banco Santander is working to align portfolios with the Paris Agreement, maintaining carbon-neutral operations and aims to be net zero in carbon emissions by 2050. This applies to operations and emissions from lending, advisory and investment services. As a founding member of the Net Zero Banking Alliance (NZBA), Banco Santander is committed to:

- Supporting the transition of operational and attributable greenhouse gas (GHG) emissions from lending and investment portfolios towards pathways to net zero by 2050
- Setting intermediate targets for priority GHG emitting sectors for 2030 (or sooner)
- Prioritizing client engagement with products and services that facilitate transition in the real economy to net zero.

As a founding member of the UN Principles for Responsible Banking, Banco Santander has established a series of targets and public commitments in areas where it has the greatest potential impact. These are SMART (Specific, Measurable, Achievable, Realistic and Timebound) and are supportive of the targets set out in the Paris Agreement, including commitments related to exposures in the power generation, energy, aviation, and steel industries related to reducing the greenhouse gas emissions intensity of Banco Santander's lending portfolio.

Banco's ESG public commitments are outlined in the table below.

	2018	2019	2020	2021	2022	Target
Green finance raised and facilitated (cumulative) (EUR)[A]		19 bn	33.8 bn	65.7 bn	94.5 bn	120 bn by 2025 220 bn by 2030
Socially Responsible Investments AuMs				27.1 bn	53.2 bn	100 bn by 2025
Electricity used from renewable[B] energy sources	43%	50%	57%	75%	88%	100% by 2025
Thermal coal-related power & mining phase-out (EUR)				7 bn	5.9 bn	0 by 2030
Emissions intensity of power generation portfolio[C,D]		0.21	0.17			0.11 tCO_2e / MWh in 2030
Absolute emissions of energy (oil & gas) portfolio[C]		23.84				16.98 $mtCO_2e$ in 2030
Emissions intensity of aviation portfolio[C]		92.47				61.71 $grCO_2e$ / RPK in 2030
Emissions intensity of steel portfolio[C]		1.58				1.07 tCO_2e / tS in 2030
Women in senior positions (%)[E]	20%	22.7%	23.7%	26.3%	29.3%	30% by 2025
Equal pay gap[F]	3%	2%	2%	1%	1%	~0% by 2025
Financially empowered people (cumulative)[G]		2.0 mn	4.9 mn	7.5 mn	11.8 mn	10 mn by 2025

Cumulative target From...to...

Table 1: Banco Santander's public commitments

Nordic approach to Responsible Banking

The Group's purpose is to help people and businesses prosper with the ambition to be the leading Nordic consumer finance platform, by acting responsibly and earning the lasting loyalty of people, customers, shareholders and communities.

A key foundation of this strategy is to operate in a sustainable manner, embracing the concept of Responsible Banking and through this ensure full alignment with Banco Santander's ESG strategy and ambitions. The Nordic approach to Responsible Banking is founded upon the achievement of a sustainable end-to-end value chain throughout business operations - as outlined in figure 2 below.

Figure 2. The Group's sustainable value chain

Executing on Banco Santander's Climate Strategy

Banco Santander's four pillar climate strategy guides the Group's approach to supporting its Nordic customers' sustainability transition and the achievement of net zero by 2050 ambitions. Figure 3 below illustrates how the Group supports and executes on Banco Santander's climate strategy.

Aligning with Banco Santander's commitments to the Net Zero Banking Alliance, the Group has developed 2030 GHG emission targets and trajectories for its Nordic Auto finance business during H2 2023. The aggregated baseline emissions and emission targets for 2030 published in Grupo Santander's Annual Report 2023.

Aligning portfolios with the Paris Agreement goals	**Supporting customers in the green transition**	**Reducing environmental impact**	**Embedding climate into risk management**
Contribute to limiting temperature increases to 1.5ºC in line with the NZBA and NZAMi	Support customers transition to a low carbon economy, offering guidance, advice and investments and business solutions	Remain carbon neutral and consume electricity from renewable energy	Manage climate and environmental risk according to regulatory & supervisory expectations
• Manage the environmental impact of our financing activities • NZBA emissions target setting initiatives in the Group's Auto portfolio	Offer sustainable financing propositions • Auto Financing BEVs & PHEVs • Solar panels & other green home improvements • Bicycles & E-Bikes	• Manage the environmental impact of the Group's own activities • 100% renewable electricity in our offices • Improve data on business travel and staff commuting	• Embed ESG risks into the Group's EWRM processes • Exposure monitoring by sector and emissions • Integrate TCFD risks and opportunities

Figure 3. Embedding Banco Santander's climate strategy into the Group's Nordic environmental ambitions and activities

Building a more responsible bank

In September 2023, the Group published its latest Sustainability Report, covering the financial year 2022. The report incorporated a materiality assessment performed in accordance with GRI 2021 standards, to ensure consciousness around the Group's most material sustainability topics and impacts on the environment, society, and the own business.

The materiality assessment identified six key topics, which the Group also considers relevant to its sustainability efforts in 2023.

Material topic: Promoting responsible consumption

Aligned with Banco Santander, the Group is committed to achieving net zero emissions by 2050 in support of the Paris Agreement's climate change objectives. This applies to both own operations and customer emissions. Recognizing the impact that stimulating consumer demand and facilitating credit provision can have on the environment, the Group strives to offer and promote sustainable value propositions to customers and partners.

Consumer financing activities are split into two main product areas: auto finance and unsecured consumer finance. The status of the Group's sustainable financing activities in 2023 are set out below. Additionally, a full breakdown of the Group's Taxonomy and Green Asset Ratio reporting are included in the chapter EU Taxonomy.

Metric	Description	2023 Actual	2022 Actuals
Auto (New Business Volumes – € equivalent)	Electric vehicles financed in the Nordics	1 409.8 MM EUR	1 206.5 MM EUR
Commercial (New Business Volumes – € equivalent)	Real estate (solar panels, green heating systems, energy efficiency & retrofit) and Clean mobility (bicycles and e-bicycles) in the Nordics	63.27 MM EUR	61.5 MM EUR

Table 3. Sustainable financing in the Nordics

Auto

As the Nordic region's largest auto finance provider, the Group plays an important role in driving the transition to vehicle electrification. In 2023, 48% of all new vehicles financed (by number of contracts) were Battery Electric Vehicles (BEVs) and approximately 22% Hybrids. Notably, BEV financing saw an impressive 16.9% growth compared to the previous year and the Group's market share of new BEVs registered in the Nordics was 11%, from 12% in 2022.

The Nordics has been a frontrunner in BEV adoption, thanks to robust political support and favorable consumer subsidies, which in turn has attracted BEV manufacturers to focus on the region. Leveraging the Group's market leading position in auto finance has established a prominent presence in the BEV financing market. The market share of BEVs is growing fast in the Nordics and registrations have continued to increase, particularly in Denmark and Finland. In Norway, the BEV financing share continues to grow, mainly driven by the growth in Tesla financing, whilst financing in Sweden has decreased due to the change in government incentive, reducing the attractiveness of BEV financing.

Group TOTAL	2023	2022	Difference (%)
New Business Volumes (NBV) (€ equivalent)	1409.8 MM EUR	1206.5 MM EUR	16.9%
New BEV registrations	330 505	293 135	12.75%
Financed by SCB	36 349	35 300	2.97%
SCB market share	11%	12.04%	-1.04%
Norway TOTAL			
New BEV registrations	113 457	145 116	-21.82%
Financed by SCB	16 649	15 182	9.66%
SCB market share	14.67%	10.46%	4.21%
Sweden TOTAL			
New BEV registrations	120 519	100 000	20.52%
Financed by SCB	14 371	16 446	-12.62%
SCB market share	11.92%	16.45%	-4.52%
Denmark TOTAL			
New BEV registrations	65 622	32 785	100.16%
Financed by SCB	1 877	1 493	25.72%
SCB market share	2.86%	4.55%	-1.69%
Finland TOTAL			
New BEV registrations	30 907	15 234	102.88%
Financed by SCB	3 452	2 179	58.42%
SCB market share	11.17%	14.3%	-3.13%

Table 4. Development of the Group's BEV financing in 2023 versus 2022

Consumer
Within the consumer finance market, the Group's focus has primarily been on Real Estate (including solar panels, green heating systems and other energy efficiency and retrofit improvements) and Clean Mobility (bicycles and e-bikes) sectors. The Group serves these markets through its checkout lending product. The Group's development within financing of Real Estate and Clean Mobility in 2023 versus 2022 is illustrated in the table below.

Green Bonds
The Group is progressing implementation of the groupwide Santander Green, Social and Sustainability Funding Global Framework for future issuances of green bonds. See chapter "Funding" for more information on the Green Bond Program.

Eco Cards
The Group launched its first "Eco card" in 2022 in Norway, and in 2023 continued its roll out of Eco cards to the Swedish market. TietoEVRY's bio-based VISA card was selected as the Group's Eco card solution, with the composition of cards being approximately 84% plant-based materials.

	Norway 2023	Sweden 2023	Denmark 2023	Finland 2023	**Total 2023**	**Total 2022**
Real Estate (New Business volumes - € equivalent)	0	0	2.84	54.4	57.2 MM EUR	56.5 MM EUR
Real Estate (# Financed Contracts)	0	0	145	6 005	6 150	5 821
Clean Mobility (New Business volumes - € equivalent)	0.26	0.69	5	0.07	6 MM EUR	5 MM EUR
Clean Mobility (# Financed Contracts)	256	341	1 498	28	2 123	2 067

Table 5. Development of the Group's consumer financing 2023 versus 2022

Material topic: Minimising our carbon footprint

The Group is dedicated to reducing its carbon footprint and environmental impact, in line with Banco Santander's Net Zero ambition and the Paris Agreement's objectives. The sustainable value chain approach promotes responsible practices within the Group's operations, guided by the Group's Responsible Banking and Sustainability policy.

The Group's carbon footprint is assessed using the Greenhouse Gas Protocol's standardized reporting forms for GHG emissions[4], which include:

Scope 1: Emissions from directly owned or controlled sources, such as company vehicles.

Scope 2: Indirect emissions from purchased energy.

Scope 3: Emissions generated upstream and downstream in the value chain, covering business travel and staff commuting.

Based on the Group's current emissions coverage, estimated emissions for 2023 are outlined below:

Scope 1		**Scope 2** Indirect emissions[5] from electricity consumed in Group premises		**Scope 3** Business travel from flights and staff commuting[6]	
2023	2022	2023	2022	2023	2022
Under review		0 tCO2e Market-Based on 100% of electricity consumed from renewable sources 29.5 tCO2e Location-Based	0 tCO2e Market-Based on 100% of electricity consumed from renewable sources 35.7 tCO2e Location-Based	Staff commuting 558 tCO2e	707.1 tCO2e Business travel from flights 80.2 tCO2e Staff commuting 627 tCO2e

Table 6. The Group's estimated emissions in 2023

4) Details of Banco Santander's internal reporting criteria for emissions calculations are included in its Climate Finance Report 2022 - June 2023
5) Electricity emissions factors obtained from the IEA (International Energy Agency)
6) Emissions factors corresponding to fuels and air travel obtained from the UK's DEFRA (Department for Environment, Food and Rural Affairs)

Work to enhance the capture and reporting of Scope 1-related emissions is ongoing. In relation to company vehicles, the Group's Nordic Company Car policy will in 2024 be updated to mandate that all new company vehicle renewals must be Battery Electric Vehicles (BEVs) with zero emissions, except in cases where the country's infrastructure does not support BEV usage.

Scope 2 emissions are based on the electricity consumed on the Group's premises. In 2023, the Group's combined electricity usage was 3 331 904 kWh (2022: 2 272 201 kWh). The increase is largely due to increased maturity in data collection and information gathering. During 2023, 100 % of the electricity used on the Group's premises came from renewable sources, resulting in 0 scope 2 market-based emissions, and 29.5 tons of scope 2 location-based CO2 equivalent (tCO2e) emissions.

A significant portion of the Group's scope 3 emissions are estimated to derive from financed emissions, particularly within the Auto finance business. As part of the commitment to the Net Zero Banking Alliance, the Group has evaluated the financed emissions of its Auto finance portfolio, which will be aggregated and published in Grupo Santander's Annual Report 2023.

During 2023, indirect emissions from staff commuting to the workplace reduced to 558 tCO2e (2022: 627 tCO2e).

The Group cares about upholding human rights and fair working conditions throughout its value chain. Employees are a priority, responsible and sustainable procurement practices are promoted, and work is conducted in collaboration with partners and vendors to ensure that they share the Group's commitment to fundamental human rights.

Material topic: Ensuring human rights and good working conditions in our value chain

In Norway, the Transparency Act (Norwegian: Åpenhetsloven) took effect on July 1, 2022. This law reflects the increasing demand for corporate responsibility across organizations' value chains. Similar initiatives are also being developed in the EU, such as the Corporate Sustainability Due Diligence Directive (CSDDD). Under the Transparency Act, companies are encouraged to follow the OECD's guidelines for multinational companies for conducting proper due diligence throughout their value chains.

The Group published its inaugural statement under the Transparency Act on June 26, 2023. No specific incidents or actual negative impacts on human rights and working conditions were identified as part of its initial due diligence on four identified duties of care (see table 7 for more details). However, this is a continuous process that will continue to be monitored and assessed.

Following publication, the Transparency Act statement and related information were communicated to all Group employees on the intranet site. The full report can be found on our website santanderconsumer.no.

Working conditions and employment processes	Supply chain vendors	Distribution of products and services through business partners	Provision of credit to consumers
• No specific incidents, actual negative impacts or significant risks identified during the reporting period • Not considered to exist any material risks to human rights and good working as regards to the organization's employees	• No specific incidents or actual negative impacts on human rights and working conditions identified • No higher risk vendors identified	• No specific incidents or actual negative impacts on human rights and working conditions identified • No significant risks to human rights and working conditions within the Group's partner supply chain	• Not considered to exist any material risks to human rights and working conditions as regards to the provision of credit to consumers

Table 7. Main results from Transparency Act due diligence 2022-2023

Material topic: Acting as a responsible lender

As a responsible lender, the Group offers simple, personal, and fair products and services, prioritizing customer satisfaction and ethical consumer protection.

Embracing responsible banking principles, customers' needs and wider societal interests are taken into consideration to mitigate over-indebtedness and product misrepresentation. The Group practices prudent and responsible credit provision, providing fair banking solutions in accordance with the UN Principles of Responsible Banking. Furthermore, a culture of responsible banking and supporting employees' growth through ESG-related training and awareness is nurtured.

The table below outlines of the key performance indicators (KPIs) employed to monitor responsible lending performance, including the 2023 results compared with 2022 performance.

Non-performing loans (NPL) ratio	Number of complaints	Net promoter score (NPS)
The NPL ratio was 2.88% in Q4 2023 (Q4 2022: 2.62%) indicating continuing robust underwriting processes and a focus on customer affordability.	Complaint levels are closely monitored based on number of complaints per 10 000 customers and adjusted by the Uphold Ratio (% of complaints resolved in the customer's favor). In 2023, the average number of complaints per 10 000 interactions - adjusted for the Uphold Ratio - was 2.31 (2022: 2.25), which is below the internal Alert threshold of 3 complaints per 10 000 customers, indicating effective levels of customer service.	NPS is used to identify the likelihood of customers recommending the Group. In 2023, the Group continued to improve NPS tracking, with over 52 000 customer responses and more than 41 000 comments received. The overall NPS score increased to 30.9 (2022: 26.3), and market-specific scores were Norway: 24.7 (2022: 21.4), Sweden: 4.4 (2022: 8.1), Denmark: 44.8 (2022: 46.7), and Finland: 52.9 (2022: 52.9).

Table 8. Overview of key KPIs and results within responsible lending

ESG risk management

For more information about the Group's approach to Environmental & Climate risk management, see Risk Management chapter.

Mandatory training, initiatives, and policies

Training is a priority to raise awareness, reinforce internal control, and ensure responsible behavior amongst employees. The Group's digital learning platform, DOJO, supports individual and collective competence development. In 2023, employees underwent various mandatory training courses, covering topics within business continuity management, risk, operational risk, AML, code of conduct, GDPR, cyber security, diversity & inclusion and more.

To ensure the Group acts responsibly in everything it does, best practices, responsible banking principles and requirements are incorporated into key policies and frameworks, including its Code of Conduct, Culture policy, Consumer Protection policy, Outsourcing and Third-Party Agreements Corporate Framework, and Flexi Work policy to name a few.

In 2023, the Group also implemented the following key steering documents in addition to its Responsible Banking Framework to support its progress within ESG:

Responsible Banking model: Supports the embedding of ESG in the Group by describing key responsible banking duties and processes, assigning roles and responsibilities and critical activities, and providing a common approach to responsible banking topics.

Responsible Banking and Sustainability policy: Compiles overarching sustainability and responsible banking principles, oriented to create long-term value for the Group's stakeholders, as well as the Group's commitment to protect human rights, taking into consideration the UN Guiding Principles on Business and Human Rights.

Material topic: Protecting the organization and customer's data

For more information about data privacy and protection, see chapter Regulatory Changes in the financial sector or the SCB 2022 Sustainability Report.

Material topic: Preventing corruption, money laundering and terror financing

For more information on how the Group works to prevent corruption, money laundering and terror financing, see chapters Regulatory Changes in the financial sector and Compliance and Conduct.

Way forward

Whilst the Group has made significant progress on its Responsible Banking agenda in 2023, much work lies ahead. The Group will continue to devote focus on further operationalizing its Responsible Banking activities and continue work to embed ESG principles into decision making, business and reporting processes across the organization.

A key priority for the group in 2024 is mobilizing and responding to new and emerging regulations, particularly to the implementation of the Corporate Sustainability Reporting Directive (CSRD) and the disclosure requirements in the European Sustainability Reporting Standards (ESRS). Additionally, the Group will conduct Due Diligence and disclose its second Transparency Act statement by end June 2024.

The Group will continue the work to progress within its Environmental, Social and Governance sustainability priorities, through continuously identifying timely actions, setting targets, executing, and measuring progress towards these.

EU Taxonomy

Information about Article 8 of the EU Taxonomy Regulation

In 2023, the Norwegian Parliament adopted the Taxonomy Regulation (EU) 2020/852 and supplementing delegated acts set out by the European Parliament. It establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable and incorporates an obligation that companies subject to the Non-Financial Reporting Directive (NFRD), including financial corporations, must disclose how operations align with the Taxonomy.

The primary indicator of alignment is the Green Asset Ratio (GAR), which financial corporations must start publishing from the financial year 2023. It shows the extent to which activities in the balance sheet meet the Taxonomy's technical standards. It's the ratio of an entity's Taxonomy-aligned assets to balance sheet assets (excluding exposure to sovereigns, central banks and the trading portfolio). In Norway, financial institutions are required to publish the GAR for the climate-related goals (Climate Change Mitigation and Climate Change Adaptation). From 2024, financial institutions in Norway will also be required to publish the GAR of the four additional environmental objectives[8].

Additionally, Taxonomy eligible activity refers to activities included in the Taxonomy without determining if they meet the technical screening criteria that establishes under which conditions an activity can be considered as environmentally sustainable.

Approach

The Group's initial approach to Taxonomy reporting included application of the EU Taxonomy Compass to identify taxonomy-eligible activities including those connected with the strategy to support customers' sustainability transition in its auto finance, unsecured consumer finance, insurance and deposits product areas. These activities cover lending primarily to households, as well as financial corporations, local governments, non-financial corporations subject to the Non-Financial Reporting Directive (NFRD) and non-financial corporations not subject to NFRD.

To assess taxonomy-aligned activities, the Group considered lending activity related to zero direct (tailpipe) CO_2 emissions Battery Electric Vehicles (BEVs) as providing a substantial contribution to climate change mitigation, as well as meeting the 'Do No Significant Harm' (DNSH) technical screening criteria and Minimum Social Safeguards (MSS) to classify the activity as taxonomy-aligned and reported in the Group's Green Asset Ratio. This activity is included as motor vehicle lending assets under 6.5 of Annex I of the Climate Delegated Act, which describes transport by motorbikes, passenger cars and light commercial vehicles and, specifically, the purchase, financing, renting or leasing of low- and zero-emission light-duty vehicles from January 1, 2022.

Due to insufficient data required to assess the Taxonomy's technical screening criteria, the Group has not considered lending activity for hybrid electric vehicles or consumer finance (including solar panels, green heating systems, energy efficiency & retrofit and bicycles and e-bikes) as taxonomy-aligned. As the Group develops and matures its Taxonomy reporting, this is expected to support an increase of the Group's proportion of taxonomy-aligned assets.

Methodology

Green asset ratio numerator
The numerator includes:

- Exposures in vehicle loans for taxonomy aligned assets (BEVs) from 2022, in line with the regulation requirement and DNSH and MSS criteria (described further below).

Eligibility
The Taxonomy eligible activities assessed by the Group include lending exposures to the following:

- Financial corporations
- Non-financial corporations subject to NFRD
- Household loan portfolio: including building renovation loans, other purpose and vehicle loans
- Non-financial corporations not subject to NFRD

The eligibility alignment ratios are based on mandatory reporting based on information that counterparties publicly disclose (both CapEx and turnover-based eligibility) and captured by an external information provider.

Derivatives, on-demand interbank loans, cash and other assets (including goodwill and commodities) are excluded from the eligibility numerator.

[8] These are: Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems.

Denominator

Includes the total loans and advances, debt securities, total equities and repossessed collaterals and all other covered on-balance sheet assets and excludes exposure to sovereigns, central banks and trading portfolio, in line with the regulation requirement.

Do No Significant Harm (DNSH) Criteria (6.5 Transport by motorbikes, passenger cars and light commercial vehicles)

Climate change adaptation – No significant harm:

- The Group continues to assess physical climate risks, vulnerability and climate risk and impact assessment that are material to the Group's lending activity (including activity 6.5) using the Task Force on Climate related Financial Disclosures (TCFD). The latest version of the Group's TCFD assessment is published in the Group's Sustainability Report.
- Additionally, vehicle manufacturers are reviewed by Grupo Santander for compliance with DNSH requirements in their manufacturing, with no significant harm identified and results shared with the Group.

Minimum Social Safeguards

Banco Santander's clear governance model is implemented consistently by the Group through its General Code of Conduct (CoC), HR Framework, Responsible Banking and Sustainability policies and guidelines and relevant committees to ensure alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. A key foundation of the Group's strategy is to perform business in a "responsible and sustainable way" which extends to the distribution of products and services through business partners. In accordance with the Transparency Act in Norway (Åpenhetsloven) the Group conducts due diligence on its business partners and supply chain vendors, to ensure fundamental human rights and decent working practices throughout its value chain. This includes due diligence on the Group's auto partners, aligning with Minimum Social Safeguards in the Taxonomy. Further information on the Group's due diligence and related information are available in the Group's Transparency Act statement published on our website santanderconsumer.no.

Summary

As of 2023, the Group's GAR was 12.37% (CapEx-Based and turnover-based). This is the first year the Group has measured its GAR metric to report the share of taxonomy-aligned assets over total assets. Over time, improvements in data quality and coverage, as well as a widening scope of the EU taxonomy criteria for companies, are expected to support an increase of the Group's proportion of taxonomy-aligned assets. Additionally, the Group continues to develop sustainable propositions to customers as part of the embedding of sustainability into its strategy alongside the application of Banco Santander's Sustainable Finance Classification System (SFCS) to support green finance developments.

The Group's exposures reported under Article 10 of the Disclosures Delegated Act

	Proportion of eligible economic activities		Proportion of non-eligible economic activities		Coverage	Proportion of taxonomy-aligned economic activities	
Lending	%	Bn NOK	%	Bn NOK	%	Bn NOK	Green Asset Ratio
Mandatory approach (CapEx-based)	76.68%	175 355 MM NOK	23.32%	53 335 MM NOK	95.74%	28 296 MM NOK	12.37%
Mandatory approach (turnover-based)	76.68%	175 355 MM NOK	23.32%	53 335 MM NOK			12.37%

Required KPI Tables under Annex VI

Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***
Main KPI	Green asset ratio (GAR) stock	28 296,31	12,37%	12,37%	95,74%

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)
Additional KPIs	*GAR (flow)*	16 259,36	26,41%	26,41%	86,22%

1.1 Assets for the calculation of GAR (CapEx based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Disclosure reference date: December 2023															
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Million NOK	Total [gross] carrying amount		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
1	**GAR - Covered assets in both numerator and denominator**	175 065,07	132 926,69	28 296,31	-	28 296,31	-	-	-	-	-	-	132 926,69	28 296,31	-	28 296,31	-
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	175 065,07	132 926,69	28 296,31	-	28 296,31	-	-	-	-	-	-	132 926,69	28 296,31	-	28 296,31	-
3	**Financial corporations**	22 670,08	8 215,20	-	-	-	-	-	-	-	-	-	8 215,20	-	-	-	-
4	Credit institutions	3 646,15	1 556,83	-	-	-	-	-	-	-	-	-	1 556,83	-	-	-	-
5	Loans and advances	527,80	184,73	-	-	-	-	-	-	-	-	-	184,73	-	-	-	-
6	Debt securities, including UoP	1 311,99	739,87	-	-	-	-	-	-	-	-	-	739,87	-	-	-	-
7	Equity instruments	1 806,35	632,22	-		-	-	-	-		-	-	632,22	-		-	-
8	Other financial corporations	19 023,93	6 658,38	-	-	-	-	-	-	-	-	-	6 658,38	-	-	-	-
9	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
13	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Equity instruments	-	-	-		-		-	-		-	-	-	-		-	-
17	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Equity instruments	-	-	-		-	-	-	-				-	-		-	-
21	**Non-financial corporations**	8,79	8,79	-	-	-	-	-	-	-	-	-	8,79	-	-	-	-
22	NFCs subject to NFRD disclosure obligations	8,79	8,79	-	-	-	-	-	-	-	-	-	8,79	-	-	-	-
23	Loans and advances	8,79	8,79	-	-	-	-	-	-	-	-	-	8,79	-	-	-	-
24	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Equity instruments	-	-	-		-	-	-	-		-		-	-		-	-
26	**Households**	152 155,01	124 471,52	28 296,31	-	28 296,31	-	-	-	-	-	-	124 471,52	28 296,31	-	28 296,31	-
27	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	of which motor vehicle loans	124 471,52	124 471,52	28 296,31	-	28 296,31	-	-	-	-	-	-	124 471,52	28 296,31	-	28 296,31	-
30	**Local governments financing**	231,18	231,18	-	-	-	-	-	-	-	-	-	231,18	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Other local government financing	231,18	231,18	-	-	-	-	-	-	-	-	-	231,18	-	-	-	-
33	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	53 625,67	42 428,41	-	-	-	-	-	-	-	-	-	42 428,41	-	-	-	-
34	**Non-financial corporations**	42 410,92															
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	26 122,68															
36	Loans and advances	26 122,68															
37	of which loans collateralised by commercial immovable property	-															
38	of which building renovation loans	-															
39	Debt securities	-															
40	Equity instruments	-															
41	Non-EU country counterparties not subject to NFRD disclosure obligations	16 288,24															
42	Loans and advances	16 287,83															
43	Debt securities	-															
44	Equity instruments	0,41															
45	**Derivatives**	175,22															
46	**On demand interbank loans**	2 056,24															
47	**Cash and cash-related assets**	0,20															
48	**Other assets (e.g. Goodwill, commodities etc.)**	8 139,77															
49	**Total GAR assets**	228 690,74	175 355,10	28 296,31	-	28 296,31	-	-	-	-	-	-	175 355,10	28 296,31	-	28 296,31	-
50	**Other assets not covered for GAR calculation**	10 171,56															
51	**Sovereigns**	4 361,18															
52	**Central banks exposure**	5 771,15															
53	**Trading book**	39,23															
54	**Total assets**	238 862,30	175 355,10	28 296,31	-	28 296,31	-	-	-	-	-	-	175 355,10	28 296,31	-	28 296,31	-
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																	
55	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1.2 Assets for the calculation of GAR (Turnover based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Disclosure reference date: December 2023															
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
	Million NOK	Total [gross] carrying amount			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
1	**GAR - Covered assets in both numerator and denominator**	175 065,07	132 926,69	28 296,31	-	28 296,31	-	-	-	-	-	-	132 926,69	28 296,31	-	28 296,31	-
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	175 065,07	132 926,69	28 296,31	-	28 296,31	-	-	-	-	-	-	132 926,69	28 296,31	-	28 296,31	-
3	**Financial corporations**	22 670,08	8 215,20	-	-	-	-	-	-	-	-	-	8 215,20	-	-	-	-
4	Credit institutions	3 646,15	1 556,83	-	-	-	-	-	-	-	-	-	1 556,83	-	-	-	-
5	Loans and advances	527,80	184,73	-	-	-	-	-	-	-	-	-	184,73	-	-	-	-
6	Debt securities, including UoP	1 311,99	739,87	-	-	-	-	-	-	-	-	-	739,87	-	-	-	-
7	Equity instruments	1 806,35	632,22	-		-	-	-	-		-	-	632,22	-		-	-
8	Other financial corporations	19 023,93	6 658,38	-	-	-	-	-	-	-	-	-	6 658,38	-	-	-	-
9	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
13	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
17	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Equity instruments	-	-	-		-	-	-	-		-		-	-		-	-
21	**Non-financial corporations**	8,79	8,79	-	-	-	-	-	-	-	-	-	8,79	-	-	-	-
22	NFCs subject to NFRD disclosure obligations	8,79	8,79	-	-	-	-	-	-	-	-	-	8,79	-	-	-	-
23	Loans and advances	8,79	8,79	-	-	-	-	-	-	-	-	-	8,79	-	-	-	-
24	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Equity instruments	-	-	-		-	-	-	-		-		-	-		-	-
26	**Households**	152 155,01	124 471,52	28 296,31	-	28 296,31	-	-	-	-	-	-	124 471,52	28 296,31	-	28 296,31	-
27	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	of which motor vehicle loans	124 471,52	124 471,52	28 296,31	-	28 296,31	-	-	-	-	-	-	124 471,52	28 296,31	-	28 296,31	-
30	**Local governments financing**	231,18	231,18	-	-	-	-	-	-	-	-	-	231,18	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Other local government financing	231,18	231,18	-	-	-	-	-	-	-	-	-	231,18	-	-	-	-
33	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	53 625,67	42 428,41	-	-	-	-	-	-	-	-	-	42 428,41	-	-	-	-
34	**Non-financial corporations**	42 410,92															
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	26 122,68															
36	Loans and advances	26 122,68															
37	of which loans collateralised by commercial immovable property	-															
38	of which building renovation loans	-															
39	Debt securities	-															
40	Equity instruments	-															
41	Non-EU country counterparties not subject to NFRD disclosure obligations	16 288,24															
42	Loans and advances	16 287,83															
43	Debt securities	-															
44	Equity instruments	0,41															
45	**Derivatives**	175,22															
46	**On demand interbank loans**	2 056,24															
47	**Cash and cash-related assets**	0,20															
48	**Other assets (e.g. Goodwill, commodities etc.)**	8 139,77															
49	**Total GAR assets**	228 690,74	175 355,10	28 296,31	-	28 296,31	-	-	-	-	-	-	175 355,10	28 296,31	-	28 296,31	-
50	**Other assets not covered for GAR calculation**	10 171,56															
51	**Sovereigns**	4 361,18															
52	**Central banks exposure**	5 771,15															
53	**Trading book**	39,23															
54	**Total assets**	238 862,30	175 355,10	28 296,31	-	28 296,31	-	-	-	-	-	-	175 355,10	28 296,31	-	28 296,31	-
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																	
55	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2.1 GAR sector information (CapEx based)

	a	b	c	e	f	h	i	k	l	n	o	q	r
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	Breakdown by sector - NACE 4 digits level (code and label)	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn NOK	Of which environmentally sustainable (CCM)	Mn NOK	Of which environmentally sustainable (CCM)	Mn NOK	Of which environmentally sustainable (CCA)	Mn NOK	Of which environmentally sustainable (CCA)	Mn NOK	Of which environmentally sustainable (CCM + CCA)	Mn NOK	Of which environmentally sustainable (CCM + CCA)
1	C2110 - Manufacture of basic pharmaceutical products	0,66	-			-	-			0,66	-		
2	G4719 - Other retail sale in non-specialised stores	1,57	-			-	-			1,57	-		
3	G4753 - Retail sale of carpets, rugs, wall and floor coverings in specialised stores	0,05	-			-	-			0,05	-		
4	H5020 - Sea and coastal freight water transport	0,51	-			-	-			0,51	-		
5	I5610 - Restaurants and mobile food service activities	0,28	-			-	-			0,28	-		
6	J6120 - Wireless telecommunications activities	0,50	-			-	-			0,50	-		
7	J6201 - Computer programming activities	0,06	-			-	-			0,06	-		
8	K6419 - Other monetary intermediation	0,73	-			-	-			0,73	-		
9	K6420 - Activities of holding companies	0,39	-			-	-			0,39	-		
10	K6492 - Other credit granting	2,04	-			-	-			2,04	-		
11	K6512 - Non-life insurance	0,37	-			-	-			0,37	-		
12	M7010 - Activities of head offices	0,73	-			-	-			0,73	-		
13	N8230 - Organisation of conventions and trade shows	0,43	-			-	-			0,43	-		
14	R9101 - Library and archives activities	0,47	-			-	-			0,47	-		

2.2 GAR sector information (Turnover based)

	a	b	c	e	f	h	i	k	l	n	o	q	r
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	Breakdown by sector - NACE 4 digits level (code and label)	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn NOK	Of which environmentally sustainable (CCM)	Mn NOK	Of which environmentally sustainable (CCM)	Mn NOK	Of which environmentally sustainable (CCA)	Mn NOK	Of which environmentally sustainable (CCA)	Mn NOK	Of which environmentally sustainable (CCM + CCA)	Mn NOK	Of which environmentally sustainable (CCM + CCA)
1	C2110 - Manufacture of basic pharmaceutical products	0,66	-			-	-			0,66	-		
2	G4719 - Other retail sale in non-specialised stores	1,57	-			-	-			1,57	-		
3	G4753 - Retail sale of carpets, rugs, wall and floor coverings in specialised stores	0,05	-			-	-			0,05	-		
4	H5020 - Sea and coastal freight water transport	0,51	-			-	-			0,51	-		
5	I5610 - Restaurants and mobile food service activities	0,28	-			-	-			0,28	-		
6	J6120 - Wireless telecommunications activities	0,50	-			-	-			0,50	-		
7	J6201 - Computer programming activities	0,06	-			-	-			0,06	-		
8	K6419 - Other monetary intermediation	0,73	-			-	-			0,73	-		
9	K6420 - Activities of holding companies	0,39	-			-	-			0,39	-		
10	K6492 - Other credit granting	2,04	-			-	-			2,04	-		
11	K6512 - Non-life insurance	0,37	-			-	-			0,37	-		
12	M7010 - Activities of head offices	0,73	-			-	-			0,73	-		
13	N8230 - Organisation of conventions and trade shows	0,43	-			-	-			0,43	-		
14	R9101 - Library and archives activities	0,47	-			-	-			0,47	-		

3.1 GAR KPI stock (CapEx based)

		Disclosure reference date: December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy					Proportion of total covered assets funding taxonomy					Proportion of total covered assets funding taxonomy					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**	58,13%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	58,13%	12,37%	0,00%	12,37%	0,00%	73,29%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	58,13%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	58,13%	12,37%	0,00%	12,37%	0,00%	73,29%
3	**Financial corporations**	3,59%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	3,59%	0,00%	0,00%	0,00%	0,00%	9,49%
4	Credit institutions	0,68%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,68%	0,00%	0,00%	0,00%	0,00%	1,53%
5	Loans and advances	0,08%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,08%	0,00%	0,00%	0,00%	0,00%	0,22%
6	Debt securities, including UoP	0,32%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,32%	0,00%	0,00%	0,00%	0,00%	0,55%
7	Equity instruments	0,28%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,28%	0,00%		0,00%	0,76%
8	Other financial corporations	2,91%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	2,91%	0,00%	0,00%	0,00%	7,96%
9	of which investment firms	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
10	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
11	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
12	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
13	of which management companies	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
14	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
15	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
16	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
17	of which insurance undertakings	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
18	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
19	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
20	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
21	**Non-financial corporations**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
22	NFCs subject to NFRD disclosure obligations	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
23	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
24	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
25	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
26	**Households**	54,43%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	54,43%	12,37%	0,00%	12,37%	0,00%	63,70%
27	of which loans collateralised by residential immovable property	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
28	of which building renovation loans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
29	of which motor vehicle loans	54,43%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	54,43%	12,37%	0,00%	12,37%	0,00%	52,11%
30	**Local governments financing**	0,10%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,10%	0,00%	0,00%	0,00%	0,00%	0,10%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
32	Other local government financing	0,10%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,10%	0,00%	0,00%	0,00%	0,00%	0,10%
49	**Total GAR assets**	76,68%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	76,68%	12,37%	0,00%	12,37%	0,00%	95,74%

3.2 GAR KPI stock (Turnover based)

		Disclosure reference date: December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy					Proportion of total covered assets funding taxonomy					Proportion of total covered assets funding taxonomy					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**	58,13%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	58,13%	12,37%	0,00%	12,37%	0,00%	73,29%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	58,13%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	58,13%	12,37%	0,00%	12,37%	0,00%	73,29%
3	**Financial corporations**	3,59%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	3,59%	0,00%	0,00%	0,00%	0,00%	9,49%
4	Credit institutions	0,68%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,68%	0,00%	0,00%	0,00%	0,00%	1,53%
5	Loans and advances	0,08%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,08%	0,00%	0,00%	0,00%	0,00%	0,22%
6	Debt securities, including UoP	0,32%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,32%	0,00%	0,00%	0,00%	0,00%	0,55%
7	Equity instruments	0,28%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,28%	0,00%		0,00%	0,76%
8	Other financial corporations	2,91%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	2,91%	0,00%	0,00%	0,00%	7,96%
9	of which investment firms	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
10	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
11	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
12	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
13	of which management companies	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
14	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
15	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
16	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
17	of which insurance undertakings	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
18	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
19	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
20	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
21	**Non-financial corporations**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
22	NFCs subject to NFRD disclosure obligations	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
23	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
24	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
25	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
26	**Households**	54,43%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	54,43%	12,37%	0,00%	12,37%	0,00%	63,70%
27	of which loans collateralised by residential immovable property	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
28	of which building renovation loans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
29	of which motor vehicle loans	54,43%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	54,43%	12,37%	0,00%	12,37%	0,00%	52,11%
30	**Local governments financing**	0,10%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,10%	0,00%	0,00%	0,00%	0,00%	0,10%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
32	Other local government financing	0,10%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,10%	0,00%	0,00%	0,00%	0,00%	0,10%
49	**Total GAR assets**	76,68%	12,37%	0,00%	12,37%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	76,68%	12,37%	0,00%	12,37%	0,00%	95,74%

4.1 GAR KPI flow (CapEx based)

		Disclosure reference date: December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	% (compared to flow of total eligible assets)	Proportion of total covered assets funding taxonomy					Proportion of total covered assets funding taxonomy relevant					Proportion of total covered assets funding taxonomy relevant					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**	74,31%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	74,31%	26,41%	0,00%	26,41%	0,00%	64,07%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	74,31%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	74,31%	26,41%	0,00%	26,41%	0,00%	64,07%
3	**Financial corporations**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
4	Credit institutions	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
5	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
6	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
7	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
8	Other financial corporations	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
9	of which investment firms	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
10	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
11	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
12	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
13	of which management companies	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
14	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
15	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
16	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
17	of which insurance undertakings	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
18	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
19	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
20	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
21	**Non-financial corporations**	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,01%	0,00%	0,00%	0,00%	0,00%	0,01%
22	NFCs subject to NFRD disclosure obligations	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,01%	0,00%	0,00%	0,00%	0,00%	0,01%
23	Loans and advances	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,01%	0,00%	0,00%	0,00%	0,00%	0,01%
24	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
25	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
26	**Households**	74,18%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	74,18%	26,41%	0,00%	26,41%	0,00%	63,95%
27	of which loans collateralised by residential immovable property	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
28	of which building renovation loans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
29	of which motor vehicle loans	74,18%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	74,18%	26,41%	0,00%	26,41%	0,00%	63,95%
30	**Local governments financing**	0,12%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,12%	0,00%	0,00%	0,00%	0,00%	0,10%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
32	Other local government financing	0,12%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,12%	0,00%	0,00%	0,00%	0,00%	0,10%
49	**Total GAR assets**	100,00%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%	26,41%	0,00%	26,41%	0,00%	86,22%

4.2 GAR KPI flow (Turnover based)

		Disclosure reference date: December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	% (compared to flow of total eligible assets)	Proportion of total covered assets funding taxonomy					Proportion of total covered assets funding taxonomy					Proportion of total covered assets funding taxonomy					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**	74,31%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	74,31%	26,41%	0,00%	26,41%	0,00%	64,07%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	74,31%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	74,31%	26,41%	0,00%	26,41%	0,00%	64,07%
3	**Financial corporations**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
4	Credit institutions	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
5	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
6	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
7	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
8	Other financial corporations	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
9	of which investment firms	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
10	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
11	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
12	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
13	of which management companies	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
14	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
15	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
16	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
17	of which insurance undertakings	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
18	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
19	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
20	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
21	**Non-financial corporations**	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,01%	0,00%	0,00%	0,00%	0,00%	0,01%
22	NFCs subject to NFRD disclosure obligations	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,01%	0,00%	0,00%	0,00%	0,00%	0,01%
23	Loans and advances	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,01%	0,00%	0,00%	0,00%	0,00%	0,01%
24	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
25	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
26	**Households**	74,18%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	74,18%	26,41%	0,00%	26,41%	0,00%	63,95%
27	of which loans collateralised by residential immovable property	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
28	of which building renovation loans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
29	of which motor vehicle loans	74,18%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	74,18%	26,41%	0,00%	26,41%	0,00%	63,95%
30	**Local governments financing**	0,12%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,12%	0,00%	0,00%	0,00%	0,00%	0,10%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
32	Other local government financing	0,12%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,12%	0,00%	0,00%	0,00%	0,00%	0,10%
49	**Total GAR assets**	100,00%	26,41%	0,00%	26,41%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%	26,41%	0,00%	26,41%	0,00%	86,22%

Annex XII Standard templates for the disclosure referred to in Article 8(6) and (7)
Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

People and Culture

2023 has been a progressive year within People & Culture. Compared to 2022 the Group has improved or remained high on bank scores within all 27 dimensions measured in our employee survey. Those data are supported by other KPIs within the People area.

90%

Mandatory trainings in compliance related areas conducted in 2023 above 90% completion rate.

The focus areas within People and Culture in 2023 have been:

- To progress the Grow@Santander program, securing that all employees have a plan and develop their capabilities according to competence the Group needs. During the year, the international talent and development programs have reopened.
- To plan and arrange for hybrid and flexible working conditions, hereby to balance workload and strengthen physical, social and mental well-being.
- The Group has conducted an #everyday_happiness program to highlight and encourage the importance of being together and having fun.

In 2022, the Group established a continuous listening program, Your Voice, aiming for frequent feedback from employees to both identify and measure important elements of the working environment. There have been 3 surveys in 2023. The scale ranges from 1-10 (best). The results of employee feedback prove steady progress throughout the year, concluding a significant improvement within all areas since 2022. The overall engagement has increased from an approval rate at 7.2 to 7.6. In parallel the eNPS-score (employee net promoter score) has made a significant leap to eNPS 23, indicating that the Group has a significant portion of employees promoting the Group as an employer.

Throughout 2023 the Group has worked together with employees and Unions to identify how to evolve our hybrid working conditions. The rebuilding of our offices is planned to start Q1 2024. In parallel we are reviewing our FlexiWork policy to fit the conditions and cultural development. By accepting and deciding that developing a hybrid working set-up is an incremental process the organization has allowed for valuable dialogues with internal stakeholders and continuously adjusted the Group`s approach. This seems to have been successful as Autonomy (+0.6 to 8.6) and Flexibility (+0.9 to 8.9) are among the top-ranking scores.

In combination with the improvements on Autonomy and Flexibility the Group identifies an improvement within Workload and Well-being. During 2023 the score on Workload has improved by +0.4 to 7.4. Supporting those data the sick-leave rate continues to decline, establishing itself in the lower end of industry benchmark and ending at 3% for 2023.

Grow@Santander is a strategic competence program aiming to develop leaders and employees according to the Group`s future competence needs. In 2021, the Group transmitted the strategic competence plan into a Global learning platform.

In 2022, the Group established skill-set requirements for all positions, and finally – secured that all employees created their individual development plans. Those plans are reviewed annually. During 2023 the Group has provided and enabled content to leaders through campaigns like PROLeaders and PROLearners. In parallel the Group started a leader-program specifically designed for Operations. The program will continue throughout 2024. For all employees the Group has reopened talent programs like Young Leader Program, Mundo and Swap. The programs allow for short-term or long-term international working experience. The Group utilizes 360-feedback methodology for L2 and L3 leaders proving to be an important source of information for leaders to further develop. The Group experiences that our people appreciate the opportunities an international working environment provides. During 2023 the score on Growth increased by +0.7 to 7.6. Leaders are increasingly perceived as mentoring employees with the score leaping by +0.8 to a total of 8.3.

Training is frequently conducted for employees connected to regulatory requirements like AML, ESG, Compliance, and Cyber Security. HR reports monthly to compliance on fulfillment on mandatory training in a Compliance training completion report. Per year end, mandatory trainings conducted in 2023 are all above the threshold of 90% completion rate.

The Group has a Working Environment Committee and Liaison Committee. Statutory meetings are held frequently, and the cooperation between the management and the employee representatives is solid. Health, safety and working environment are important elements in the Group policy concerning people and organization. Preventive working environment measures should be adopted to promote employees' safety, health, well-being, and working capacity. Human rights are promoted both in Diversity and Inclusion Policy and Code of Conduct. The group has no reported incidents of sexual harassment nor discrimination in 2023. There have been two personnel injury related to workplace during the year.

Non-discrimination and equality are the foundations for any policy and process within the People & Culture area and the Group is committed to following local regulations including the Equality and Anti-Discrimination Act. During 2022, the Group identified unconscious biases being a risk in recruitment processes.

In 2023, the Group actively promoted #beYourself, a campaigning expression entailing that the working environment promotes inclusiveness of any individual expression independent of gender, race, age, disabilities and nonvisible diversity like religion, sexual orientation, and life experience. Part of the campaign was Group launching both unbiased training as well as diversity and inclusiveness training for all leaders to bring awareness to the impact of unconscious biases in people activities, i.e. recruitment.

The Group has several channels for actively gathering information and monitoring relevant KPIs, included in employee surveys and Whistle Blower Channel. Equality, inclusiveness, and diversity are themes that are part of leadership education on both senior and middle management level. The international footprint of Banco Santander and international mobility naturally promotes and develops cultural understanding. The Group has stable and high scores on any item related to these themes. For 2023, the score on "Non-discrimination" was 8.9 (+0.1) and Diversity & Inclusion 8.5 (+0.3).

The Group is committed to Banco Santander's worldwide Gender Diversity Policy, aiming for gender-balanced participation and equality in working life. The Group has flexible schemes that make it easier to combine a career with family life. 6% of the employees had parental leave in 2023, where of 46% were men and 54% were women.

Annually, the Group measures the Equal Pay Gap (EPG) and Gender Pay Gap (GPG). The plus result reflects a higher earning with the male population vs women and the minus result reflects a higher earning with the women population vs the male. EPG has been measured to -2%. Equal Pay Gap is comparing the wages of women and men performing the same job. GPG has been measured to be 18.1%. Gender Pay Gap is calculated on the total earnings of all male and female employees and therefore impacted by the composition in the workforce.

The scores of Your Voice differ with a maximum of 0.2 between the gender. The main dimension Engagement has equal score.

The Group has reviewed succession plans to both mitigate operational risks as well as ensuring gender balance being incorporated into succession streams to further strengthen gender diversity in top management. At the end of 2023, women in senior leadership positions within the Group amounted to 30%. Women in mid manager positions amounted to 37%. The total workforce consists of 47% women and 53% men.

At year-end, the Group had 1 202 employees (excluding temporary hired employees), of which 288 worked in Sweden, 211 in Denmark, 143 in Finland and 560 in Norway.

-2%

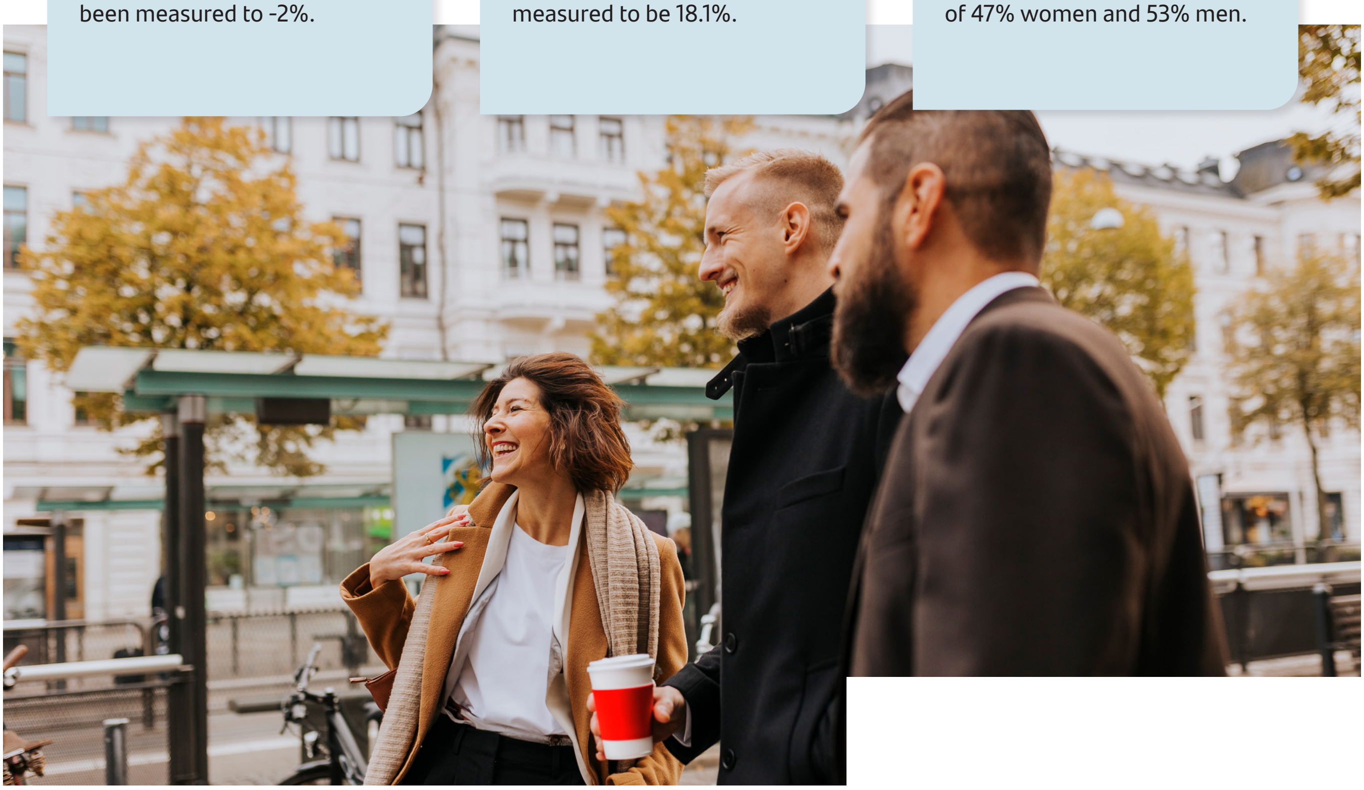
Equal Pay Gap (EPG) has been measured to -2%.

18.1%

Gender Pay Gap has been measured to be 18.1%.

47% | 53%

The total workforce consists of 47% women and 53% men.



Strategic priorities to stay in the lead

2023 goals met despite a challenging market

Economic and banking sector landscape

The current economic landscape is marked by a gradual reduction in inflation, coupled with a corresponding deceleration in growth. Although tight financing conditions can aid in aligning aggregate demand with supply and support a return to targeted inflation levels, they possess the potential to cause a detrimental impact on borrowers who have overextended themselves. Specifically, steep interest rate hikes may present a significant challenge to individuals with high levels of variable rate debt or loans that are due for refinancing in the near future. Additionally, the current state of weak trade and subdued confidence is exacerbating the effects of tightening financial conditions. Housing markets and economies reliant on banking, particularly in Europe, are significantly impacted by these challenges.

According to the Organization for Economic Co-operation and Development (OECD), the average annual real gross domestic product (GDP) growth rate in the Eurozone is anticipated to decelerate from 3.4% in 2022 to 0.6% in 2023, followed by a subsequent recovery to 0.8% in 2024 and stabilization at 1.5% in 2025 and 2026. In 2024, the anticipated average GDP growth rate across the Nordic region is 0.8%:

Norway	After a reduction to 1.1% in 2023, mainland GDP growth is projected to further slow to 0.5% in 2024, before picking up to 1.3% in 2025 as domestic demand strengthens.
Sweden	After a projected 0.5% contraction in 2023, GDP is projected to rise by 0.9% in 2024 and 2.6% in 2025.
Denmark	After projected growth of 1.3% in 2023, GDP is projected to slow to 1.2% in 2024 before recovering to 1.5% in 2025.
Finland	Following a reduction in 2023, GDP is projected to grow by a moderate 0.9% in 2024, before picking up to 1.8% in 2025.

Advanced economies are expected to experience a soft landing, although such an outcome is not assured. The relationship between inflation, activity, and labor markets have undergone changes, making it challenging to fully gauge the impact of tightening monetary policies. It remains to be seen how the full impact of tighter monetary policies will play out in the Eurozone area, with the possibility of more significant activity disruption than currently anticipated.

Global trade remains weak, with a combination of cyclical and structural factors contributing to the slowdown in the integration of value chains across countries. Missed opportunities for growth, particularly in the services trade sector, are of concern, and diversification is deemed the most effective approach to enhancing global value chain resilience, while protectionism and inward-looking policies are not.

Governments are expected to take decisive steps to alleviate fiscal pressures and prioritize growth in their policy-making. This entails enacting labor market and pension reforms, promoting competition, and utilizing fiscal measures to bolster human capital and productivity-enhancing investment, including investments that facilitate the green transition.

In summary, the global economy is grappling with inflation, decelerating growth, and mounting fiscal pressures. Policymakers must prioritize macroeconomic stability, structural reforms, smart fiscal policies, and international collaboration to foster sustainable and inclusive growth.[7]

Corporate strategy

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

The Group has a clearly defined strategic ambition of being the leading Nordic consumer finance platform. This means striving to meet all customer and partner needs in a seamless and collaborative manner.

The aim is to generate long-term, sustainable value creation for the Group's shareholder, Banco Santander. Within this context, the Group also strives to generate value for a broader group of stakeholders including employees, customers, partners, and society at large.

7) OECD Economic Outlook, Volume 2023 Issue 2

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

- No. 1 customer & partner satisfaction in core markets
- Employee satisfaction greater than 8 (on a scale of 1-10)
- Cost-to-income below 35%
- RoRWA (Return on Risk Weighted Assets) greater than 2%

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

Grow selectively	Sustainable profitability at the core of existing and new business propositions.
Operate Efficiently	Efficient, robust and scalable operating model and resource allocation.
Work collaboratively	Modern organisational model underpinned by collaboration and engagement.

Strategic focus areas

During 2023, the Group maintained clear strategic direction and executed upon key priorities supporting each of its three strategic focus areas:

- Delivered demand-based, competitive, and fair consumer propositions.
- Significantly increased focus on Deposits, addressing challenging economic environment for our customers.
- Continued to support mobility electrification by financing the purchase of 36.349 new electric vehicles (BEVs) per December 2023, representing 11% of all BEVs purchased in the Nordic region. Won and renewed significant partner agreements.
- Exercised strong and stable risk profile, resulted in better-than-expected year-end results despite volatile and changing market conditions.
- Exercised disciplined margin and pricing management.
- Exercised robust operating cost management.
- Further progressed transformation initiatives and digital capabilities to realize increased operating efficiencies.
- Further operationalized its Responsible Banking agenda, publishing the Group's Sustainability report for 2022 as well as its inaugural Transparency Act statement, as well as further embedding ESG principles into decision making, business and reporting processes across the organization.
- Further improved staff engagement through a combination of – amongst others – first physical all staff conference since the Covid-19 pandemic, continued adoption of Flexiworking, as well as through the development of employee personal development plans.

In continuation of its corporate strategy, the Group will place focus upon the following key business opportunities in 2024:

Continue to broaden sustainable propositions

The Group is dedicated to expanding its sustainable finance offerings in response to evolving customer preferences and emerging sustainability regulations. In line with this commitment, the Group aims to further grow business within the consumer sustainable finance market, improving its market penetration in Finland and Denmark, as well introducing new propositions in Norway and Sweden. By expanding its sustainable finance offerings, the Group aims to cater to the changing needs of its customers.

Continue its transformation into a lean, simple and efficient bank through rigorous standardization and automation of processes.

The Group has set out an ambitious objective of transforming itself into a lean, simple, and efficient organization. To achieve this goal, the Group's strategy is to rigorously standardize and automate processes, as well as standardizing and streamlining customer propositions. Through this, the Group aims to optimize its business and achieve greater efficiency, thereby enhancing its competitiveness and delivering long-term value to its stakeholders.

Corporate Sustainability Reporting Directive (CSRD)

The Nordic Responsible Banking agenda represents key element in Santander's wider efforts to meet global sustainability targets while fulfilling its obligations to stakeholders. Notably, the organization has made significant strides in 2023 towards embedding ESG principles into its decision-making processes, business operations, and reporting procedures. In the year ahead, the Group will build upon this in its efforts in response to the Corporate Sustainability Reporting Directive (CSRD) requirements. By doing so, the Group aims to ensure compliance with emerging sustainability regulations, seize related business opportunities, and promote sustainability within its own operations. This strategic initiative underscores the organization's steadfast commitment to sustainable business practices and responsible corporate citizenship.

Lysaker, 14th February 2024

The Board of Directors of Santander Consumer Bank

Jørn Borchgrevink
Chair

Federico Ysart
Deputy Chair

Pedro de Elejabeitia
Board member

Anne Kvam
Board member

Rámon Billordo
Board member

Tone Bergsaker Strømsnes
Employee Representantive

Rolf Larsen
Employee Representantive

Michael Hvidsten
Chief Executive Officer

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Profit and Loss - Santander Consumer Bank Nordic Group

All amounts in millions of NOK	Note	2023	2022
Total interest income*		13 388	8 410
Total interest expenses		-5 704	-1 656
Net interest income	11	**7 685**	**6 754**
Fee and commission income		603	617
Fee and commission expenses		-296	-250
Value change and gain/loss on foreign exchange and securities		-5	-45
Other operating income	12	562	388
Other operating expenses	12	-361	-407
Gross margin		**8 189**	**7 056**
Salaries and personnel expenses	29, 30	-1 511	-1 295
Administrative expenses		-1 544	-1 072
Depreciation and amortisation	23, 24	-337	-255
Net operating income before impairment losses on loans		**4 797**	**4 434**
Other income and costs		-146	-58
Impairment losses on loan, guarantees etc.	2, 4, 5, 15	-946	-792
Profit before tax		**3 706**	**3 584**
Income tax expense	13	-885	-877
Profit after tax		**2 821**	**2 707**
Allocation of profit after tax			
Transferred to other earned equity		2 626	2 567
Transferred to additional Tier 1 capital	33	194	140
Total allocations		**2 821**	**2 707**
Profit after tax		**2 821**	**2 707**
Items not to be recycled to profit and loss			
Actuarial gain/loss on post-employment benefit obligations		10	49
Items to be recycled to profit and loss			
Net exchange differences on translating foreign operations		307	247
Measured at FVTOCI		2	-0
Cash flow hedge	20	-146	72
Net investment hedge	13, 20	-68	-52
Other comprehensive income for the period net of tax		**106**	**315**
Total comprehensive income for the period		**2 927**	**3 022**

** Total interest income calculated using the effective interest method*

Balance Sheet - Santander Consumer Bank Nordic Group

All amounts in millions of NOK	Note	2023	2022
Assets			
Cash on hand	17, 21	0	-
Cash and receivables on central banks	17, 21	1 127	5 680
Deposits with and receivables on financial institutions	17, 21	3 366	3 663
Loans to customers	2, 4, 6, 14, 15, 16, 17, 21, 25	190 212	182 976
Commercial papers and bonds	4, 17	10 319	5 177
Financial derivatives	17, 19	231	586
Other ownership interests	17, 19	14	12
Other financial assets	17, 21	598	811
Deferred tax assets	13	247	-
Intangible assets	24	1 388	1 280
Fixed assets	23	2 121	918
Repossessed assets	26	27	27
Other assets	13	2 407	1 762
Total assets		**212 057**	**202 894**
Liabilities			
Debt to credit institutions	17, 21, 32	25 372	36 561
Deposits from customers	17, 21	88 546	75 925
Debt established by issuing securities	17, 18, 21	42 949	47 308
Financial derivatives	17, 19	336	586
Tax payable	13	168	126
Other financial liabilities	17, 28	662	546
Deferred tax	13	2 349	1 490
Pension liabilities	29	4	5
Other liabilities		3 361	3 122
Subordinated loan capital	17, 21, 32	2 521	2 422
Senior non-preferred loans	17, 21, 32	16 038	4 067
Total liabilities		**182 304**	**172 157**

	Note	2023	2022
Equity			
Share capital		10 618	10 618
Share capital premium		1 926	1 926
Additional Tier 1 capital		2 250	2 250
Other equity		14 462	15 551
OCI items		497	391
Total equity	9	**29 752**	**30 736**
Total liabilities and equity		**212 057**	**202 894**

Cash Flow - Santander Consumer Bank Nordic Group

All amounts in millions of NOK	Note	2023	2022
Cash flow from operations			
Profit before tax		3 706	3 584
Adjustments for:			
- Depreciation, amortisation and impairment on fixed and intangible assets		337	255
- Net interest income	12, 23, 24	-7 685	-6 754
- Value change and gain/loss on foreign exchange and securities		5	45
- Dividends on financial assets at FVOCI		-	8
Changes in:			
- Loans to customers	14	837	-10 137
- Operating lease assets	23	-1 195	79
- Repossessed assets	26	2	36
- Other assets		2 714	527
- Deposits from customers		9 344	1 722
- Other liabilities and provisions		-2 424	-926
Interests received		13 388	8 344
Dividends received		-	-0
Interests paid		-5 704	-1 656
Net income taxes paid		-516	-788
Net cash flow from operations		**12 811**	**-5 660**
Cash flow from investments			
Purchase of bonds		-154 999	-46 123
Proceeds from matured bonds		150 074	50 743
Purchase of fixed and intangible assets		-295	-171
Proceeds from sale of fixed and intangible assets		12	6
Net cash flow from investments		**-5 209**	**4 455**
Cash flow from financing			
Proceeds from issued securities	18, 27	7 349	11 060
Repayments of issued securities	18, 27	-14 977	-16 648
Payments related to lease liabilities		-48	-65
Change in loans and deposits from credit institutions	27	-13 265	6 314
Proceeds from issue of subordinated loans	27, 32	1	2
Repayment of subordinated loans	27, 32	-	-
Proceeds from issue of senior non-preferred loans	27, 32	11 773	4 082
Repayment of senior non-preferred loans	27, 32	-	-
Dividend payments		-3 716	-2 000
Interest payments on additional Tier 1 capital	33	-194	-140
Net cash flow from financing		**-13 076**	**2 605**

	Note	2023	2022
Exchange gains / (losses) on cash and cash equivalents		624	-230
Net change in cash and cash equivalents		-4 850	1 169
Cash and cash equivalents at the beginning of the period		9 344	8 175
Cash and cash equivalents at the end of the period		**4 493**	**9 344**

Statement of changes in equity - Santander Consumer Bank Nordic Group

2023

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

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

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

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.

2022

All amounts in millions of NOK	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences from foreign currencies	Measured at FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
Balance at 1 January 2022	**10 618**	**1 926**	**2 250**	**14 985**	**140**	**20**	**27**	**-43**	**-68**	**29 855**
Profit for the period	-	-	140	2 567	-	-	-	-	-	2 707
OCI movements (net of tax)	-	-	-	-	247	-0	72	-53	49	315
Interest payments additional Tier 1 capital	-	-	-140	-	-	-	-	-	-	-140
Dividend	-	-	-	-2 000	-	-	-	-	-	-2 000
Balance at 31 December 2022	**10 618**	**1 926**	**2 250**	**15 551**	**387**	**20**	**99**	**-96**	**-19**	**30 736**

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

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Profit and Loss - Santander Consumer Bank AS

All amounts in millions of NOK	Note	2023	2022
Total interest income*		11 688	7 277
Total interest expenses		-5 159	-1 544
Net interest income	11	**6 529**	**5 733**
Fee and commission income		543	520
Fee and commission expenses		-276	-229
Value change and gain/loss on foreign exchange and securities		-14	-29
Other operating income	12	447	274
Other operating expenses	12	-224	-292
Gross margin		**7 005**	**5 977**
Salaries and personnel expenses	29, 30	-1 292	-1 118
Administrative expenses		-1 330	-977
Depreciation and amortisation	23, 24	-301	-233
Net operating income before impairment losses on loans		**4 082**	**3 649**
Other income and costs		-165	-60
Impairment losses on loan, guarantees etc.	2, 4, 5, 15	-793	-659
Profit before tax		**3 125**	**2 929**
Income tax expense	13	-781	-713
Profit after tax		**2 344**	**2 216**
Allocation of profit after tax			
Transferred to other earned equity		2 150	2 076
Transferred to additional Tier 1 capital	33	194	140
Total allocations		**2 344**	**2 216**
Profit after tax		**2 344**	**2 216**
Items not to be recycled to profit and loss			
Actuarial gain/loss on post-employment benefit obligations		10	49
Items to be recycled to profit and loss			
Net exchange differences on translating foreign operations		-1	9
Measured at FVTOCI		2	-0
Cash flow hedge	20	-17	-18
Net investment hedge	13, 20	-	-
Other comprehensive income for the period net of tax		**-5**	**39**
Total comprehensive income for the period		**2 338**	**2 255**

** Total interest income calculated using the effective interest method*

Balance Sheet - Santander Consumer Bank AS

All amounts in millions of NOK	Note	2023	2022
Assets			
Cash on hand	17, 21	0	-
Cash and receivables on central banks	17, 21	1 127	5 680
Deposits with and receivables on financial institutions	17, 21	2 174	2 276
Loans to customers	2, 4, 6, 14, 15, 16, 17, 21, 25	155 255	147 337
Commercial papers and bonds	4, 17, 21	10 319	4 704
Financial derivatives	17, 19	0	-
Loans to subsidiaries and SPV's	17, 21	18 659	17 728
Investments in subsidiaries	31	1 806	1 717
Other ownership interests	17, 19	14	12
Other financial assets	17, 21	190	311
Deferred tax assets	13	-	-
Intangible assets	24	924	845
Fixed assets	23	1 700	517
Repossessed assets	26	8	5
Other assets	13	2 138	1 317
Total assets		**194 316**	**182 448**
Liabilities			
Debt to credit institutions	17, 21, 32	24 296	33 078
Deposits from customers	17, 21	88 546	75 925
Debt established by issuing securities	17, 18, 21	30 841	34 599
Financial derivatives	17, 19	0	0
Tax payable	13	168	126
Other financial liabilities	17, 21, 28	584	374
Deferred tax	13	2 419	1 721
Pension liabilities	29	4	5
Other liabilities		2 973	2 636
Subordinated loan capital	17, 21, 32	2 521	2 422
Senior non-preferred loans	17, 21, 32	16 038	4 067
Total liabilities		**168 392**	**154 952**

	Note	2023	2022
Equity			
Share capital		10 618	10 618
Share capital premium		1 926	1 926
Additional Tier 1 capital		2 250	2 250
Other equity		11 121	12 687
OCI items		10	15
Total equity	9	**25 924**	**27 496**
Total liabilities and equity		**194 316**	**182 448**

Cash Flow - Santander Consumer Bank AS

All amounts in millions of NOK	Note	2023	2022
Cash flow from operations			
Profit before tax		3 125	2 929
Adjustments for:			
- Depreciation, amortisation and impairment on fixed and intangible assets		301	233
- Net interest income	12, 23, 24	-6 529	-5 733
- Value change and gain/loss on foreign exchange and securities		14	29
- Dividends on financial assets at FVOCI		-	8
Changes in:			
- Loans to customers	14	-2 250	-11 745
- Operating lease assets	23	-1 217	18
- Repossessed assets	26	-3	12
- Other assets		-268	-95
- Deposits from customers		9 344	1 722
- Other liabilities and provisions		596	489
Interests received		11 688	7 250
Dividends received		-	-0
Interests paid		-5 159	-1 544
Net income taxes paid		-441	-597
Net cash flow from operations		**9 200**	**-7 023**
Cash flow from investments			
Purchase of bonds		-154 999	-44 352
Proceeds from matured bonds		149 560	47 552
Purchase of fixed and intangible assets		-288	-168
Proceeds from sale of fixed and intangible assets		4	3
Net cash flow from investments		**-5 723**	**3 035**
Cash flow from financing			
Proceeds from issued securities	18, 27	2 199	6 041
Repayments of issued securities	18, 27	-8 360	-10 487
Payments related to lease liabilities		-48	-65
Change in loans and deposits from credit institutions	27	-10 335	7 603
Proceeds from issue of subordinated loans	27, 32	1	2
Repayment of subordinated loans	27, 32	-	-
Proceeds from issue of senior non-preferred loans	27, 32	11 773	4 082
Repayment of senior non-preferred loans	27, 32	-	-
Dividend payments		-3 716	-2 000
Interest payments on additional Tier 1 capital	33	-194	-140
Net cash flow from financing		**-8 681**	**5 035**

	Note	2023	2022
Exchange gains / (losses) on cash and cash equivalents		550	-62
Net change in cash and cash equivalents		-4 655	985
Cash and cash equivalents at the beginning of the period		7 957	6 972
Cash and cash equivalents at the end of the period		**3 302**	**7 957**

Statement of changes in equity - Santander Consumer Bank AS

2023

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

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

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

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2022

All amounts in millions of NOK	Share Capital	Share Capital Premium	Additional Tier 1 Capital	Other Equity	Translation differences from foreign currencies	Measured at FVTOCI	Cash flow hedge	Net investment hedge	Actuarial gain/loss	Total
Balance at 1 January 2022	**10 618**	**1 926**	**2 250**	**12 612**	**-12**	**20**	**15**	**21**	**-68**	**27 382**
Profit for the period	-	-	140	2 076	-	-	-	-	-	2 216
OCI movements (net of tax)	-	-	-	-	9	-0	-18	-	49	39
Interest payments additional Tier 1 capital	-	-	-140	-	-	-	-	-	-	-140
Dividend	-	-	-	-2 000	-	-	-	-	-	-2 000
Balance at 31 December 2022	**10 618**	**1 926**	**2 250**	**12 687**	**-3**	**20**	**-3**	**21**	**-19**	**27 496**

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

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

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Lysaker, 14th February 2024

The Board of Directors of Santander Consumer Bank

Jørn Borchgrevink
Chair

Federico Ysart
Deputy Chair

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Board member

Anne Kvam
Board member

Rámon Billordo
Board member

Tone Bergsaker Strømsnes
Employee Representantive

Rolf Larsen
Employee Representantive

Michael Hvidsten
Chief Executive Officer

Accounting Principles

1. GENERAL INFORMATION ABOUT SANTANDER CONSUMER BANK AS

Santander Consumer Bank AS (the Bank) is a limited liability company incorporated in Norway. The Bank's principal offices are located at Strandveien 18, Lysaker, Norway. The Bank is a 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 Bank in Norway, Sweden and Denmark. The Group accounts include the Finnish subsidiary Santander Consumer Finance Oy (SCF Oy) and the Special Purpose Vehicles ("SPV").

The 2023 consolidated financial statements of the Group and financial statements of the Bank cover the period 01.01.2023 to 31.12.2023 and was approved by the Board of Directors and general assembly on 14.02.2024.

2. SUMMARY OF MATERIAL 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 accounting

The financial reports and the consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards, as adopted by the EU, and interpretations of them. The financial statements are based on the historical cost basis, except financial assets measured at fair value through other comprehensive income and financial derivatives.

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. See section 3 for further details regarding the use of accounting estimates.

The financial statements are presented in Norwegian kroner ("NOK") and all figures are rounded to millions of kroner unless indicated otherwise.

2.2. Changes in accounting policy and disclosures

Changes in IAS 1 have been implemented. No other new or amended IFRS or interpretations that have a significant impact on the Group's financial position, results or disclosures for the financial year beginning on 1 January 2023 have been implemented.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3. Consolidation

The consolidated financial statement comprises the parent company and entities, including SPV's, over which the parent company has control.

2.4. Investment in subsidiaries

Shares in subsidiaries are valued at cost and tested for impairment. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on investments in subsidiaries in the income statement. This only applies to the Financial Statement of the Bank, not the Group.

2.5. 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 credit 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.

Fees 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 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.

Fee and commission income, other than fees included in the calculation of the effective interest rate, is accounted for when the customer receives control of the sold goods or service according to IFRS 15. In the Group, fees and commissions recognized after IFRS15 include the following services:

- Sale of insurance policies (acting as an agent)
- Collections

2.6. Financial assets and liabilities

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

2.6.1. Financial assets

(i) Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- Fair value through profit and loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

(i) The Group's business model for managing the asset; and

(ii) The cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by an expected credit loss allowance recognised and measured as described in section 2.6.1 (ii). Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value thorugh other comprehensive income (FVOCI). Movements in carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain and loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading.

(ii) Impairment

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments. The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes,
- The time value of money, and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group did not use the low credit risk exemption for any of its financial instruments for the year ended 31 December 2023.

Expected credit loss measurement

IFRS 9 outline a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired. Please see below for a description of how the Group determines when a significant increase in credit risk has occurred.
- Along with financial assets assessed to be in "Stage 2" due to SICR criteria, the Group uses other criteria to classify financial assets in Stage 2. Please refer below for details on other criteria used by the Group.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please see below for a description of how the Group defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured based on default events possible within the next 12 months. Instruments in Stage 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please see below for a description of inputs, assumptions and estimation techniques used in measuring ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. See below for an explanation of how the Group has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on lifetime basis (Stage 3).

Further explanation is also provided on how the Group determines appropriate groupings when ECL is measured on a collective basis. See below.

The following diagram summarizes the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The Group uses "Cure Period – not in default state as of reporting date but was in default during last 12 months prior to reporting date", as a condition to classify financial instruments in stage 2. That way, the Group ensures that stage 3 exposures are migrated to stage 2 for a minimum period of 12 consecutive months before they are migrated to stage 1 .

There is no specific criteria followed for migrating exposures from stage 2 to stage 1.

Significant increase in credit risk (SICR)

Credit rating is one of the risk characteristics as suggested in the guideline, in the Group behavioral scores which can be directly translated to corresponding PD are used as key factors to identify any credit risk deterioration event.

Assessment methodology in the Group compares initial behavioral score with the monthly updated behavior score (PIT) and based on empirical data test results, score drop assumptions of 5%/10%/15%, depending on product lines and market, are considered a significant change in credit risk. SICR assessment is based on remaining lifetime PD at reporting date compared with remaining lifetime PD at origination and using a combination of absolute and a relative threshold, SICR assessment is made if the credit risk has increased significantly since initial recognition.

Further, along with financial assets assessed to have increased credit risk, financial assets falling under either of the categories mentioned below are classified as stage 2.

(i) Not in default state as of reporting date but was in default during any of last 12 months before reporting date.
(ii) Loan with forbearance action and not normalized as of reporting date and not in stage 3.
(iii) More than 30 days past due and not in stage 3.

Definition of default and credit-impaired assets

For estimation purposes (PD, LGD or EAD) the following definition of default (credit-impaired) is used: "A contract is considered to be default if it reaches 90 days in arrears, or for reasons such as bankruptcy, litigation, or special handling within collections". Concerning subjective doubtful, it includes contracts, which are not classifiable as write-off or objective default (more than 90 days past due), but for which there are reasonable doubts about their full repayment or future behavior under the contractual terms. The elements to be taken as indications of unlikeliness to pay could include:

- The bank puts the credit obligation on non-accrued status.
- The bank makes a charge-off or account-specific provision resulting from a significant perceived decline in credit quality subsequent to the bank taking on the exposure.
- The bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement of principal, interest or (where relevant) fees, negative equity, persistent losses, inadequate economic or financial structure, insufficient cash flows to meet debts or impossibility of obtaining further financing.
- The bank has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the banking group.
- The transactions which the debtor has legally disputed, the collection of which depends on the lawsuit's outcome.
- Situations in which the entity has decided to terminate the contract to recover possession of the asset.

Measuring ECL – explanation of inputs, assumptions and estimation techniques

The expected credit loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), defined as follow:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), of over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amount the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for credit cards, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of product, availability of collateral or other credit support and the geography where the financial asset is handled. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, EAD and LGD for future periods and each individual exposure or collective segment. PD estimation includes the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). These three components (PD adjusted with likelihood of survival, LGD and EAD) are multiplied together to calculate ECL. This effectively calculates an ECL for future periods, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the effective interest rate calculated at portfolio level based on interest and fee income specific to the portfolio.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by empirical analysis.

The 12-month and lifetime EAD are determined based on the expected payment profile, which varies by product type.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower. The expected probability of full redemption is captured in PD estimation through incorporation of likelihood of survival. Any changes in contractual repayments due to refinancing or restructuring is included in ECL calculation by considering new schedule of payments.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by observed behavior of the exposure in the Group and current limit utilization band, based on analysis of the Group's recent default data.

The LDGs is estimated based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral value realized from sale of repossessed asset, any recovery thereafter and recovery from sale of debt.
- For unsecured products, LGDs are influenced by collection strategies, including contracted debt sales and price.
- The Group separately estimates LGD for defaulted exposures. These LGDs are largely influenced by product type (secured or unsecured) and months in default.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product time. See below for an explanation of forward-looking information and its inclusion in ECL calculations. No further significant changes in estimation techniques or significant assumptions have been made in the models during the reporting period.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has analysed and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The macro economic variables incorporated in determining ECL include gross domestic product, unempolyment rates and housing Price Index.

ECL is estimated for different macroeconomic scenarios, and by applying weights to the scenarios the final ECL is estimated.

To address uncertainty related to volatility in the forward looking macros, an assessment of the portfolios susceptibility to the macroeconomic developments has been performed where the forward looking factors were stressed to more accurately estimate the underlying risk in the portfolios.

More details on this is disclosed in note 4.

Grouping of instruments for losses measured on a collective basis

All standardized portfolio ECL calculation is done on a collective basis. Since IFRS 9 parameters are built on IRB framework, portfolios used in IFRS 9 are the same as rating systems used in IRBA and a basic requirement for rating system is to have homogenous pool of exposures. The following characteristics are used within a rating system to determine grouping for ECL calculation collectively:

- Product type (Secured, Unsecured)
- Loan type (Close end loans, Revolving loans)
- Customer type (Individuals, SME, Non-Standardized portfolio)
- Relevant scores (Admission, behavior)
- Credit scoring band
- Risk Bucket
- Restricting action taken on exposure

(iii) Write-off policy

The Group write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) insolvency of the borrower and (ii) realization of the collateral where the Group's recovery method is foreclosing on collateral is such that there is no reasonable expectation of recovery in full.

The Group may write-off financial assets that are still subject to enforcement activity. The Group still seeks to recover amounts it is legally owed in full, but which have been partly written off due to no reasonable expectation of full recovery.

2.6.2. Financial instruments with the characteristics of equity

The Group has issued a capital instrument which satisfies the requirements in CRD IV as Additional Tier 1 capital. Since the Group has a unilateral right not to repay interest or the principal to the investors, the capital instrument does not meet the requirements for a liability as defined in IAS 32 and are therefore presented as Additional Tier 1 capital within the Groups equity. Interest expense is presented as a part of other equity and associated tax deduction is presented as part of the year's tax cost in the statement of profit and loss in accordance with IAS 12.

2.6.3. Financial liabilities

Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby financial liability is recognized for the consideration received for the transfer. In subsequent periods, the Group recognizes any expense incurred on the financial liability, and
- Financial guarantee contracts and loan commitments

2.6.4. Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Financial guarantee contracts issued by a group entity are initially measured at their fair values and subsequently measured at the higher of:

- The amount of the loss allowance (calculated as described in 2.6.1 (ii); and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized.

Loan commitments provided by the Group are measured as the amount of the loss allowance (calculated as described in 2.6.1 (ii)). The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized as a provision.

2.7. Offsetting

Financial assets and liabilities are offset and recognized net 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.
Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

Master netting agreements or similar agreements give the right to offset in the event of default but do meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognized amounts only following an event of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events. In addition, the Group and its counterparties do not intend to settle on a net basis or to realize the assets simultaneously.

2.8. Derivative financial instruments and hedging activities

The Group has elected to continue to apply the hedge accounting requirements of IAS 39 on adoption of IFRS 9.
The Group has not provided comparative information for periods before the date of initial application of IFRS 9 for the new disclosures introduced by IFRS 9 as a consequential amendment to IFRS 7, as permitted by IFRS 7 paragraph 44Z.

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.

2.9. Santander Consumer Bank as lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

The Group offers car leasing. When the Group is a lessor in a lease agreement that transfers substantially all the risk and rewards incidental to ownership of the car to the lessee, the arrangement is classified as finance lease. Finance lease receivables are recognized and presented within 'loans to customers'. 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 in accordance with 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 and repossessed assets, are entered under 'Other operating income' in the profit and loss account.

Fee income from finance lease consists of interest and repayment of principal and is classified under the line item interest income in the profit and loss statement.

The Group has contracts in which the Group guarantees residual value of the leased assets. For these contracts the Group considers that not substantially all the risk and rewards incidental to the ownership of the asset has been transferred and thus the contracts are classified as operating leases. 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.

2.10. Foreign currency translation

The presentation currency in the Group's consolidated financial statements is Norwegian kroner (NOK). The Group has foreign branches and subsidiary whose functional currency is different from NOK. Foreign currency is translated to presentation currency NOK in two consecutive stages, which are further described in the following sections:

1) Translation of foreign currency transactions into the functional currency of the Group entities, and,
2) Translation of group entities whose functional currency is different from the presentation currency NOK.

2.10.1. Translation of foreign currency transactions

Foreign currency transactions performed by consolidated entities are initially recognized in their respective functional currencies using the spot exchange rate at the date of the transaction. At the end of the reporting period, balance sheet items and income and expenses are retranslated as follows:

- Monetary items in foreign currency are subsequently translated to their functional currencies using the closing exchange 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 profit and loss account, except for exchange differences arising on financial instruments at fair value through profit or loss, which are recognized in the consolidated profit and loss account without distinguishing them from other changes in fair value, and for exchange differences arising on non-monetary items measured at fair value through other comprehensive income, which are recognized under 'Value change and gain/loss on foreign exchange and securities'.

2.10.2. Translation of branches and subsidiary to presentation currency NOK

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

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

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 exchange rate.
The exchange differences arising on the translation to NOK of the financial statements denominated in functional currencies other than NOK are recognized in other comprehensive income and accumulated in equity under the heading 'Net exchange differences on translating foreign operations'.

2.11. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairments. 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 linear method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

• Buildings	3-10 years
• Machines, fittings, equipment	1-10 years (average 3 years)
• Assets held under operating and finance lease	1-10 years (average 3 years)

Right-of-use assets are included in the fixed assets group to which the asset belong.

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 in the profit and loss.

3. CRITICAL ACCOUNTING ESTIMATES

The presentation of consolidated financial statements in conformity with IFRS requires the management to make judgments and estimates that affect the recognized amounts for assets, liabilities and disclosures of contingent assets and liabilities as of the closing day as well as recognized income and expenses during the report period. The management continuously evaluates these estimates and judgments based on its judgments and assumptions on previous experience and several other factors that are considered reasonable under the circumstances. Actual results may deviate from judgments and estimates.

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 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. See note 13.

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 (*Kapitalkravsforskriften*).

5. PROVISIONS

The provisions are liabilities of uncertain timing or amount and are recognized when the Group has a present legal or constructive obligation arising from a past event and it is likely 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 tested on each closing day and adjusted when needed, so that they correspond to the current estimate of the value of the obligations.

Significant judgment is required in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows.
The Group is 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 the use of a significant amount of judgment in projecting the timing and amount of future cash flows. The Group records provisions based on 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 the expectations, expenses more than the provisions recognized may incur.
When some or all 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 and financial statements

Santander Consumer Bank Nordic Group

Note 1 - Risk Management

1.1 The Group's Approach to Risk

The Group's Risk Management and Control Model allows the Group to conduct its core activities while remaining adaptable to a fluctuating economic landscape, and an evolving regulatory environment. It rests on common principles and a solid risk culture embedded across the Group, bolstered by a robust governance structure, and advanced risk management processes and tools.

Risk Principles and Culture:

a. **All employees are risk managers**, regardless of their role or responsibility, who must understand the risk factors associated with their function, and not assume risks that will exceed the Group's risk appetite or have an unknown impact.

b. A stable risk profile within the approved risk appetite limits is sought.

c. An **independent risk management function**, led by the Chief Risk Officer (CRO), consistent with the three lines of defense model.

d. A **forward-looking and comprehensive approach** towards all businesses and risk types is taken.

e. **Thorough and timely reporting** is kept, with the aim of promptly identifying and assessing all risks.

Risk Culture – Risk Pro: The Group's risk culture, which is called 'Risk Pro,' is not only a fundamental element of our corporate culture, *The Santander Way*, but also aligns with our mission of helping people and businesses prosper. At its essence, Risk Pro emphasizes each employee's accountability for the inherent risks within their areas and tasks, and underscores our commitment to effectively identifying, evaluating, and managing all risks.

Risk Governance:

The Risk function is supported by a robust structure of risk committees which allow us to conduct effective oversight of all risks, in line with our risk appetite. It is based on the 'three lines of defence' model.

a. Three Lines of Defence (LoD):

1st	Formed by business and support areas, which hold primary accountability for managing the risk exposure they generate. Recognizes, measures, monitors, and reports risks in alignment with established risk management policies, models, and procedures.
2nd	Comprised by the Risk and Compliance & Conduct functions which independently oversee and challenge risk management at the first line of defence to make sure we keep risks within the risk appetite limits approved by senior management and promote a robust risk culture in the Group.
3rd	The Internal Audit function, which is fully independent, gives the Board and senior managers assurance of high-quality and efficient internal controls, governance, and risk management, to preserve our value, solvency, and reputation.

Risk origination must be consistent with the approved risk appetite and related limits.
Risk, Compliance & Conduct, and Internal Audit are sufficiently separate and autonomous functions, with direct access to the Board and its committees.

b. Risk Committees Structure:

The Board of Directors has the ultimate oversight of risk management and control, promoting a sound risk culture and reviewing and approving risk appetite limits and frameworks. It is supported by its executive committee and the Risk committees from management to Board level.

The Group's risk governance keeps the risk control and risk-taking areas independent.

Risk Management Processes and Tools:

i. **Risk Appetite and Structure of Limits (RAS)**: The Group's 'Risk Appetite' is the volume and type of risks which we deem prudent for our business strategy under normal and stressed circumstances. It is expressed in qualitative terms as well as limits, which are structured around five axes (Results Volatility, Solvency, Liquidity, Concentration, and Non-Financial Risks).

ii. **Risk Profile Assessment (RPA):** The 'Risk Profile Assessment' is a robust methodology that allows us to analyze the various risk types the Group is exposed to, based on the main principles of the identification and risk assessment model. These include self-assessment and exercise suitability, efficiency, and holistic, in-depth risk analysis (with common approaches and alignment for decision-making). The three lines of defense all take part in the assessment. This helps to strengthen our risk culture by reviewing how risks change, and pinpointing areas for improvement.

iii. **Scenario Analysis**: Scenario analysis is a useful risk management tool to measure our resilience to stress situations under a forward-looking approach and, if necessary, to prepare mitigating plans for expected loss, capital, and liquidity.

iv. **Risk Reporting Structure**: To provide senior managers with a thorough, up-to-date understanding of our risk profile, the Enterprise Risk Management (ERM) team regularly consolidates and reports on current and future risks, so informed decisions can be made in a timely manner. Our risk reporting covers all factors set out in our Risk Framework, as well as all those fundamental aspects that may be necessary for our risk assessment.

Key Risk Types:

The Group's Risk Framework covers all types of risks which affect the Group and could impact the achievement of its strategic objectives.
Key risk types, which are reflected in Santander's Risk Map, include financial risks (incl. credit risk, market risk, liquidity & structural risk, and capital risk), non-financial risks (incl. operational risk and reputational risk) and cross risks (incl. model risk, strategic risk, and environmental & climate-related risks).

1.2 Areas of Special Interest | Macro & Geopolitical Landscape

The outset of 2023 and most of the year that followed were overshadowed by persisting challenges from the previous years, notably the war in Ukraine and its economic consequences, and the supply chain disruptions that emerged during the Covid-19 pandemic.
These circumstances, coupled with the liquidity turbulences which resulted from the collapse of several American banks in the first quarter, created an atmosphere of instability, market volatility, and pessimism for the upcoming year. Additionally, sustained inflationary pressures, amplified by weakened exchange rates and increased borrowing expenses, significantly impacted the economic trajectory of the four Nordic countries.

Throughout 2023, Santander steadfastly maintained its commitment to its customers, amid substantial shifts in the financial landscape.
What was once a nearly decade-long era of ultra-low interest rates, where money seemed almost costless, swiftly gave way to a completely unanticipated environment. Over a brief period, interest rates underwent a substantial and remarkably rapid increase, catching both the markets and economic actors off guard. This abrupt change reverberated throughout the economic strategies of all players, forcing a swift recalibration of financial plans and expectations.
The Group directed its efforts to adapting its offerings and thriving in an increasingly competitive environment, while closely attending to our customers' financial well-being, and complying with the very strict standards of responsible lending mandated by regulatory authorities across our operational markets.

Despite initial apprehensions regarding the economic outlook, our credit quality indicators remained well within expected levels, displaying a robust and stable trajectory throughout the year. This stability was primarily driven by overall good performance, a portfolio weighted towards secured auto lending, and the implementation of tighter admission processes. It was also underscored by the resilience demonstrated by our portfolio and clientele, both before and after the Covid-19 pandemic, who adeptly adjusted their consumption patterns in response to income constraints.

This trend of stability is anticipated to persist throughout the upcoming year of 2024.
Despite the gradual economic activity slowdown observed in 2023 and persistent macroeconomic uncertainties, positive indicators suggest a favorable trajectory. Inflation looks to be on the right path, monetary policies, after a period of gradual adjustments in 2023, seem to have peaked, and, moreover, while growth rates in the Nordic economies are projected to remain modest, forecasts suggest a positive outlook in the upcoming years. As a result, key forecasters foresee no substantial disruptions to the financial system, signaling a more optimistic macroeconomic forecast compared to previous assessments at the conclusion of 2022. This improved outlook has led to the release of the Post-Model Adjustments (PMA) regarding the macroeconomic outlook and inflation by the end of 2023 - for further details please refer to '*Note 4. Credit Risk Exposure.*'

1.3. Credit Risk

Credit risk is considered to be the most significant risk for the Group.
Credit risk is to be kept at a level that, over time, corresponds to the average of companies within Santander Consumer Finance Group, considering differences among the companies regarding collection and product mix. The Group has established credit policies that ensure a good diversification among the customers regarding geography, occupation, and age, among other factors. Single large credit exposures are reported to the Board.

Credit processes and policies describe the guiding principles for the type of customer that the Group wants.
Processes are divided into "standardized" and "non-standardized." Standardized credits follow a common, very much automated, credit approval process. Non-Standardized credits either do not meet the score requirements, are of a significant credit amount or credit limit, or else are classified as stock finance. Non-Standardized credits are handled individually and are granted according to delegated credit authorities in accordance with the current credit policy.

The assessment of customers or transactions using rating or scoring systems constitutes a judgement 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 considered when 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, related to existing guarantees and other characteristics of the transaction. These factors are the main credit risk parameters. Their combination facilitates calculation of the probable loss or expected loss (EL). This loss is considered an additional cost of the activity which is reflected in the risk premium and must be charged in the transaction price. The Group uses both an advanced IRB approach (A-IRB) and a standardized approach for capital adequacy calculations for credit risk.

Additionally, portfolio sales are a key component of the Group's credit risk approach, supporting the Group's overall strategy.

1.4. Market Risk

Market risk is the risk of losses in on- and off-balance sheet positions arising from adverse movements in market prices.
The Group's strategy is to avoid taking on any market risk exceeding what follows directly from its operations.
Market risk in the Group is mainly concentrated around structural interest rate risk and structural currency risk. The Group does not have a trading portfolio.
A standardized approach is exercised for the regulatory capital calculation for market risk.

1.5. Interest Rate Risk

Interest rate risk is the risk of reduced earnings, or a reduction in the economic value of the equity, due to changes in the interest rates. The Group strives for a balance sheet composition that minimizes interest rate risk by ensuring a similar total weighted interest repricing term for assets and liabilities.

Limits are set for interest risk exposure in each of the currencies the Group has operations in.
The interest rate risk position is assessed based on two methods: the Net Interest Margin (NIM) sensitivity and the Market Value of balance sheet equity (MVE) sensitivity. The Group monitors the sensitivity of NIM and MVE for +/- 100 bp parallel shifts in market interest rates. In addition, the Group conducts stress testing of the interest rate risk with the six Basel IRRBB scenarios containing both parallel and non-parallel movements in the interest rate curves – For further information please see *'Note 8. Interest Rate Risk.'*

1.6. Currency Risk

The risk of changes in the value of a currency position due to foreign exchange fluctuations, adversely affecting the Group.

The Group strives for a balance sheet composition that minimizes currency risk by ensuring that assets, liabilities, and incoming and outgoing cash flows are denominated in the same currency. Practical considerations and requirements laid down by the parent company will also be taken into consideration in connection with the management of currency risk.

The Group's currency risk is connected to currency positions as a result of operations in the Swedish, Danish and Finnish markets, and from funding activities in Euro-markets. Limits are set for each currency's net open exposure, as well as for the total consolidated exposure. Routines are in place to ensure that the Group's currency exposure is continuously monitored and controlled.

1.7. 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.
The credit spread risk on the Group's liquidity portfolio is managed through strict limits on the type of bonds to be held, minimum ratings, and maximum maturities. Bonds are also held to maturity rather than sold in the market. The CVA risk is considered minimal as the Group's derivatives have CSA agreements.

1.8. Liquidity Risk

Liquidity risk is the possibility of failing to meet payment obligations on time or at an excessive cost.
This includes losses due to forced sales of assets or impacts on margins due to a misalliance between estimated cash inflows and outflows.

The Group manages liquidity risk through minimizing the maturity gap between assets and liabilities, maintaining a portfolio of High-Quality Liquid Assets, and the diversification of funding. Funding sources are adequately diversified, both in terms of type of funding, currency, domestic market, and investors. Funding sources include deposits, secured issuances (ABS), unsecured issuances as Euro Medium Term Notes (EMTN), commercial papers, and intragroup loans. The Group is mostly self-funded and rather independent from the parent company in its funding.

The main metrics for measuring liquidity risk are the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The Group also conducts liquidity stress testing on a monthly basis. The Group controls liquidity risk through limits for LCR, NSFR and the minimum stress test survival horizon (please refer to Note 7 for further information).

1.9. Capital Risk

The Group defines Capital Risk as the risk of insufficient capital of each quality (CET1, Tier 1, 2, and 3) to meet internal business objectives, regulatory requirements, and market expectations (please review the Solvency and Capital Adequacy section to see how our observed levels compare to regulatory requirements). The Group's Capital Risk team, which is part of its second line of defense, controls and oversees first-line capital management.
It can independently challenge business and first-line activities by:

i. reviewing key items affecting capital ratios to supervise capital planning and adequacy exercises (ICAAP and ILAAP), which are conducted on an annual basis. The Group's risk exposure is projected under a base scenario, and several adverse and favorable scenarios to identify potential solvency and liquidity issues.
ii. defining key regulatory capital metrics; setting tolerance levels; and analyzing significant variations and single transactions that could impact capital.
iii. reviewing and challenging proposed capital actions according to capital planning and risk appetite.

In addition to such planning exercises, main metrics such as CET1, Tier 1, Tier 2, and Tier 3 as percentages of risk weighted assets, and leverage (unweighted) ratios, are monitored throughout the whole year to ensure regulatory compliance.

1.10. Operational Risk

In accordance with the Basel framework, the Group defines operational risk as the risk of losses from defects or failures in internal processes, people, systems, or external events. It covers risk categories such as fraud, technological, cyber, legal (legal processes with an operational risk root cause), and conduct risk. It does not include events arising due to strategic or reputational risk - which are assessed as transversal and are monitored by the Strategic Risk area (performed by the ERM team) and the Compliance & Conduct function, respectively. Operational risk is inherent to all products, activities, processes, and systems. It is generated in all business and support areas.

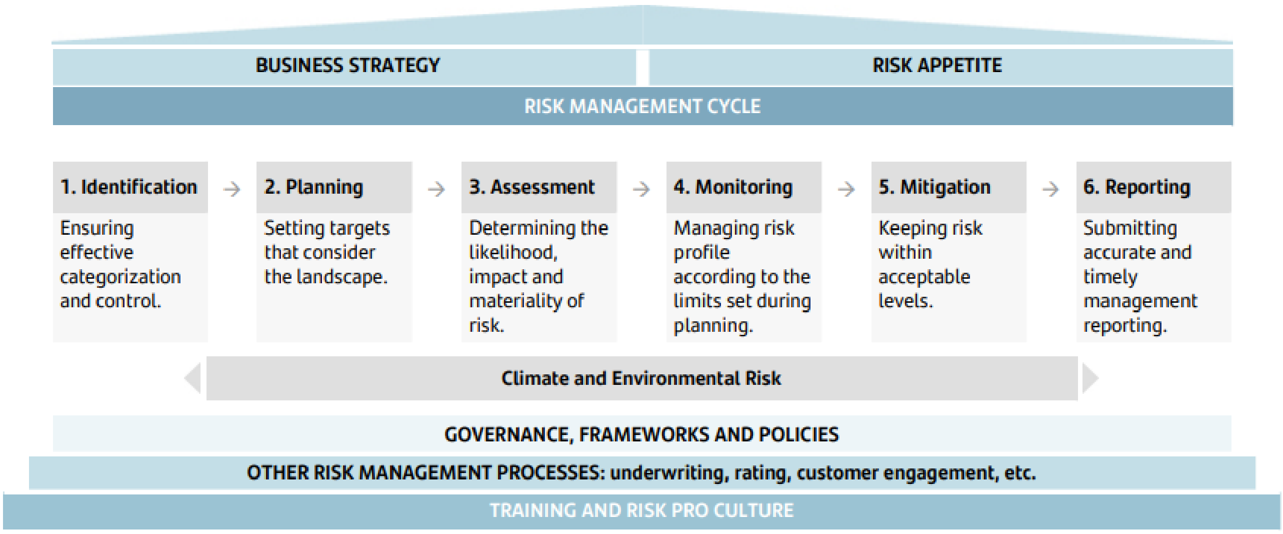
The Group's operational risk management and control model is based on a continual process of identifying, evaluating, reporting, and mitigating sources of risk, regardless of whether they have materialized or not, and ensuring that risk management priorities are established appropriately. Operational risk is reduced through securing a good internal control environment, which the Group continuously strives to improve. A 'Basic Indicator Approach' was used in 2023 for the calculation of regulatory capital for operational risk.

1.11. Climate & Environmental Risk

Efficiently managing climate-related and environmental risks remains fundamental to achieving our objectives and fulfilling our commitments.

The Group considers climate-related and environmental risk as a cross risk, recognizing the potential influence of climate drivers on other traditional risks over different time horizons. The Risk function continues to embed climate and environmental risk in its Risk Management Model. In doing so, considerations are made regarding the potential impact of climate change on the Group's operations and assets.
This evaluation extends to assessing its effects on the supply chain and the broader market in which the Group operates. Moreover, focused attention is dedicated to understanding and mitigating transition risks associated with the shift towards a low-carbon economy.

The figure below illustrates the Group's integration of climate-related and environmental risk within its core processes and risk cycle stages:



- **Identification**:

Two core processes help the Group to identify climate-related risks:

i. **Top Risks identification process**: When identifying top risks; the Group's most significant internal and external threats to profitability, capital adequacy and strategy are identified and measured. The analysis covers both qualitative and quantitative factors. Findings from this exercise fuel the Group's internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP).

ii. **Risk Profile Assessment (RPA)**: A robust methodology that covers all risk types and reveals threats to the Group's business plan.
The results of this exercise allow the Group to identify gaps and areas of improvement. Over the past couple of years, the Group has strengthened this biannual exercise by incorporating an internal self-assessment specifically focused on evaluating climate and environmental risks. It also encompasses a thorough examination of the residual value risk associated with our secured lending portfolio.

- **Planning**:

The Group's strategic planning includes annual budgeting and the three-year financial plan.
These core strategic processes enable the Group to plan for risks from the transition to a low-carbon economy, and the physical impact of climate change.

- **Assessment**:

The Group conducts its materiality assessment in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines.
The Group continues making progress with our climate-related risk materiality assessment by progressively refining granularity levels with the availability of more data and updated methodologies, strictly adhering to current regulations. Anticipated advancements include heightened granularity and detail in line with the implementation of regulatory reporting requirements derived from the Corporate Sustainability Reporting Directive (CSRD), and the incorporation of the double materiality assessment framework it entails. This assessment will encompass evaluating both the Group's impact on the environment and the communities where it operates, as well as assessing new risks and opportunities stemming from sustainability-related developments and events.

The Group sees managing climate risk as a chance to create value for our customers, investors, people, and the communities in which it operates. The desire to reduce its environmental footprint and support customers' transitions to a low-carbon economy presents a significant number of opportunities for the Group.

- **Monitoring**:

The Group uses risk appetite, scenario analysis, and other tools to monitor climate-related and environmental risk.

The Risk Appetite sets the volume and type of risks we deem prudent for the Group's business strategy. Along with implementing policies, it is a key tool for monitoring climate-related risks, targets, and our public commitments. As well as mitigating the risk of failing to meet them.
The Group continues to enhance its Risk Appetite Statement by periodically introducing new metrics and limits, to complement its strategy with available methodologies and data. Several metrics have been defined related to our residual value risk exposure by type of engine, brand, and maturity.

Scenario analysis is a management tool to monitor climate-related and environmental risk. Analysis techniques are useful for the Group's internal management, and for handling regulatory and supervisory stress testing. The Group uses scenarios to analyze the impact under various circumstances, placing an emphasis on capturing transitional risks, which are considered most relevant for the auto industry.

- **Mitigation**:

In accordance with the fourth pillar of the Group's climate strategy, it is increasingly seeking to integrate climate-related risks into its risk management and associated governance process. In 2023, work continued to further embed climate-related risk management into the Group's second line of defense processes (Top Risks, Risk Appetite Statement, Risk Map and Risk Strategy) and key strategic exercises (ICAAP, ILAAP, Stress Test, etc.) with a comprehensive approach.

The Group has a robust governance structure allowing for effective oversight between reporting lines, and the implementation of the Responsible Banking Agenda. The Board of Directors oversees the Group's business, strategy, organization, and current and future risks. This ensures the Group achieves its strategic objectives, while also operating responsibly.

To further strengthen the focus on ESG governance, following the adoption of Banco Santander's groupwide Responsible Banking Framework in 2022, the Group implemented a new Responsible Banking Model and updated Responsible Banking and Sustainability Policy in Q4 2023. The Responsible Banking Model supports the embedding of ESG factors in the Group by describing key duties and processes, as well as roles and responsibilities, and sets a common approach to responsible banking topics.

The Responsible Banking Framework serves to propel Santander globally towards a more sustainable business model that embeds Environmental, Social and Governance (ESG) criteria. The framework lays out common principles, roles, responsibilities, key processes, and governance arrangements. The framework was adopted by the Group's Board of Directors in late Q3 2022, and Responsible Banking status updates were included in the 2023 Board agenda. To ensure that it acts responsibly in everything it does, the Group incorporates best practices and requirements into all governance documents, including frameworks, models, and policies.

Building internal capabilities through training (ensuring that all employees have relevant knowledge and skills) is a crucial step in effectively managing environmental and climate-related risks. The Group's Risk Pro Culture has been an effective tool for raising awareness amongst employees. For example, the Group has distributed mandatory ESG training for all employees.

It is also important that the Group's climate risk management strategy is reviewed and updated regularly, to ensure it remains effective and relevant. Climate risks are constantly evolving, and new risks may emerge over time. Therefore, we regularly re-evaluate and revise our strategy to make sure the Group is well-equipped to manage these risks and minimize their impact. Climate-related risks were incorporated and defined in the Risk Strategy in 2021 and further enhanced in 2022 and 2023, reflecting the growing importance of this area.

In addition, as part of the Group's Risk Strategy, a program for the transformation and evolution of the risk function is drawn up annually, called SCORE: Santander Consumer Risk Excellence (formerly known as ARM: Advanced Risk Management).
For 2023, as part of this program, several cross-functional goals were set to reinforce the management and control of these risks.

Santander takes part in international regulatory and supervisory forums and working groups to assess climate risks and opportunities, while anticipating and mitigating potential risks to the Group.

Note 2 - Risk classification

All amounts in millions of NOK

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

	Gross outstanding		Loss reserves	
	2023	**2022**	**2023**	**2022**
Current - not past due date	183 405	177 236	-1 157	-1 327
Current - past due date	5 873	5 248	-434	-379
Total impaired loans	5 607	4 917	-3 081	-2 718
Total gross loans to customers	**194 884**	**187 401**	**-4 672**	**-4 425**

	Gross outstanding		Loss reserves	
Ageing of past due but not impaired loans	**2023**	**2022**	**2023**	**2022**
1 - 29 days	4 214	3 809	-136	-145
30 - 59 days	1 049	924	-177	-144
60 - 89 days	610	515	-121	-90
Total loans due but not impaired	**5 873**	**5 248**	**-434**	**-379**

	Gross outstanding		Loss reserves	
Ageing of impaired loans	**2023**	**2022**	**2023**	**2022**
90 - 119 days	503	413	-188	-161
120 - 149 days	383	314	-146	-122
150 - 179 days	257	179	-109	-71
180 + days	3 172	2 675	-2 026	-1 697
Economic doubtful*	1 292	1 336	-611	-668
Total impaired loans	**5 607**	**4 917**	**-3 081**	**-2 718**

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

Note 3 - Net foreign currency position

All amounts in millions of NOK

2023	Balance		Net positions		Effect on OCI from change in foreign currency against NOK	
	Asset	Debt	In NOK	In foreign currency	5% Appreciation	5% Depreciation
SEK	74 851	74 893	-42	-42	-2	2
DKK	48 843	48 725	117	78	4	-4
EUR	55 664	52 050	3 614	322	16	-16
Total	**179 357**	**175 669**	**3 689**			

2022	Balance		Net positions		Effect on OCI from change in foreign currency against NOK	
	Asset	Debt	In NOK	In foreign currency	5% Appreciation	5% Depreciation
SEK	65 295	65 197	98	103	5	-5
DKK	43 661	43 521	140	99	5	-5
EUR	49 770	46 843	2 927	278	14	-14
Total	**158 726**	**155 561**	**3 165**			

Note 4 - Credit risk exposure

All amounts in millions of NOK

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

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

The Group's strong reserve base at the end of 2023 reflects the changes in portfolio mix and the stable to improved quality of the portfolio, based on its risk appetite and prudent risk management model.

	2023				2022			
Unsecured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Credit grade								
Loans not past due date	23 296	425	-	**23 721**	24 659	1 006	-	**25 665**
Standard monitoring	670	680	-	**1 351**	495	784	-	**1 279**
Special monitoring	-	123	-	**123**	-	180	-	**180**
Default	-	-	2 969	**2 969**	-	-	2 629	**2 629**
Gross carrying amount	**23 967**	**1 229**	**2 969**	**28 164**	**25 154**	**1 970**	**2 629**	**29 753**
Loss allowance	-427	-272	-1 900	**-2 599**	-476	-400	-1 666	**-2 543**
Carrying amount	**23 540**	**957**	**1 069**	**25 566**	**24 678**	**1 570**	**962**	**27 210**
Loss allowance (off balance exposures)	-19	-5	-9	**-34**	**-33**	**-6**	**-26**	**-65**
Loss allowance (%)				**9,23%**				**8,55%**

	2023				2022			
Secured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Credit grade								
Loans not past due date	157 024	2 481	35	**159 540**	147 887	3 343	10	**151 241**
Standard monitoring	2 771	1 710	-	**4 481**	2 242	1 687	-	**3 929**
Special monitoring	-	96	-	**96**	-	201	5	**205**
Default	-	-	2 603	**2 603**	-	-	2 274	**2 274**
Gross carrying amount	**159 795**	**4 287**	**2 638**	**166 720**	**150 129**	**5 231**	**2 289**	**157 649**
Loss allowance	-587	-305	-1 181	**-2 073**	-510	-320	-1 052	**-1 882**
Carrying amount	**159 208**	**3 982**	**1 457**	**164 647**	**149 619**	**4 911**	**1 237**	**155 767**
Loss allowance (%)				**1,24%**				**1,19%**

Secured contracts consist of vehicles that act as guarantees for the loan and lease contracts. The Group has a robust process to repossess the vehicle and recoup losses on non-performing contracts. The leased vehicles are owned by the Group and hence are easier to repossess. No significant changes have been made to the collateral and repossession policies during 2023. The loan-to-value (LTV) ratio is considered a useful measure to evaluate the quality of the collateral, i.e. the credit extended divided by the appraised value of the collateral. The appraised value of the collateral is calculated by using statistical models and is based on the initial purchase price of the vehicle. The average LTV ratio for 2023 is estimated to be 124% and 120% for 2022.

	2023				2022			
Commercial papers and bonds	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Credit grade								
Investment grade	10 319	-	-	**10 319**	5 177	-	-	**5 177**
Standard monitoring	-	-	-	**-**	-	-	-	**-**
Special monitoring	-	-	-	**-**	-	-	-	**-**
Default	-	-	-	**-**	-	-	-	**-**
Gross carrying amount	**10 319**	**-**	**-**	**10 319**	**5 177**	**-**	**-**	**5 177**
Loss allowance	-0	-	-	**-0**	-0	-	-	**-0**
Carrying amount	**10 319**	**-**	**-**	**10 319**	**5 177**	**-**	**-**	**5 177**
Loss allowance (%)				**0,00%**				**0,01%**

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

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

Maximum exposure to credit risk	**2023**	**2022**
Financial derivatives Assets	231	586
Financial derivatives Liabilities	336	586

Post-Model Adjustments

Macro and inflation:
The Macroeconomic and Inflationary post-model adjustment of 113MNOK booked as at December 31, 2022 has been released as we are anticipating a more positive macroeconomic and inflationary outlook next year, as discussed in 'Note 1. Risk Management'. The released post-model adjustment consisted of 113 MNOK divided between 75.7 MNOK booked in Stage 1 and 37.4 MNOK booked in Stage 2.

ECL Forward Looking Scenario Weights:
Scenario weights applied in the ECL estimates for the period ended 31 December 2023 are shown below. ECL is estimated for all scenarios, and applying the weights shown below the final ECL requirement is estimated.

All Units

	Weight
Base scenario	50%
Upside scenario 1	20%
Upside scenario 2	5%
Downside scenario 1	20%
Downside scenario 2	5%

A sensitivity analysis comparing relative increase or decrease in ECL from the base scenario to the four scenarios described above are shown below:

Relative impact on ECL	Downside Scenario 1	Downside Scenario 2	Upside Scenario 1	Upside Scenario 2
Norway	1,75%	3,75%	-0,87%	-2,06%
Sweden	3,58%	6,41%	-1,12%	-3,31%
Denmark	7,01%	13,68%	-3,87%	-7,30%
Finland	1,48%	2,75%	-1,01%	-1,93%
Nordic	3,84%	7,41%	-1,89%	-4,01%

Below is a calculation of forward looking scenario impact for period ending 31 December 2023. For the period ending 31 December 2023, forward looking ECL parameters had resulted in additional reserves of 87,2 MM NOK for the Group.

Forward looking impact	Local currency	Exchange rate		NOK
Norway	15,4	1,0000	-	15,4
Sweden	27,5	1,0097	-	27,8
Denmark	21,4	1,5039	-	32,1
Finland	1,1	11,2104	-	11,9
Total Group				**87,2**

Note 5 - Loss allowance

All amounts in millions of NOK

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

	2023				2022			
Unsecured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance at 1 January	**476**	**400**	**1 667**	**2 543**	**622**	**388**	**1 874**	**2 884**
Transfers:								
Transfer from Stage 1 to Stage 2	-140	785	-	**645**	-178	937	-	**758**
Transfer from Stage 1 to Stage 3	-5	-	75	**71**	-7	-	85	**78**
Transfer from Stage 2 to Stage 3	-	-541	912	**371**	-	-438	761	**323**
Transfer from Stage 2 to Stage 1	109	-604	-	**-496**	126	-585	-	**-459**
Transfer from Stage 3 to Stage 2	-	123	-242	**-118**	-	90	-215	**-125**
Transfer from Stage 3 to Stage 1	0	-	-8	**-8**	0	-	-4	**-4**
Assets remaining in same Stage	-180	107	119	**47**	-218	276	580	**638**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-84	-36	-57	**-177**	-275	-273	-638	**-1 186**
of which 'accounts that have closed in the period'	*-84*	*-36*	*-57*	***-177***	*-275*	*-273*	*-638*	***-1 186***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-625	**-625**	-	-	-785	**-785**
New financial assets originated or purchased	189	-	-	**189**	411	-	-	**411**
Changes in PDs/LGDs/EADs	30	-97	-24	**-91**	-74	-5	73	**-6**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	31	134	81	**247**	70	10	-65	**14**
Loss allowance at 31 December	**427**	**272**	**1 900**	**2 599**	**476**	**400**	**1 667**	**2 543**

	2023				2022			
Secured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance at 1 January	**510**	**320**	**1 052**	**1 882**	**822**	**247**	**995**	**2 064**
Transfers:								
Transfer from Stage 1 to Stage 2	-96	862	-	**766**	-140	869	-	**728**
Transfer from Stage 1 to Stage 3	-25	-	248	**224**	-35	-	238	**203**
Transfer from Stage 2 to Stage 3	-	-426	1 078	**652**	-	-389	858	**469**
Transfer from Stage 2 to Stage 1	126	-462	-	**-336**	73	-396	-	**-323**
Transfer from Stage 3 to Stage 2	-	221	-638	**-417**	-	232	-584	**-352**
Transfer from Stage 3 to Stage 1	0	-	-3	**-2**	0	-	-2	**-2**
Assets remaining in same Stage	-233	36	265	**68**	-443	-144	183	**-404**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-118	-78	-230	**-426**	-178	-67	-211	**-455**
of which 'accounts that have closed in the period'	*-118*	*-78*	*-230*	***-426***	*-178*	*-67*	*-211*	***-455***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-626	**-626**	-	-	-523	**-523**
New financial assets originated or purchased	297	-	-	**297**	542	-	-	**542**
Changes in PDs/LGDs/EADs	109	-73	-6	**30**	-91	13	45	**-33**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	17	-97	41	**-39**	-41	-44	53	**-32**
Loss allowance at 31 December	**587**	**305**	**1 181**	**2 073**	**510**	**320**	**1 052**	**1 882**

	2023				2022			
Commercial papers and bonds	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance at 1 January	**0**	**-**	**-**	**0**	**-**	**-**	**-**	**-**
Transfers:								
Transfer from Stage 1 to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 1 to Stage 3	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 2 to Stage 3	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 2 to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 3 to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 3 to Stage 1	-	-	-	**-**	-	-	-	**-**
Assets remaining in same Stage	0	-	-	**0**	-0	-	-	**-0**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-0	-	-	**-0**	-	-	-	**-**
of which 'accounts that have closed in the period'	*-0*	-	-	***-0***	-	-	-	**-**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-	**-**	-	-	-	**-**
New financial assets originated or purchased	0	-	-	**0**	0	-	-	**0**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	-	-	-	**-**	0	-	-	**0**
Loss allowance at 31 December	**0**	**-**	**-**	**0**	**0**	**-**	**-**	**0**

	2023				2022			
Off balance exposure	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance at 1 January	**33**	**6**	**26**	**65**	**29**	**9**	**29**	**66**
Transfers:								
Transfer from Stage 1 to Stage 2	-1	11	-	**10**	-1	10	-	**9**
Transfer from Stage 1 to Stage 3	-0	-	14	**14**	-0	-	20	**19**
Transfer from Stage 2 to Stage 3	-	-2	7	**5**	-	-2	8	**6**
Transfer from Stage 2 to Stage 1	2	-12	-	**-10**	3	-17	-	**-14**
Transfer from Stage 3 to Stage 2	-	7	-10	**-3**	-	8	-16	**-7**
Transfer from Stage 3 to Stage 1	0	-	-3	**-2**	0	-	-2	**-2**
Assets remaining in same Stage	-12	0	-5	**-17**	-20	2	17	**-2**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-13	-5	-19	**-37**	-5	-4	-24	**-33**
of which 'accounts that have closed in the period'	*-13*	*-5*	*-19*	**-37**	*-5*	*-4*	*-24*	**-33**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-3	**-3**	-	-	-5	**-5**
New financial assets originated or purchased	11	-	-	**11**	28	-	-	**28**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	1	0	0	**1**	0	-0	0	**0**
Loss allowance at 31 December	**19**	**5**	**9**	**34**	**33**	**6**	**26**	**65**

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

Write off under management was 2 955 MM NOK as at December 31, 2023, and 2 998 MM NOK as at December 31, 2022.

Note 6 - Gross carrying amount

All amounts in millions of NOK

During 2023 the Outstanding distribution by stages and the resulting ECL has been impacted by 3 key factors:

1. Secured loans have experienced continued growth in 2023 with new business close to 2022 which was Group's strongest year yet in terms of new business.

2. Off-balance exposure decreased during 2023 following closure of long-term inactive accounts.

3. SICR thresholds were updated for some portfolios due to the yearly IFRS9 parameter update and made the overall Stage 2 balances lower in both unsecured and secured loans. Other parameters (PDs, LGDs, CCFs and forward-looking) were also part of the update but did not contribute to a change in the outstanding distribution, only to credit risk reserves.

The following tables explain changes in the gross carrying amount of loans to customers to explain their significance to the changes in the loss allowance:

	2023				2022			
Unsecured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount at 1 January	**25 154**	**1 970**	**2 629**	**29 753**	**26 425**	**2 457**	**3 078**	**31 960**
Transfers:								
Transfer from Stage 1 to Stage 2	-4 706	4 706	-	**-**	-5 657	5 657	-	**-**
Transfer from Stage 1 to Stage 3	-144	-	144	**-**	-166	-	166	**-**
Transfer from Stage 2 to Stage 3	-	-1 780	1 780	**-**	-	-1 492	1 492	**-**
Transfer from Stage 2 to Stage 1	3 640	-3 640	-	**-**	4 245	-4 245	-	**-**
Transfer from Stage 3 to Stage 2	-	457	-457	**-**	-	394	-394	**-**
Transfer from Stage 3 to Stage 1	16	-	-16	**-**	9	-	-9	**-**
Financial assets derecognised excl. write-offs	-7 650	-363	-219	**-8 232**	-8 216	-618	-620	**-9 454**
of which 'accounts that have closed in the period'	*-4 079*	*-180*	*-96*	***-4 354***	*-2 658*	*-128*	*-146*	***-2 932***
of which 'normal amortizations'	*-3 571*	*-184*	*-123*	***-3 878***	*-5 558*	*-490*	*-474*	***-6 522***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-1 023	**-1 023**	-	-	-1 334	**-1 334**
New financial assets originated or purchased	7 935	-	-	**7 935**	8 640	-	-	**8 640**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	-279	-119	130	**-269**	-125	-183	249	**-60**
Gross carrying amount at 31 December	**23 967**	**1 229**	**2 969**	**28 164**	**25 154**	**1 970**	**2 629**	**29 753**

	2023				2022			
Secured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount at 1 January	**150 129**	**5 231**	**2 289**	**157 649**	**137 891**	**3 413**	**2 324**	**143 628**
Transfers:								
Transfer from Stage 1 to Stage 2	-12 427	12 427	-	**-**	-11 349	11 349	-	**-**
Transfer from Stage 1 to Stage 3	-1 085	-	1 085	**-**	-901	-	901	**-**
Transfer from Stage 2 to Stage 3	-	-3 914	3 914	**-**	-	-2 889	2 889	**-**
Transfer from Stage 2 to Stage 1	8 863	-8 863	-	**-**	6 308	-6 308	-	**-**
Transfer from Stage 3 to Stage 2	-	2 034	-2 034	**-**	-	1 757	-1 757	**-**
Transfer from Stage 3 to Stage 1	5	-	-5	**-**	5	-	-5	**-**
Financial assets derecognised excl. write-offs	-59 120	-2 251	-1 008	**-62 379**	-58 967	-1 771	-968	**-61 706**
of which 'accounts that have closed in the period'	*-37 528*	*-1 387*	*-589*	***-39 505***	*-34 784*	*-1 053*	*-565*	***-36 402***
of which 'normal amortizations'	*-21 591*	*-864*	*-419*	***-22 874***	*-24 183*	*-718*	*-403*	***-25 303***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-680	**-680**	-	-	-625	**-625**
New financial assets originated or purchased	73 207	-	-	**73 207**	77 273	-	-	**77 273**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	223	-378	-922	**-1 077**	-131	-320	-470	**-922**
Gross carrying amount at 31 December	**159 795**	**4 287**	**2 638**	**166 720**	**150 129**	**5 231**	**2 289**	**157 649**

	2023				2022			
Commercial papers and bonds	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount at 1 January	**5 177**	**-**	**-**	**5 177**	**9 672**	**-**	**-**	**9 672**
Transfers:								
Transfer from Stage 1 to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 1 to Stage 3	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 2 to Stage 3	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 2 to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 3 to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 3 to Stage 1	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised excl. write-offs	-150 074	-	-	**-150 074**	-50 743	-	-	**-50 743**
of which 'accounts that have closed in the period'	-	-	-	**-**	-	-	-	**-**
of which 'normal amortizations'	-	-	-	**-**	-	-	-	**-**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	*-150 074*	-	-	***-150 074***	*-50 743*	-	-	***-50 743***
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-	**-**	-	-	-	**-**
New financial assets originated or purchased	*154 999*	-	-	**154 999**	*46 123*	-	-	**46 123**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	217	-	-	**217**	125	-	-	**125**
Gross carrying amount at 31 December	**10 319**	**-**	**-**	**10 319**	**5 177**	**-**	**-**	**5 177**

	2023				2022			
	Stage 1	**Stage 2**	**Stage 3**		**Stage 1**	**Stage 2**	**Stage 3**	
	12-month	**Lifetime**	**Lifetime**		**12-month**	**Lifetime**	**Lifetime**	
Off balance exposure	**ECL**	**ECL**	**ECL**	**Total**	**ECL**	**ECL**	**ECL**	**Total**
Gross carrying amount at 1 January	**30 262**	**179**	**153**	**30 594**	**29 927**	**218**	**187**	**30 332**
Transfers:								
Transfer from Stage 1 to Stage 2	-652	652	-	**-**	-357	357	-	**-**
Transfer from Stage 1 to Stage 3	-110	-	110	**-**	-121	-	121	**-**
Transfer from Stage 2 to Stage 3	-	-76	76	**-**	-	-51	51	**-**
Transfer from Stage 2 to Stage 1	439	-439	-	**-**	440	-440	-	**-**
Transfer from Stage 3 to Stage 2	-	58	-58	**-**	-	92	-92	**-**
Transfer from Stage 3 to Stage 1	18	-	-18	**-**	17	-	-17	**-**
Financial assets derecognised excl. write-offs	-9 720	-133	-138	**-9 991**	-4 098	-99	-92	**-4 289**
of which 'accounts that have closed in the period'	*-9 720*	*-133*	*-138*	***-9 991***	*-4 098*	*-99*	*-92*	***-4 289***
of which 'normal amortizations'	-	-	-	**-**	-	-	-	**-**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-	**-**	-	-	-	**-**
New financial assets originated or purchased	2 894	-	-	**2 894**	2 703	-	-	**2 703**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	177	71	10	**258**	1 751	103	-7	**1 847**
Gross carrying amount at 31 December	**23 309**	**311**	**135**	**23 755**	**30 262**	**179**	**153**	**30 594**

Note 7 - Liquidity risk

Contractual cash flow at certain intervals of maturity presented in NOK.

All amounts in millions of NOK

2023	=< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	With no specific maturity	Total
Cash on hand	-	-	-	-	-	0	**0**
Cash and receivables on central banks	-	-	-	-	-	1 127	**1 127**
Deposits with and receivables on financial institutions	302	377	-	-	-	2 687	**3 367**
Loans to customers	4 351	9 026	46 970	132 734	34 438	4 343	**231 862**
Commercial papers and bonds	4 651	4 084	892	768	-	-	**10 395**
Financial derivatives	-	231	-	-	-	-	**231**
Other assets	216	448	1 771	1 303	11	3 052	**6 801**
Total cash from assets	**9 520**	**14 167**	**49 633**	**134 805**	**34 448**	**11 210**	**253 784**
Debt to credit institutions	2 065	11 706	11 943	-	-	-	**25 713**
Deposits from customers	643	19 464	939	-	-	67 500	**88 546**
Debt established by issuing securities	112	1 025	10 073	26 208	13 581	-	**51 000**
Financial derivatives	-	336	-	-	-	-	**336**
Other liabilities	846	582	222	42	-	4 853	**6 544**
Subordinated loan capital	12	23	104	1 015	2 190	-	**3 344**
Senior non-preferred loans	65	129	582	17 990	0	-	**18 766**
Total cash from debt	**3 742**	**33 265**	**23 863**	**45 255**	**15 771**	**72 353**	**194 249**
Net cash flow	**5 778**	**-19 098**	**25 770**	**89 550**	**18 677**	**-61 143**	**59 535**

All amounts in millions of NOK

2022	=< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	With no specific maturity	Total
Cash and receivables on central banks	-	-	-	-	-	5 680	**5 680**
Deposits with and receivables on financial institutions	-1	709	-	-	-	2 956	**3 664**
Loans to customers	3 879	7 978	42 792	125 190	32 665	4 553	**217 057**
Commercial papers and bonds	1 108	1 362	1 231	1 561	-	-	**5 263**
Financial derivatives	-	586	-	-	-	-	**586**
Other assets	194	188	1 062	515	-	2 851	**4 811**
Total cash from assets	**5 181**	**10 823**	**45 085**	**127 266**	**32 665**	**16 041**	**237 061**
Debt to credit institutions	1 281	13 549	18 255	3 927	-	-	**37 012**
Deposits from customers	-	-	-	-	-	75 925	**75 925**
Debt established by issuing securities	62	5 885	2 162	29 058	13 654	-	**50 821**
Financial derivatives	-	586	-	-	-	-	**586**
Other liabilities	625	441	162	55	-	4 007	**5 289**
Subordinated loan capital	9	18	79	914	2 132	-	**3 151**
Senior non-preferred loans	14	28	126	4 513	1	-	**4 682**
Total cash from debt	**1 991**	**20 507**	**20 783**	**38 467**	**15 786**	**79 931**	**177 466**
Net cash flow	**3 190**	**-9 684**	**24 302**	**88 799**	**16 879**	**-63 890**	**59 595**

The Board of Santander Consumer Bank AS has decided limits for the liquidity risk to ensure the Group has a solid liquidity position. The limits for liquidity risk are reviewed at least on a yearly basis. The Group 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. Consignment is included in the financial statement line "Loans to customers".

Liquidity coverage ratio

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

Liquidity Coverage Ratio (LCR) %	2023	2022
Liquidity Coverage Ratio (LCR) Total	166%	185%
Liquidity Coverage Ratio (LCR) NOK	107%	86%
Liquidity Coverage Ratio (LCR) SEK	179%	299%
Liquidity Coverage Ratio (LCR) DKK	223%	220%
Liquidity Coverage Ratio (LCR) EUR	249%	140%

Note 8 - Interest rate risk

The tables 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 interest rate will affect our short term positions immediately, but our long term positions later.

Santander Consumer Bank Nordic Group

All amounts in millions of NOK

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Cash and receivables on central banks	1 127	-	-	-	-	-	**1 127**
Deposits with and receivables on financial institutions	3 366	-	-	-	-	-	**3 366**
Loans to customers	5 343	167 660	6 323	9 742	1 144	-	**190 212**
Commercial papers and bonds	5 077	4 933	308	-	-	-	**10 319**
Financial derivatives	231	-	-	-	-	-	**231**
Other non-interest bearing assets	-	-	-	-	-	6 801	**6 801**
Total assets	**15 145**	**172 593**	**6 631**	**9 742**	**1 144**	**6 801**	**212 057**
Debt to credit institutions	10 763	12 709	1 900	-	-	-	**25 372**
Deposits from customers	14 195	66 056	6 707	1 588	-	-	**88 546**
Debt established by issuing securities	5 097	15 836	2 359	19 657	-	-	**42 949**
Financial derivatives	336	-	-	-	-	-	**336**
Subordinated loan capital	-	2 019	-	-	501	-	**2 521**
Senior non-preferred loans	16 038	-	-	-	-	-	**16 038**
Other non-interest bearing liabilities	-	-	-	-	-	6 544	**6 544**
Equity	2 250	-	-	-	-	27 502	**29 752**
Total liabilities and equity	**48 678**	**96 620**	**10 965**	**21 245**	**501**	**34 046**	**212 057**
Net interest risk exposure	**-33 534**	**75 972**	**-4 334**	**-11 503**	**643**	**-27 245**	**-0**

Santander Consumer Bank Nordic Group

All amounts in millions of NOK

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Cash and receivables on central banks	5 680	-	-	-	-	-	**5 680**
Deposits with and receivables on financial institutions	3 663	-	-	-	-	-	**3 663**
Loans to customers	5 337	165 019	6 358	6 145	117	-	**182 976**
Commercial papers and bonds	1 675	1 998	1 348	155	-	-	**5 177**
Financial derivatives	586	-	-	-	-	-	**586**
Other non-interest bearing assets	-	-	-	-	-	4 811	**4 811**
Total assets	**16 942**	**167 017**	**7 706**	**6 300**	**117**	**4 811**	**202 894**
Debt to credit institutions	12 826	20 332	3 403	-	-	-	**36 561**
Deposits from customers	12 870	63 055	-	-	-	-	**75 925**
Debt established by issuing securities	7 654	25 608	-	14 046	-	-	**47 308**
Financial derivatives	586	-	-	-	-	-	**586**
Subordinated loan capital	-	1 921	-	501	-	-	**2 422**
Senior non-preferred loans	4 067	-	-	-	-	-	**4 067**
Other non-interest bearing liabilities	-	-	-	-	-	5 289	**5 289**
Equity	2 707	-	-	-	-	28 029	**30 736**
Total liabilities and equity	**40 710**	**110 916**	**3 403**	**14 547**	**-**	**33 318**	**202 894**
Net interest risk exposure	**-23 768**	**56 101**	**4 303**	**-8 247**	**117**	**-28 507**	**-**

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

Santander Consumer Bank AS Norway

All amounts in millions of NOK

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	4 820	7 489	20 846	32 322	394	1 782	**67 653**
Liabilities	5 381	9 238	5 813	13 061	4 744	29 415	**67 653**
Net balance	**-561**	**-1 749**	**15 032**	**19 261**	**-4 350**	**-27 633**	**-**
Repricing gap	-561	-1 749	15 032	19 261	-4 350	-27 633	-
Cumulative gap	-561	-2 311	12 722	31 983	27 633	-	-

A +1,00 % parallel increase in market rates will result in a 215,08 million NOK increase in profit in Norway.

Santander Consumer Bank AS Norway

All amounts in millions of NOK

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	3 450	6 398	16 168	37 425	140	2 102	**65 684**
Liabilities	7 930	9 442	4 423	11 887	4 298	27 703	**65 684**
Net balance	**-4 481**	**-3 044**	**11 745**	**25 539**	**-4 158**	**-25 601**	**-**
Repricing gap	-4 481	-3 044	11 745	25 539	-4 158	-25 601	-
Cumulative gap	-4 481	-7 525	4 220	29 759	25 601	-	-

A +1,00 % parallel increase in market rates will result in a 152,19 million NOK increase in profit in Norway.

Santander Consumer Bank AS Norway

All amounts in millions of EUR

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	19	205	15	-	-	161	**400**
Liabilities	60	110	165	-	-	65	**400**
Net balance	**-41**	**95**	**-150**	**-**	**-**	**96**	**-**
Repricing gap	-41	95	-150	-	-	96	-
Cumulative gap	-41	54	-96	-96	-96	-	-

A +1,00 % parallel increase in market rates will result in a 0,55 million EUR decrease in profit in Norway.

Santander Consumer Bank AS Norway

All amounts in millions of EUR

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	50	-	117	-	-	163	**331**
Liabilities	39	35	220	-	-	37	**331**
Net balance	**12**	**-35**	**-103**	**-**	**-**	**126**	**-**
Repricing gap	12	-35	-103	-	-	126	-
Cumulative gap	12	-23	-126	-126	-126	-	-

A +1,00 % parallel increase in market rates will result in a 0,68 million EUR decrease in profit in Norway.

Santander Consumer Bank AS Sweden

All amounts in millions of SEK

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	8 863	4 702	19 707	26 660	282	702	**60 915**
Liabilities	13 382	14 931	4 692	21 272	4 274	2 364	**60 915**
Net balance	**-4 519**	**-10 229**	**15 016**	**5 388**	**-3 992**	**-1 663**	**-**
Repricing gap	-4 519	-10 229	15 016	5 388	-3 992	-1 663	-
Cumulative gap	-4 519	-14 748	267	5 655	1 663	0	-

A +1,00 % parallel increase in market rates will result in a 44,37 million SEK decrease in profit in Sweden.

Santander Consumer Bank AS Sweden

All amounts in millions of SEK

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	9 885	3 443	14 611	31 534	0	3 197	**62 669**
Liabilities	15 858	21 862	4 739	14 000	3 893	2 319	**62 669**
Net balance	**-5 973**	**-18 419**	**9 872**	**17 534**	**-3 892**	**878**	**-**
Repricing gap	-5 973	-18 419	9 872	17 534	-3 892	878	-
Cumulative gap	-5 973	-24 392	-14 519	3 014	-878	0	-

A +1,00 % parallel increase in market rates will result in a 75,78 million SEK decrease in profit in Sweden.

Santander Consumer Bank AS Denmark

All amounts in millions of DKK

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	1 569	2 750	7 397	16 344	183	1 337	**29 580**
Liabilities	5 171	1 738	7 925	10 324	3 327	1 095	**29 580**
Net balance	**-3 602**	**1 012**	**-528**	**6 019**	**-3 144**	**242**	**-**
Repricing gap	-3 602	1 012	-528	6 019	-3 144	242	-
Cumulative gap	-3 602	-2 590	-3 118	2 902	-242	0	-

A +1,00 % parallel increase in market rates will result in a 16,24 million DKK increase in profit in Denmark

Santander Consumer Bank AS Denmark

All amounts in millions of DKK

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	1 951	2 350	8 038	14 259	5	1 565	**28 168**
Liabilities	5 275	3 078	3 681	10 337	3 942	1 855	**28 168**
Net balance	**-3 324**	**-729**	**4 357**	**3 922**	**-3 937**	**-289**	**-**
Repricing gap	-3 324	-729	4 357	3 922	-3 937	-289	-
Cumulative gap	-3 324	-4 053	304	4 226	289	0	-

A +1,00 % parallel increase in market rates will result in a 0,93 million DKK increase in profit in Denmark

Santander Consumer Finance Oy

All amounts in millions of EUR

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	756	228	824	1 464	44	117	**3 433**
Liabilities	1 058	82	373	1 312	0	608	**3 433**
Net balance	**-302**	**146**	**451**	**152**	**44**	**-491**	**-**
Repricing gap	-302	146	451	152	44	-491	-
Cumulative gap	-302	-156	295	447	491	-	-

A +1,00 % parallel increase in market rates will result in a 0,33 million EUR increase in profit in Finland.

Santander Consumer Finance Oy

All amounts in millions of EUR

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	628	308	992	1 533	45	196	**3 702**
Liabilities	1 221	337	274	1 372	0	497	**3 702**
Net balance	**-593**	**-29**	**718**	**161**	**45**	**-301**	**-**
Repricing gap	-593	-29	718	161	45	-301	-
Cumulative gap	-593	-623	95	257	301	-	-

A +1,00 % parallel increase in market rates will result in a 4,94 million EUR decrease in profit in Finland.

Note 9 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	**2023**	**2022**
Paid in equity	10 618	10 618
Share premium	1 926	1 926
Other equity	14 462	15 551
Tier 1 Capital	2 250	2 250
Other reserves	497	391
Total Equity	**29 752**	**30 736**

Common Equity Tier 1 Capital		
(-) Profit not eligible as capital	-800	-2 216
Cash-flow hedge adjustment	210	-3
IRB Expected Loss - Reserves	-679	-552
Goodwill	-889	-835
Other intangible assets	-57	-97
Deferred tax assets	-	-
Adjustment Prudent Valuation (AVA)	-2	-5
Insufficient coverage for NPE	-10	-
Tier 1 Capital	-2 250	-2 250
Total common Equity Tier 1 Capital	**25 276**	**24 777**

Tier 1 Capital		
Paid in Tier 1 capital instruments	2 250	2 250
Total Tier 1 Capital	**27 526**	**27 027**

Total Capital		
Paid up subordinated loans	2 515	2 417
Subordinated loans not eligible	-131	-31
Total Capital	**29 909**	**29 414**

Risk exposure on Standard Approach	2023	2022
Regional governments or local authorities	70	68
Institutions	1 339	1 203
Corporates	11 848	10 606
Retail Standard Approach	54 915	54 498
Exposures in default SA	3 813	3 338
Covered bonds	144	149
Other Exposures	5 684	3 547
Total Risk exposure amount on Standard Approach	**77 813**	**73 409**
Risk exposure on Internal Rating Based Approach		
Retail Other	43 444	42 050
Total Risk exposure amount on Internal Rating Based Approach	**43 444**	**42 050**
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	**121 257**	**115 459**
Foreign exchange (zero if under threshold)	3 731	3 165
Risk exposure amount for position, foreign exchange and commodities risks	**3 731**	**3 165**
Basic indicator approach	-	13 924
Standard approach	10 850	-
Risk exposure amount for operational risk	**10 850**	**13 924**
Standardized method	-	24
Risk exposure amount for credit valuation adjustment	**-**	**24**
Total risk exposure amount	**135 838**	**132 572**
Total exposure for Leverage Ratio		
Derivatives: Add-on under SA -CCR	1 431	949
Off-balance sheet items with 10% CCF	2 360	3 062
Off-balance sheet items with 20% CCF	755	776
Off-balance sheet items with 50% CCF	66	38
Adjusted On balance sheet exposure	213 616	204 096
Total exposure for Leverage Ratio	**218 227**	**208 920**

Minimum Regulatory Capital	**2023**	**2022**
Minimum Core Equity	4,50 %	4,50 %
Pillar 2 Requirement	1,52 %	3,30 %
Pillar 2 Guidance	1,50 %	1,50 %
Countercyclical Buffer (combined)	1,88 %	1,32 %
Conservation Buffer	2,50 %	2,50 %
Systemic Risk Buffer	1,17 %	1,23 %
Minimum Regulatory Capital ratio (CET1)	**13,07 %**	**14,35 %**

Minimum Regulatory Capital		
Minimum Core Equity	6 113	5 966
Pillar 2 Requirement	2 065	4 375
Pillar 2 Guidance	2 038	1 989
Countercyclical Buffer (combined)	2 548	1 750
Conservation Buffer	3 396	3 314
Systemic Risk Buffer (combined)	1 595	1 635
Minimum Regulatory Capital amount	**17 754**	**19 028**
Surplus of Core Equity Tier 1 capital	7 552	5 749
Common equity tier 1 capital ratio	**18,61 %**	**18,69 %**
CET1 regulatory requirements	13,07 %	14,35 %
Tier 1 capital ratio	**20,26 %**	**20,39 %**
Tier 1 regulatory requirements	15,08 %	15,85 %
Total capital ratio	**22,02 %**	**22,19 %**
Total capital regulatory requirements	17,76 %	17,85 %
Leverage ratio	**12,61 %**	**12,94 %**
LR regulatory requirements	3,00 %	3,00 %

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

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

Note 10 - Segment information

All amounts in millions of NOK

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

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

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

Product segmentation per country (gross lending before expected losses)

2023

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	4 825	47 705	11 924	-	**64 453**
Sweden	11 401	23 623	20 523	-	**55 547**
Denmark	7 134	28 188	3 913	1 599	**40 833**
Finland	4 804	28 419	2 426	395	**36 045**
Total	**28 164**	**127 934**	**38 786**	**1 994**	**196 878**

2022

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	5 425	45 841	11 827	-	**63 093**
Sweden	12 853	20 666	18 031	-	**51 550**
Denmark	6 522	26 598	3 311	366	**36 798**
Finland	4 952	28 642	2 731	406	**36 732**
Total	**29 753**	**121 748**	**35 901**	**772**	**188 174**

Profit and Loss per Country	2023					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	5 401	3 620	3 123	2 735	-1 491	**13 388**
Total interest expenses	-2 688	-2 063	-863	-1 571	1 482	**-5 704**
Net interest income	**2 713**	**1 557**	**2 259**	**1 164**	**-8**	**7 685**
Fee and commission income	212	188	143	128	-68	**603**
Fee and commission expenses	-173	-49	-54	-87	68	**-296**
Value change and gain/loss on foreign exchange and securities	10	-7	-16	8	1	**-5**
Other operating income	89	102	257	115	-	**562**
Other operating expenses	-55	-41	-127	-137	-	**-361**
Gross margin	**2 795**	**1 748**	**2 462**	**1 191**	**-8**	**8 189**
Salaries and personnel expenses	-527	-417	-348	-219	-	**-1 511**
Administrative expenses	-590	-423	-317	-222	8	**-1 544**
Depreciation and amortisation	-152	-83	-67	-36	-	**-337**
Net operating income before impairment losses on loans	**1 526**	**825**	**1 731**	**714**	**1**	**4 797**
Other income and costs	-148	-	-17	19	-	**-146**
Impairment losses on loan, guarantees etc.	-35	-323	-435	-153	-	**-946**
Profit before tax	**1 343**	**502**	**1 279**	**580**	**1**	**3 706**
Income tax expense	-320	-159	-302	-104	-	**-885**
Profit after tax	**1 023**	**344**	**977**	**476**	**1**	**2 821**

Profit and Loss per Country	2022					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Total interest income	3 397	2 154	1 753	2 698	-1 593	**8 410**
Total interest expenses	-856	-568	-144	-1 685	1 597	**-1 656**
Net interest income	**2 541**	**1 586**	**1 609**	**1 013**	**4**	**6 754**
Fee and commission income	217	222	81	167	-70	**617**
Fee and commission expenses	-151	-55	-26	-88	70	**-250**
Value change and gain/loss on foreign exchange and securities	1	-19	-12	-16	1	**-45**
Other operating income	50	39	186	113	-	**388**
Other operating expenses	-182	-33	-76	-115	-	**-407**
Gross margin	**2 475**	**1 739**	**1 762**	**1 074**	**5**	**7 056**
Salaries and personnel expenses	-480	-362	-277	-177	-	**-1 295**
Administrative expenses	-428	-271	-277	-91	-4	**-1 072**
Depreciation and amortisation	-118	-71	-43	-21	-	**-255**
Net operating income before impairment losses on loans	**1 449**	**1 035**	**1 165**	**785**	**1**	**4 434**
Other income and costs	-58	-3	0	2	-	**-58**
Impairment losses on loan, guarantees etc.	38	-441	-256	-133	-	**-792**
Profit before tax	**1 430**	**591**	**909**	**654**	**1**	**3 584**
Income tax expense	-310	-135	-269	-163	-	**-877**
Profit after tax	**1 120**	**456**	**640**	**491**	**1**	**2 707**

Balance Sheet per Country	2023					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Cash on hand	0	-	-	-	-	**0**
Cash and receivables on central banks	68	1 059	-	-	-	**1 127**
Deposits with and receivables on financial institutions	912	625	637	1 192	-	**3 366**
Total gross loans to customers	64 453	55 547	39 235	35 650	-	**194 884**
Write-downs	-1 210	-1 351	-1 418	-693	-	**-4 672**
Commercial papers and bonds	3 988	4 794	1 537	304	-304	**10 319**
Financial derivatives	0	-	-	231	-	**231**
Investments in subsidiaries	1 806	-	-	-	-1 806	**0**
Other assets	39 770	644	3 606	14 360	-51 579	**6 801**
Total assets	**109 788**	**61 318**	**43 596**	**51 043**	**-53 689**	**212 057**
Debt to credit institutions	6 956	30 276	7 171	19 734	-38 765	**25 372**
Deposits from customers	28 788	24 634	35 124	-	-	**88 546**
Debt established by issuing securities	27 809	2 913	120	12 411	-303	**42 949**
Financial derivatives	-	-	0	336	-	**336**
Other liabilities	20 444	3 508	1 036	13 462	-13 347	**25 103**
Equity	25 792	-13	145	5 101	-1 273	**29 752**
Total liabilities and equity	**109 788**	**61 318**	**43 596**	**51 043**	**-53 689**	**212 057**

Balance Sheet per Country	2022					
	Norway	Sweden	Denmark	Finland	Eliminations	Total Group
Cash and receivables on central banks	66	5 615	-	-	-	**5 680**
Deposits with and receivables on financial institutions	581	777	918	1 387	-	**3 663**
Total gross loans to customers	63 093	51 550	36 432	36 326	-	**187 401**
Write-downs	-1 254	-1 316	-1 168	-686	-	**-4 425**
Commercial papers and bonds	3 175	1 247	282	975	-503	**5 177**
Financial derivatives	-	-	-	586	-	**586**
Investments in subsidiaries	1 717	-	-	-	-1 717	**-0**
Other assets	31 411	520	1 905	30 440	-59 466	**4 811**
Total assets	**98 788**	**58 393**	**38 370**	**69 028**	**-61 686**	**202 894**
Debt to credit institutions	8 886	29 893	7 323	21 216	-30 758	**36 561**
Deposits from customers	25 131	20 898	29 896	-	-	**75 925**
Debt established by issuing securities	29 883	4 708	8	13 211	-502	**47 308**
Financial derivatives	0	-	-	586	-	**586**
Other liabilities	7 594	2 815	1 020	29 498	-29 149	**11 778**
Equity	27 294	79	123	4 517	-1 277	**30 736**
Total liabilities and equity	**98 788**	**58 393**	**38 370**	**69 028**	**-61 685**	**202 894**

Note 11 - Net interest income

Amounts in millions of NOK

	2023	2022
Interest and similar income on loans to and receivables from credit institutions	272	52
Interest and similar income on loans to and receivables from customers	12 779	8 267
Interest and similar income on comm. paper, bonds and other securities	236	39
Interest and similar income on loans to subsidiaries, branches and SPVs	27	52
Other interest income and similar income	74	-
Total interest income	**13 388**	**8 410**
Interest and similar expenses on debt to credit institutions	-1 212	-313
Interest and similar expenses on deposits from and debt to customers	-2 542	-723
Interest and similar expenses on issued securities	-1 081	-450
Interest on subordinated loan capital	-128	-71
Interest on senior non-preferred loans	-548	-46
Other interest expenses and similar expenses	-193	-53
Total interest expense	**-5 704**	**-1 656**
Net interest income	**7 685**	**6 754**

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

To credit institutions	**2023**	**2022**
Interest expenses	-1 212	-313
Average loan	30 966	33 502
Average nominal interest rate	**3,91%**	**0,93 %**

To customers	**2023**	**2022**
Interest expenses	-2 542	-723
Average deposit	82 235	74 614
Average nominal interest rate	**3,09%**	**0,97 %**

To bondholders	2023	2022
Interest expenses	-1 081	-450
Average issued notes and bonds	45 128	49 413
Average nominal interest rate	**2,40%**	**0,91 %**

Subordinated loan capital	2023	2022
Interest expenses	-128	-71
Average subordinated loan capital	2 471	2 443
Average nominal interest rate	**5,16%**	**2,91 %**

Senior non-preferred loans	2023	2022
Interest expenses	-548	-46
Average senior non-preferred loan capital	10 053	2 034
Average nominal interest rate	**5,45%**	**2,27 %**

Total of tables above	2023	2022
Interest expenses	-5 510	-1 603
Loan	170 854	162 005
Average nominal interest rate	**3,23%**	**0,99 %**

Note 12 - Other operating income and expenses

Amounts in millions of NOK

	2023	2022
Operating lease income	364	295
Dividends from investments	-	0
Other	199	93
Total other operating income	**562**	**388**
Depreciation on operating lease assets	-161	-125
Fee to The Norwegian Banks' Guarantee Fund	-86	-93
Other	-114	-189
Total other operating expenses	**-361**	**-407**

Note 13 - Tax

All amounts in millions of NOK

Income tax	**2023**	**2022**
Tax payable	-242	-505
Adjustments in respect of prior years	-10	-23
Residual tax supplement	-	-8
Currency effects foreign tax credits	-	-
Total current tax	**-253**	**-535**
Change in temporary differences	-602	-343
Adjustments in respect of prior years	-31	1
Currency effects	-	-
Total change in deferred tax	**-632**	**-341**
Income tax expense	**-885**	**-877**

	2023	**2022**
Profit before tax	3 706	3 583
Estimated income tax at nominal tax rate 25%	-926	-896
Tax effects of:	-	
- Interest hybrid capital	49	35
- Non-deductible expenses	17	-20
Impact of lower tax rate in subsidiary	29	33
Adjustments in respect of prior years*	-54	-21
Residual tax supplement**	-	-8
Tax charge	**-885**	**-877**

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

2023	**Before tax**	**Total tax charge**	**After tax**
Actuarial assumption related to pension	12	3	9
Cash flow hedges	62	16	47
Net investment hedge	218	55	164
Currency translation differences	-693	1	-694
Shares in VN Norge AS - value adjustment	-14	-	-14
Other comprehensive income	**-414**	**74**	**-489**
Tax payable		1	
Deferred tax		73	
Tax in OCI		**74**	

Deferred tax in the balance sheet	2023	2022
Deferred tax liability as at 1 January	1 490	1 276
Reclassification of deferred tax asset	226	-
Changes recognized in income statement	575	327
Changes recognized in OCI	1	13
Currency adjustment	39	16
Adjustments in respect of prior years*	88	-141
Group eliminations	-70	-
Deferred tax liability at 31 December	**2 349**	**1 490**
Deferred tax asset as at 1 January	-	-
Reclassification of deferred tax asset	226	-
Changes recognized in income statement	12	-
Adjustments in respect of prior years*	9	-
Deferred tax asset at 31 December* **	**247**	**-**

Deferred taxes related to the following temporary differences	2023	2022
Tax increasing temporary differences		
Fixed assets	9 127	6 119
Net pension commitments	12	26
Financial instruments	-105	-608
Net other taxable temporary differences	644	422
Total tax increasing temporary differences	**9 678**	**5 959**
Fixed assets	2 282	1 530
Net pension commitments	3	6
Financial instruments	-26	-152
Net other taxable temporary differences	161	106
Group eliminations	-70	-
Deferred tax liability at 31 December	**2 349**	**1 490**

Tax decreasing temporary differences		
Net other taxable temporary differences	541	-
Loan loss provisions	693	-
Total tax decreasing temporary differences	**1 234**	**-**
Net other taxable temporary differences	108	-
Loan loss provisions	139	-
Deferred tax asset at 31 December* **	**247**	**-**

Tax effect of different tax rates in other countries:

The Group has operations in Sweden, Denmark and Finland whose tax rates are different from that in Norway (25 percent).

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.

* The adjustment in respect of prior years relates to true-up adjustment of tax settlements
** Tax supplement of residual tax payment

*** Deferred tax positions are presented gross for each taxable unit within the Group in 2023. In comparable figures the positions are presented net.

Tax Payable in the balance sheet of MNOK 168 consist of tax payable for Norway and the Danish branch.

Global Minimum Tax Pillar Two

In the European Union, in December 2022, the European Commission adopted Directive 2022/2523 on ensuring an overall minimum level of taxation for multinational enterprise groups and large domestic groups in the EU, to be transposed by 31 December 2023, with the new minimum taxation coming into force on 1 January 2024. The Directive implements at EU level the Pillar Two rules of the OECD's Inclusive Framework on base erosion and profit shifting. Pillar Two applies to multinational groups with a turnover of more than EUR 750 million and entail the requirement of a minimum tax of 15% calculated on adjusted accounting profit on a jurisdiction-by-jurisdiction basis. During 2023, the OECD has completed these rules by approving administrative guides and a report on safe harbours in order to simplify the application of these rules.

In Norway, in January 2024, the Parliament approved the Act of Qualified Domestic Minimum Top Up Tax establishing an overall minimum tax level of 15% for multinational companies and large domestic groups. In Denmark and Finland the legislation was approved in December 2023. The Act will enter into force in these countires as of 1 January 2024. In Sweden, the Act is in process of being enacted.

Grupo Santander and the Nordic Group are in scope of this legislation and Grupo Santander has performed an assessment of the potential exposure to Pillar Two income taxes taking into consideration transitory safe harbours. Once the legislation is approved in Spain, Banco Santander S.A. will become the Ultimate Parent Entity (UPE), and so, the primarily liable for the Top-up Tax of all Low-Tax Constituent Entities in those jurisdictions without a Qualified Domestic Top Up Tax enacted. Also, in those countries where Global Minimum Tax would be approved, entities of Grupo Santander will be subject to the tax.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in Grupo Santander. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which Grupo Santander operates are above 15%. Consequently, Grupo Santander does not estimate a significant impact derived from this new regulation, without prejudice to the relevant administrative burdens that will entail its implementation.

Note 14 - Loans to customers

All amounts in millions of NOK

	2023	2022
Credit Card	4 786	4 928
Unsecured loans	23 378	24 825
Auto loans	166 720	157 649
- Installment loans	*127 934*	*121 748*
- Finance leases	*38 786*	*35 901*
Total gross loans to customers	**194 884**	**187 401**
- Loan loss allowance - Stage 1	-1 014	-986
- Loan loss allowance - Stage 2	-577	-720
- Loan loss allowance - Stage 3	-3 081	-2 719
Total net loans to customers	**190 212**	**182 976**

Note 15 - Impairment losses on loan, guarantees etc.

All amounts in millions of NOK

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

	2023	2022
Change in loss allowance - Unsecured loans	81	353
Change in loss allowance - Secured loans	-122	225
Change in loss allowance - Commercial papers and bonds	-0	-0
Change in loss allowance - Off balance exposure*	32	-
+ Total realized losses	-1 708	-1 937
- Recoveries on previously realized losses	285	269
- Gain on sold portfolios	486	298
Impairment losses on loan, guarantees etc.	**-946**	**-792**

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

Note 16 - Loans and impairment by main sectors

All amounts in millions of NOK

The following table shows the loans and impairment by main sectors.

2023	**Gross carrying amount**	**Accumulated impairment**	**Net carrying amount**
Private individuals	152 087	-4 213	**147 874**
Wholesale and retail trade	17 379	-114	**17 265**
Construction	9 324	-139	**9 185**
Administrative and support service activities	3 247	-44	**3 203**
Transport and storage	2 656	-60	**2 596**
Professional, scientific and technical activities	2 582	-24	**2 558**
Manufacturing	1 886	-18	**1 869**
Real estate activities	939	-13	**925**
Information and communication	851	-7	**844**
Accommodation and food service activities	849	-11	**838**
Other services	816	-10	**807**
Human health services and social work activities	619	-4	**615**
Arts, entertainment and recreation	363	-5	**358**
Governments	356	-3	**353**
Education	345	-5	**340**
Agriculture, forestry and fishing	334	-2	**332**
Water supply	130	-1	**128**
Electricity, gas, steam and air conditioning supply	61	-0	**61**
Mining and quarrying	26	-0	**26**
Other financial corporations	21	-0	**21**
Public administration and defence, compulsory social security	13	-0	**13**
Total	**194 884**	**-4 672**	**190 212**

2022	Gross carrying amount	Accumulated impairment	Net carrying amount
Private individuals	148 967	-3 959	**145 008**
Wholesale and retail trade	15 111	-100	**15 011**
Construction	8 996	-154	**8 842**
Administrative and support service activities	2 826	-41	**2 785**
Transport and storage	2 472	-61	**2 411**
Professional, scientific and technical activities	2 137	-23	**2 114**
Manufacturing	1 794	-20	**1 773**
Real estate activities	862	-10	**852**
Accommodation and food service activities	776	-14	**762**
Information and communication	699	-13	**686**
Other services	673	-12	**661**
Human health services and social work activities	527	-5	**522**
Governments	384	-3	**381**
Arts, entertainment and recreation	342	-3	**339**
Education	318	-4	**314**
Agriculture, forestry and fishing	288	-2	**287**
Water supply	129	-2	**128**
Electricity, gas, steam and air conditioning supply	50	-0	**49**
Mining and quarrying	29	-0	**29**
Other financial corporations	15	-0	**15**
Public administration and defence, compulsory social security	5	-0	**5**
Total	**187 401**	**-4 425**	**182 976**

Note 17 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 31 December 2023	Financial assets at fair value through P&L	Financial assets at fair value through OCI	Amortized cost	Book value
Cash on hand	-	-	0	0
Cash and receivables on central banks	-	-	1 127	1 127
Deposits with and receivables on financial institutions	-	-	3 366	3 366
Loans to customers	-	-	190 212	190 212
Commercial papers and bonds	-	-	10 319	10 319
Financial derivatives	231	-	-	231
Other ownership interests	-	14	-	14
Other financial assets	-	-	598	598
Total financial assets	**231**	**14**	**205 622**	**205 868**

Non-financial assets	6 189
Total assets	**212 057**

Classification of financial liabilities 31 December 2023	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	25 372	25 372
Deposits from customers	-	-	88 546	88 546
Debt established by issuing securities	-	-	42 949	42 949
Financial derivatives	336	-	-	336
Other financial liabilities	-	-	662	662
Subordinated loan capital	-	-	2 521	2 521
Senior non-preferred loans	-	-	16 038	16 038
Total financial liabilities	**336**	**-**	**176 087**	**176 422**

Non-financial liabilities and equity	35 634
Total liabilities and equity	**212 057**

Classification of financial assets 31 December 2022	Financial assets at fair value through P&L	Financial assets at fair value through OCI	Amortized cost	Book value
Cash and receivables on central banks	-	-	5 680	5 680
Deposits with and receivables on financial institutions	-	-	3 663	3 663
Loans to customers	-	-	182 976	182 976
Commercial papers and bonds	-	-	5 177	5 177
Financial derivatives	586	-	-	586
Other ownership interests	-	12	-	12
Other financial assets	-	-	811	811
Total financial assets	**586**	**12**	**198 308**	**198 906**

Non-financial assets	3 988
Total assets	**202 894**

Classification of financial liabilities 31 December 2022	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	36 561	36 561
Deposits from customers	-	-	75 925	75 925
Debt established by issuing securities	-	-	47 308	47 308
Financial derivatives	586	-	-	586
Other financial liabilities	-	-	546	546
Subordinated loan capital	-	-	2 422	2 422
Senior non-preferred loans	-	-	4 067	4 067
Total financial liabilities	**586**	**-**	**166 828**	**167 415**

Non-financial liabilities and equity	35 479
Total liabilities and equity	**202 894**

Note 18 - Issued securities

All amounts in millions of NOK

	2023	2022
Issued certificates	802	-
Senior unsecured issued securities	30 039	34 599
Asset backed issued securities	12 107	12 709
Total issued securities	**42 949**	**47 308**

Changes in liability issued securities	**Book value 1 January 2023**	**New issues/ repurchase**	**Monthly payments and at maturity**	**Changes in foreign fx rates**	**Book value 31 December 2023**
Issued certificates	-	802	-	-	802
Senior unsecured issued securities	34 599	1 397	-8 360	2 404	30 039
Asset backed issued securities	12 709	5 150	-6 617	865	12 107
Total issued securities	**47 308**	**7 349**	**-14 977**	**3 269**	**42 949**

Certificates					**Book value**
Issuer	**Net nominal value**	**Currency**	**Interest**	**Call date**	**31 December 2023**
Issued certificates					
Santander Consumer Bank AS	500	NOK	Floating	2024-08-28	501
Santander Consumer Bank AS	300	NOK	Floating	2024-09-05	301
Totals issued bonds					**802**

Bonds					Book value
	Net nominal				31 December
Issuer	value	Currency	Interest	Call date	2023
Senior unsecured issued securities					
Santander Consumer Bank AS	499	EUR	Fixed	2025-08-11	5 462
Santander Consumer Bank AS	499	EUR	Fixed	2025-02-25	5 543
Santander Consumer Bank AS	500	EUR	Fixed	2024-09-11	5 560
Santander Consumer Bank AS	499	EUR	Fixed	2026-04-14	5 595
Santander Consumer Bank AS	500	NOK	Floating	2024-03-14	501
Santander Consumer Bank AS	300	NOK	Floating	2024-03-14	301
Santander Consumer Bank AS	500	SEK	Floating	2025-01-15	510
Santander Consumer Bank AS	500	SEK	Floating	2025-01-15	510
Santander Consumer Bank AS	500	NOK	Floating	2024-11-13	504
Santander Consumer Bank AS	500	NOK	Floating	2025-09-15	501
Santander Consumer Bank AS	500	SEK	Floating	2026-01-19	510
Santander Consumer Bank AS	500	SEK	Floating	2024-04-29	509
Santander Consumer Bank AS	500	SEK	Floating	2024-04-29	509
Santander Consumer Bank AS	500	SEK	Floating	2024-10-11	510
Santander Consumer Bank AS	750	NOK	Floating	2024-11-05	756
Santander Consumer Bank AS	250	NOK	Floating	2026-11-05	252
Santander Consumer Bank AS	500	NOK	Floating	2027-08-31	502
Santander Consumer Bank AS	500	NOK	Floating	2025-08-29	502
Santander Consumer Bank AS	599	NOK	Floating	2028-09-18	600
Santander Consumer Bank AS	400	NOK	Floating	2026-09-18	401
Totals issued bonds					**30 039**

Asset backed issued securities					Book value
	Net nominal				31 December
Issuer	value	Currency	Interest	Call date	2023
SCF Rahoituspalvelut IX DAC	141	EUR	Floating	2030-10-25	1 584
SCF Rahoituspalvelut X DAC	180	EUR	Floating	2031-10-25	2 022
SCF Rahoituspalvelut XI DAC	335	EUR	Floating	2032-06-25	3 455
SCF Rahoituspalvelut XII DAC	450	EUR	Floating	2033-06-25	5 047
Total asset backed issued securities					**12 107**

The Group has not had any defaults of principal or interest or other breaches with respect to its issued securities during the years ended 31 December 2023 and 31 December 2022.

Note 19 - Valuation Hierarchy

All amounts in millions of NOK

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

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

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

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

2023 **Financial instruments measured at fair value**			**Quoted market price** **Level 1**	**Using observable inputs** **Level 2**	**With significant unobservable inputs** **Level 3**	**Total**
Financial assets						
Name	***Type***	***Notional***				
KIMI9A Fixed	Interest Rate Swap	MM EUR 122	-	38	-	**38**
KIMI9B Fixed	Interest Rate Swap	MM EUR 12	-	1	-	**1**
KIMI10	Interest Rate Cap	MM EUR 177	-	96	-	**96**
KIMI 12	Interest Rate Cap	MM EUR 450	-	96	-	**96**
FX Swap EUR DKK	Cross Currency Swap	MM EUR 50	-	0	-	**0**
Total financial trading derivatives			**-**	**231**	**-**	**231**

Name	Type		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
VN Norge	Equity		-	14	-	**14**
Norsk Gjeldsinformasjon AS	Equity		-	-	0	**0**
Vipps AS	Equity		-	-	0	**0**
Total other ownership interests			**-**	**14**	**0**	**14**
Total Assets			**-**	**245**	**0**	**246**

Financial liabilities

Name	*Type*	*Notional*				
KIMI11 Fixed	Interest Rate Swap	MM EUR 329	-	28	-	**28**
KIMI9A Pass Through	Interest Rate Swap	MM EUR 119	-	39	-	**39**
KIMI9B Pass Through	Interest Rate Swap	MM EUR 12	-	4	-	**4**
KIMI10 Pass Through	Interest Rate Swap	MM EUR 177	-	96	-	**96**
KIMI11 Pass Through	Interest Rate Swap	MM EUR 335	-	92	-	**92**
KIMI12 Pass Through	Interest Rate Cap	MM EUR 450	-	77	-	**77**
FX Swap EUR/DKK	Cross Currency Swap	MM EUR 67	-	0	-	**0**
Total financial derivatives			**-**	**336**	**-**	**336**
Total Liabilities			**-**	**336**	**-**	**336**

Derivatives designated for hedge accounting - assets

Name	*Type*	*Notional*				
KIMI9A	Interest Rate Swap	MM EUR 119	-	39	-	**39**
KIMI9B	Interest Rate Swap	MM EUR 12	-	4	-	**4**
KIMI11	Interest Rate Swap	MM EUR 335	-	92	-	**92**
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	62	-	**62**
SNP EUR MEUR 200	Cross Currency Swap	MM EUR 200	-	37	-	**37**
SNP EUR MEUR 170	Cross Currency Swap	MM EUR 170	-	76	-	**76**
Total derivatives designated for hedging - assets*			**-**	**309**	**-**	**309**

Derivatives designated for hedge accounting - liabilities			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Name	*Type*	*Notional*				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 150	-	80	-	**80**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	56	-	**56**
SNP EUR MEUR 330	Cross Currency Swap	MM EUR 330	-	139	-	**139**
Total derivatives designated for hedging - liabilities*			**-**	**275**	**-**	**275**

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

2022

Financial instruments measured at fair value			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial assets						
Name	*Type*	*Notional*				
KIMI8A Fixed	Interest Rate Swap	MM EUR 103	-	19	-	**19**
KIMI8B Fixed	Interest Rate Swap	MM EUR 11	-	2	-	**2**
KIMI9A Fixed	Interest Rate Swap	MM EUR 230	-	94	-	**94**
KIMI9B Fixed	Interest Rate Swap	MM EUR 24	-	10	-	**10**
KIMI10	Interest Rate Cap	MM EUR 402	-	232	-	**232**
KIMI11	Interest Rate Swap	MM EUR 550	-	228	-	**228**
Total financial trading derivatives			**-**	**586**	**-**	**586**
Name	*Type*					
VN Norge	Equity		-	12	-	**12**
Norsk Gjeldsinformasjon AS	Equity		-	-	0	**0**
Vipps AS	Equity		-	-	0	**0**
Total other ownership interests			**-**	**12**	**0**	**12**
Total Assets			**-**	**598**	**0**	**598**

Financial liabilities			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Name	*Type*	*Notional*				
FX Swap EUR/DKK	Cross Currency Swap	MM EUR 35	-	0	-	**0**
KIMI8A Pass Through	Interest Rate Swap	MM EUR 102	-	18	-	**18**
KIMI8B Pass Through	Interest Rate Swap	MM EUR 11	-	2	-	**2**
KIMI9A Pass Through	Interest Rate Swap	MM EUR 225	-	103	-	**103**
KIMI9B Pass Through	Interest Rate Swap	MM EUR 23	-	1	-	**1**
KIMI10 Pass Through	Interest Rate Cap	MM EUR 402	-	232	-	**232**
KIMI11 Pass Through	Interest Rate Swap	MM EUR 550	-	230	-	**230**
Total financial derivatives			**-**	**586**	**-**	**586**
Total Liabilities			**-**	**586**	**-**	**586**

Derivatives designated for hedge accounting - assets						
Name	*Type*	*Notional*				
KIMI8A	Interest Rate Swap	MM EUR 102	-	18	-	**18**
KIMI8B	Interest Rate Swap	MM EUR 42	-	2	-	**2**
KIMI9A	Interest Rate Swap	MM EUR 225	-	101	-	**101**
KIMI9B	Interest Rate Swap	MM EUR 23	-	10	-	**10**
Total derivatives designated for hedging - assets*			**-**	**131**	**-**	**131**

Derivatives designated for hedge accounting - liabilities						
Name	*Type*	*Notional*				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	1	-	**1**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	113	-	**113**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	135	-	**135**
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	49	-	**49**
Total derivatives designated for hedging - liabilities*			**-**	**297**	**-**	**297**

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

Offsetting of financial assets and financial liabilities

The disclosure in the table below includes financial assets and financial liabilities that are subject to enforceable master netting arrangements or similar arrangements.

The ISDA and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position. This is because they create for the parties to the agreement a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events. In addition, the Group and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The Group receives and gives collateral in the form of cash and marketable securities in respect of the following transactions:
- derivatives
- sale-and-repurchase, and reverse sale-and-repurchase agreements

This collateral is subject to standard industry terms including, when appropriate, an ISDA credit support annex.

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the below tables have been measured in the statement of financial position on the following bases:
- derivative assets and liabilities – fair value
- assets and liabilities resulting from sale-and-repurchase agreements, reverse sale-and repurchase agreements – amortised cost

				Related amounts not offset in the statement of financial position		
2023	**Gross amounts**	**Amounts offset in the statement of financial position**	**Net amount presented in the financial statements**	**Financial instruments**	**Collateral**	**Net amount after possible netting**
Financial assets						
Derivatives	541	-	541	-	50	491
Reverse repurchase arrangements	679	-	679	679	-	-
Financial liabilities						
Derivatives	611	-	611	-	520	91
Repurchase arrangements	-	-	-	-	-	-

2022	Gross amounts	Amounts offset in the statement of financial position	Net amount presented in the financial statements	Related amounts not offset in the statement of financial position: Financial instruments	Related amounts not offset in the statement of financial position: Collateral	Net amount after possible netting
Financial assets						
Derivatives	717	-	717	-	203	514
Reverse repurchase arrangements	707	-	707	707	-	-
Financial liabilities						
Derivatives	883	-	883	-	811	72
Repurchase arrangements	-	-	-	-	-	-

Note 20 - Hedging

All amounts in millions of NOK

Fair Value Hedge

Fair value hedges are used to protect the Group against exposures to changes in the market prices of recognized fixed interest-notes and fixed interest-loans issued in EUR. The Group uses cross currency interest rate swaps and interest rate swaps that qualify as hedging instruments, and designates these to the hedge relationship at time of inception if all criteria for hedge accounting are met. Changes in fair value of the hedging instruments are recognized in the income statement together with changes in the fair value of the hedged liability that are attributable to the hedged risk.

For the fair value hedges the Group assesses whether the derivative designated in each hedging relationship is expected to be and has been highly effective in offsetting changes in fair value of the hedged item using the dollar offset method. This method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument (including any counterparty credit risk) with the change in fair value of the hedged item attributable to the hedged risk. As counterparties credit risk is not hedged this is a source of ineffectiveness.

The fair values of derivatives designated as fair value hedges is as follows:

		2023			2022	
	Assets	Liabilities	Gains (losses) recognized in P&L	Assets	Liabilities	Gains (losses) recognized in P&L
Hedged item (Issued Bonds)	-	15 134	-414	-	8 922	479
Hedge instruments (Cross currency swaps)	264	319	426	-	525	-499
Fair value hedge adjustment	-	-	-	-	-	-
Nominal of hedging instruments	-	15 134	-	-	8 922	-
Net exposure over P&L			**12**			**-20**

	2023	2022
Inefficiency	Ineffectiveness recognized in P&L	Ineffectiveness recognized in P&L
Fair value hedging ineffectiveness	12	-20

Cash Flow Hedge

Cash flow hedging is applied for the exposure to variation in future interest payments due to exchange rate risk on issued notes in foreign currency (EUR). Cross currency swaps (NOK swapped to EUR) are used as hedging instruments and they are designated into hedge relationships at inception when all criteria for hedge accounting are met.

Further, cash flow hedging is applied for the exposure of variation in future interest payments from issued floating rate-notes with floating EURIBOR-rate. Interest rate swaps (fixed interest swapped to floating) are used as hedging instruments and they are designated into hedge relationships at inception when all criteria for hedge accounting are met.

The portion of the gain or loss in the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income. Gains or losses on hedging instruments that have been accumulated in equity are recognized in profit or loss in the same period as interest expense from the hedged liability. The ineffective portion of the gain or loss on hedging instruments is recognized in profit or loss.

The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been highly effective in offsetting changes in cash flows of the hedged item (prospectively and retrospectively) using the hypothetical derivative method. This method assess hedge ineffectiveness by comparing the change in fair value of the actual derivative designated as the hedging instrument and the change in fair value of a "hypothetical derivative" that would result in perfect hedge effectiveness for the designated item. The hypothetical derivative would have terms that exactly match the critical terms of the hedged item with the lower of the two cumulative changes always appearing in Equity.

The fair values of derivatives designated as cash flow hedges are as follows:

	2023			2022		
	Assets	**Liabilities**	**Amount recognized in OCI**	**Assets**	**Liabilities**	**Amount recognized in OCI**
Hedged item (Bonds)	-	20 349	-	-	12 722	-
Hedge instruments (Cross currency interest rate swaps)	292	336	28	246	8	4
Hedge instruments (Interest rate swaps)	134	-	35	131	-	-119
Nominal of hedging instruments	-	20 349	-	-	12 722	-
Net exposure over P&L			**63**			**-115**

Inefficiency	**2023 Ineffectiveness recognized in P&L**	**2022 Ineffectiveness recognized in P&L**
Cash flow hedging ineffectiveness	31	5

Periods when the cash flows are expected to occur and when they are expected to affect profit or loss;

	2023			2022		
	< 1 year	**1-5 years**	**> 5 years**	**< 1 year**	**1-5 years**	**> 5 years**
Cash inflows (assets)	-	-	-	-	-	-
Cash outflows (liabilities)	4 998	15 350	-	4 712	8 010	-
Net cash flows	**4 998**	**15 350**	**-**	**4 712**	**8 010**	**-**

Reclass from OCI to profit and loss:	**2023**	**2022**
Reclassified amount	-	-

Net investment Hedge

The Group owns a subsidiary in Finland and has a branch in Sweden. Foreign currency exposure arises from the net investment in the Finnish subsidiary Santander Consumer Finance Oy, which has a different functional currency from that of the parent entity. The risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiary (EUR) and the Group's functional currency (NOK), which causes the amount of the net investment to vary. The hedged risk in the net investment hedges is the risk of fluctuations in EUR against NOK, which will result in fluctuating values of the net investment in the subsidiary.

Loans from external parties nominated in EUR is designated as hedging instruments and designated into the hedging relationship when all criteria for hedge accounting are met. The Group assesses whether the EUR nominated loans designated in each hedging relationship is expected to be and has been highly effective in offsetting changes in cash flows of the hedged item (prospectively and retrospectively) using the dollar offset method.

The value of EUR loans designated as net investment hedges is as follows:

	2023			2022		
	Assets	Liabilities	Amount recognized in OCI	Assets	Liabilities	Amount recognized in OCI
Hedged item (Net assets in foreign subsidiary)	1 469	-	91	1 378	-	70
Hedge instrument (EUR-loan)	-	-1 455	-91	-	-1 378	-70
Net exposure over OCI			**-**			**-**

Inefficiency	2023 Ineffectiveness recognized in P&L	2022 Ineffectiveness recognized in P&L
Net investment hedging ineffectiveness	-	-

Interest Rate Benchmark Reform: Amendments to IFRS 9; IAS 39 and IFRS 7

The Group is closely monitoring the market and the output from the various industry working groups managing the transition to new benchmark interest rates. The Group has established a project to manage the transition for any of its contracts that could be affected.

Interest rate swaps	Nominal amount	Average maturity
EURIBOR EUR (1 month)	5 218	2026-03-10

Cross currency swaps	Nominal amount	Average maturity
EURIBOR EUR (3 months) to CIBOR DKK (3 months)	5 269	2025-11-08
EURIBOR EUR (3 months) to STIBOR SEK (3 months)	9 865	2026-06-17
Total	**20 352**	

Note 21 - Financial instruments measured at amortized cost

The financial instruments in the Group's balance sheet are primarily measured and booked to amortized cost. This applies to cash on hand, cash and receivables on central banks, deposits with and receivables on financial institutions, loans to customers, commercial papers and bonds, deposits from customers and debt established by issuing securities. Accounting for these items at amortized cost implies that the Group intends to hold or issue the items to collect or pay the contractual cash flows, and adjust for impairment if relevant.

Differences between amortized cost and fair value of the items may be caused by a number of factors, such as different view on macro-economic perspectives, credit risk, market conditions, return requirements and varying access to accurate information. The below table shows estimated fair value of items carried at amortized cost.

Fair value is measured on the basis of the fair value hierarchy as described in note 19.

Cash on hand:
This item consist of cash on hand. Due to the short term nature of this item, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Cash and receivables on central banks:
This item consist of deposits with central banks. Due to the short term nature of this item, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Deposits with and receivables on financial institutions:
This item consists of deposits with financial institutions and reverse repurchase agreements. Due to their short term nature, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Loans to customers:
The Group's portfolio of loans to customers consists of the following main groups; credit cards, finance leases, installment loans and unsecured loans. All loans in the portfolio are subject to continuous evaluation of whether an impairment or loan loss allowance should be booked for it. Interest rates for new business volume are assumed to be a fair representative of market rates. In order to estimate fair value of the portfolio, an adjustment has to be made for the difference between interest rates for new business volume and existing portfolio. The approach for estimation of fair value is based on a correlation model between the average nominal interest rates (TIN) (%) of the portfolio / evaluated portfolio and the average New Business TIN (%) of the last three months of the same portfolios. In case the average TIN (%) of the portfolio differs from that of new business rate (average three months), fair value will be different from book value. When fair value has been identified following this rationale, it will be discounted to the present value of the moment in which the estimate is carried out.

Level in fair value hierarchy: Level 3

Commercial papers and bonds:
Quoted prices in active markets exists for these instruments, and the fair value is reported in level 1 for this group of financial instruments.

Level in fair value hierarchy: Level 1

Other financial assets:
This item consists of posted swap collateral. Due to their short term nature, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Debt to credit institutions:
This item consists of debt to financial institutions. Due to their short term nature, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Deposits from customers:
Fair value is assessed to equal amortized cost, as the contractual maturity is short and the deposits are affected by changes in credit risk to a limited extent.

Level in fair value hierarchy: Level 3

Debt established by issuing securities:
The Group has issued securities in both EUR, SEK, DKK and NOK. Issuances of bonds in SEK/EUR/NOK are done on traded markets and quoted market prices (average of bid/ask prices) for the securities are used as fair value (level 1).

The Group also issues commercial papers (bonds with maturity less than one year). These securities are almost not traded among investors and reliable bid/ask prices are therefore not available for an assessment of fair value. As the securities have such short time to maturity it is assessed that the book value reflects the fair value most accurately. The Group has one issued bond nominated in DKK in the unsecured bond market. The Danish market is highly illiquid and a liquidity premium is priced into the spread of this floating rate bond. It is therefore assessed that the book value is the best estimate of the fair value.

Level in fair value hierarchy: Level 1 for securities with quoted market prices

Other financial liabilities:
This item consists of received swap collateral, lease liability, withheld taxes and accounts payable. Due to their short term nature, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Subordinated loan capital:
The Group issues subordinated loan capital as a part of their funding. The loans are floating rate, and repriced quarterly based on a 3M STIBOR and NIBOR. The book value of the loans is considered to be a good estimate of the fair value, as the loans are floating rate with frequent repricings, ensuring the debt is at market terms.

Level in fair value hierarchy: Level 3

Senior non-preferred loans:
The Group issues Senior non-preferred loans as a part of their funding. The loans are floating rate, and repriced quarterly based on a 3M STIBOR and NIBOR. The book value of the loans is considered to be a good estimate of the fair value, as the loans are floating rate with frequent repricings, ensuring the debt is at market terms.

Level in fair value hierarchy: Level 3

All amounts in millions of NOK

		2023		2022	
Financial assets	**Fair value level**	**Book value**	**Fair value**	**Book value**	**Fair value**
Cash on hand	Level 3	0	0	-	-
Cash and receivables on central banks	Level 3	1 127	1 127	5 680	5 680
Deposits with and receivables on financial institutions	Level 3	3 366	3 366	3 663	3 663
Loans to customers	Level 3	190 212	211 806	182 976	164 407
Commercial papers and bonds	Level 1	10 319	10 367	5 177	5 198
Other financial assets	Level 3	598	598	811	811
Total financial assets		**205 622**	**227 264**	**198 308**	**179 760**

		2023		2022	
Financial liabilities	**Fair value level**	**Book value**	**Fair value**	**Book value**	**Fair value**
Debt to credit institutions	Level 3	25 372	25 372	36 561	36 561
Deposits from customers	Level 3	88 546	88 546	75 925	75 925
Debt established by issuing securities	Level 1	42 949	40 952	47 308	45 515
Other financial liabilities	Level 3	662	662	546	546
Subordinated loan capital	Level 3	2 521	2 521	2 422	2 422
Senior non-preferred loans	Level 3	16 038	16 038	4 067	4 067
Total financial liabilities		**176 087**	**174 090**	**166 828**	**165 035**

Note 22 - Securitization

The Group securitizes auto loans by selling portfolios of eligible auto loans to SPVs, which finance the purchase by issuing bonds in the market with security in the assets.

All securitized assets are transferred to related parties, as all the SPVs buying the assets are consolidated into the Group accounts. There are no transfers of securitized assets to unrelated parties.

Note 23 - Fixed assets

All amounts in millions of NOK

2023	Buildings	Machines, fittings, equipment	Operating lease assets	Total
Acquisition cost at 1 January	**349**	**155**	**1 002**	**1 507**
Additions	92	20	1 940	**2 052**
Disposals	-14	-40	-723	**-777**
Net foreign exchange differences on translation	10	5	-	**15**
Acquisition cost at 31 December	**438**	**140**	**2 219**	**2 797**
Accumulated depreciation and impairment at 1 January	**-220**	**-111**	**-257**	**-588**
Depreciation*	-99	-12	-273	**-384**
Disposals	-	33	277	**310**
Impairment	-	-	-3	**-3**
Net foreign exchange differences on translation	-6	-4	-	**-11**
Accumulated depreciation and impairment at 31 December	**-326**	**-94**	**-256**	**-676**
Net book value at 31 December	**112**	**46**	**1 963**	**2 121**

* Depreciation on operating lease assets is reported as "Other operating expenses" in the profit and loss statement.

Method of measurement	Acquisition cost	Acquisition cost	Acquisition cost
Depreciation method	Straight-line	Straight-line	Straight-line
Depreciation plan and useful life	3 – 10 years	1 – 10 years	1 - 10 years
Average useful life	5 years	3 years	3 years

As at 31 December 2023, Buildings includes right-of-use assets of 112 MM NOK related to leased office premises.

2022	Buildings	Machines, fittings, equipment	Operating lease assets	Total
Acquisition cost at 1 January	**360**	**142**	**1 060**	**1 562**
Additions	-	21	554	**575**
Disposals	-8	-9	-612	**-629**
Net foreign exchange differences on translation	-3	1	-	**-1**
Acquisition cost at 31 December	**349**	**155**	**1 002**	**1 507**
Accumulated depreciation and impairment at 1 January	**-175**	**-98**	**-274**	**-548**
Depreciation*	-51	-17	-213	**-281**
Disposals	5	5	230	**240**
Impairment	-	-	-0	**-0**
Net foreign exchange differences on translation	1	-0	-	**0**
Accumulated depreciation and impairment at 31 December	**-220**	**-111**	**-257**	**-588**
Net book value at 31 December	**129**	**44**	**745**	**918**

* Depreciation on operating lease assets is reported as "Other operating expenses" in the profit and loss statement.

Note 24 - Intangible assets

All amounts in millions of NOK

2023	Software and other intangible assets	Goodwill	Total
Acquisition cost at 1 January	**1 008**	**835**	**1 843**
Additions	274	-	**274**
Disposals	-103	-	**-103**
Net foreign exchange differences on translation	18	54	**72**
Acquisition cost at 31 December	**1 197**	**889**	**2 086**
Accumulated amortization and impairment at 1 January	**-563**	**-**	**-563**
Amortization	-225	-	**-225**
Disposals	99	-	**99**
Impairment	-	-	**-**
Net foreign exchange differences on translation	-10	-	**-10**
Accumulated amortization and impairment at 31 December	**-699**	**-**	**-699**
Net book value at 31 December	**499**	**889**	**1 388**

Method of measurement	Acquisition cost	Acquisition cost
Amortization method	Straight-line	Goodwill is not amortized
Amortization plan and useful life	3 – 7 years	-
Average useful life	5 years	-

The useful life regarding software is evaluated annually. Goodwill is related to the purchase of the portfolio from Eik Sparebank in 2007, the purchase of GE Money Oy in 2009 and GE Money Bank in 2014.

2022	Software and other intangible assets	Goodwill	Total
Acquisition cost at 1 January	**853**	**795**	**1 648**
Additions	150	-	**150**
Disposals	-	-	**-**
Net foreign exchange differences on translation	4	40	**45**
Acquisition cost at 31 December	**1 008**	**835**	**1 843**
Accumulated amortization and impairment at 1 January	**-372**	**-**	**-372**
Amortization	-188	-	**-188**
Disposals	-	-	**-**
Impairment	-	-	**-**
Net foreign exchange differences on translation	-3	-	**-3**
Accumulated amortization and impairment at 31 December	**-563**	**-**	**-563**
Net book value at 31 December	**445**	**835**	**1 280**

Note 25 - Leasing

All amounts in millions of NOK

Finance leases (as lessor):
The Group owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as "loans to customers" in the balance sheet, and are valued at the present value of future cash flows.

	2023	2022
Gross investment in the lease:		
Due in less than 1 year	14 076	12 775
Due in 2 - 5 years	24 656	23 057
Due later than 5 years	53	69
Total gross investment in the lease	**38 786**	**35 901**
Present value of minimum lease payments receivable:		
Due in less than 1 year	13 359	12 344
Due in 1 - 5 years	20 820	22 851
Due later than 5 years	38	55
Total present value of minimum lease payments receivable	**34 217**	**35 249**
Unearned finance income	**4 569**	**652**

Operating leases (as lessor)

The Group owns assets leased to customers under operating lease agreements. Operating lease agreements are reported as fixed assets in the balance sheet.

	2023	2022
Future minimum lease payments under non-cancellable operating leases		
Due in less than 1 year	753	319
Due in 1 - 5 years	1 241	453
Due later than 5 years	-	-
Total future minimum lease payments under non-cancellable operating leases	**1 994**	**772**

Finance leases (as lessee):

Right-of-use assets

The Group leases several assets including buildings, machines and IT equipment. The average lease term is 3 years. If there is an option to extend the lease term of the right-of-use asset, the probability for extension has been calculated. This is the basis for lease term in the calculation.

2023	Buildings	Machines, fittings, equipment	Total
Cost at 1 January	**349**	**21**	**370**
Additions	92	-	**92**
Disposals	-14	-14	**-28**
Net foreign exchange differences on translation	10	-	**10**
Cost at 31 December	**438**	**7**	**444**
Accumulated depreciation at 1 January	**-220**	**-21**	**-241**
Charge for the year	-99	-0	**-99**
Disposals	-	14	**14**
Net foreign exchange differences on translation	-6	-0	**-7**
Accumulated depreciation at 31 December	**-326**	**-7**	**-333**
Carrying amount at 31 December	**112**	**-**	**112**

2022	Buildings	Machines, fittings, equipment	Total
Cost at 1 January	**360**	**21**	**381**
Additions	-	-	**-**
Disposals	-8	-0	**-9**
Net foreign exchange differences on translation	-3	-	**-3**
Cost at 31 December	**349**	**21**	**370**
Accumulated depreciation at 1 January	**-175**	**-19**	**-194**
Charge for the year	-51	-2	**-53**
Disposals	5	-	**5**
Net foreign exchange differences on translation	1	0	**1**
Accumulated depreciation at 31 December	**-220**	**-21**	**-241**
Carrying amount at 31 December	**129**	**-**	**129**

	2023	2022
Amounts recognised in profit and loss		
Depreciation expenses relating to right-of-use assets	99	53
Interest expense on lease liabilities	1	2
Expense relating to short-term leases	21	30
Expense relating to leases of low value assets	2	3

At 31 December 2023, the Group is committed to 21 MNOK in short-term leases.

Maturities for lease liabilities are presented in note 28.

Note 26 - Repossessed Assets

All amounts in millions of NOK

	2023	2022
Vehicles	27	27
Total repossessed assets	**27**	**27**

Note 27 - Changes in liabilities arising from financing activities

All amounts in millions of NOK

The tables below show a reconciliation of the opening and closing balances for liabilities arising from financing activities.

2023 Liability	2022	Changes from financing cash flows	Changes in foreign exchange rates	Changes in fair value	Other changes	2023
Debt to credit institutions	**36 561**	-13 265	2 075	-	-	**25 372**
Debt established by issuing securities	**47 308**	-7 628	3 269	-	-	**42 949**
Subordinated loan capital	**2 422**	1	97	-	-	**2 521**
Senior non-preferred loans	**4 067**	11 773	198	-	-	**16 038**
Lease liability (IFRS16)	**102**	10	2	-	-	**114**

2022 Liability	2021	Changes from financing cash flows	Changes in foreign exchange rates	Changes in fair value	Other changes	2022
Debt to credit institutions	**30 443**	6 314	-197	-	-	**36 561**
Debt established by issuing securities	**51 518**	-5 588	1 378	-	-	**47 308**
Subordinated loan capital	**2 463**	2	-43	-	-	**2 422**
Senior non-preferred loans	**-**	4 082	-14	-	-	**4 067**
Lease liability (IFRS16)	**169**	-65	-2	-	-	**102**

Note 28 - Lease liabilities

All amounts in millions of NOK

Maturities of lease liabilities	2023	2022
Less than a year	73	47
From 1 year to 3 years	42	55
From 3 year to 5 years	-	-
More than 5 years	-	-
Total lease liabilities	**114**	**102**

The Group does not face a significant liquidity risk with regard to its lease liabilities. Liquidity risk is monitored within the Group's treasury function.

Note 29 - Pension expenses and provisions

All amounts in millions of NOK

In Norway, the Group has a collective defined contribution pension scheme under the Occupational Pensions Act for all employees. In addition, employees can withdraw pension from the collectively agreed AFP scheme. This scheme only applies to employees in Norway and forms part of a collective agreement. The previous defined benefit pension schemes were terminated in 2017, and active members were transferred to the defined contribution pension scheme. The remaining defined benefit pension commitments to certain employees consist of executive pension schemes.

In Sweden, the 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. Starting 1 July 2015, the results below include the former GE Money Bank pension schemes acquired in Sweden (BTP plan consistent with description above).

The defined benefit pension schemes expose the Group to risks associated with longevity, inflation and salaries and also market risks on plan assets.

In Denmark and Finland, the Group has defined contribution plans.

Pension expenses for defined benefit plans	**2023**	**2022**
Present value of year's pension earnings	-7	-10
Curtailment (gain) / loss	-	-
Settlement (gain) / loss	-	-
Interest cost on accrued liability	-11	-8
Interest income on plan assets	12	7
Allowance for taxes	1	0
Net Pension expenses	**-5**	**-10**

Pension expenses for defined contribution plans	**2023**	**2022**
Total expenses	128	111

Pension liabilities in balance sheet	**2023**	**2022**
Pension funds at market value	332	316
Estimated pension liability	-269	-290
Effect of asset ceiling	-7	
Net pension asset/liability	**56**	**26**

The movement in the defined benefit obligation and fair value of plan assets over the year is as follows:

2023	**Present value of obligation**	**Fair value of plan assets**	**Net pension asset/liability**
At 1 January	**-290**	**316**	**26**
Current service cost	-7	-	**-7**
Curtailment gain / (loss)	-	-	**-**
Settlement gain / (loss)	-	-	**-**
Interest expense / Income	-11	12	**1**
	-17	**12**	**-5**
Remeasurements:			
- Return on plan assets	-	-27	**-27**
- Gain/(Loss) from change in demographic assumptions	0	-	**0**
- Gain/(Loss) from change in financial assumptions	62	-	**62**
- Gain/(Loss) from plan experience	-15	-	**-15**
	47	**-27**	**20**
Exchange rate differences	-20	22	**2**
Contributions:			
- Employer	-	21	**21**
- Plan participants	-	-	**-**
Payments from plans:			
- Benefit payments	11	-11	**-**
Acquired in a business combination	-	-	**-**
Settlement	-	-	**-**
Others	-	-	**-**
	-9	**31**	**23**
Before effects of asset ceiling	**-269**	**332**	**63**
- Change in asset ceiling			**-7**
At 31 December			**56**

2022	Present value of obligation	Fair value of plan assets	Net pension asset/liability
At 1 January	**-399**	**350**	**-49**
Current service cost	-10	-	**-10**
Curtailment gain / (loss)	-	-	**-**
Settlement gain / (loss)	-	-	**-**
Interest expense / Income	-8	7	**-1**
	-18	**7**	**-11**
Remeasurements:			
- Return on plan assets	-	-41	**-41**
- Gain/(Loss) from change in demographic assumptions	-13	-	**-13**
- Gain/(Loss) from change in financial assumptions	114	-	**114**
- Gain/(Loss) from plan experience	4	-	**4**
- Change in asset ceiling	-	-	**-**
	106	**-41**	**65**
Exchange rate differences	12	-10	**1**
Contributions:			
- Employer	-	20	**20**
- Plan participants	-	-	**-**
Payments from plans:			
- Benefit payments	10	-10	**-**
Acquired in a business combination	-	-	**-**
Settlement	-	-	**-**
Others	-	-	**-**
	21	**-1**	**21**
At 31 December	**-290**	**316**	**26**

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

		2023			2022	
	Norway	Sweden	Total	Norway	Sweden	Total
Present value of obligation	-4	-265	-269	-5	-285	**-290**
Fair value of plan assets	-	332	332	-	316	**316**
Effect of asset ceiling	-	-7	-7	-	-	**-**
Total	**-4**	**61**	**56**	**-5**	**31**	**26**

The following assumptions have been used calculating future pensions:

	2023		2022	
	Norway	Sweden	Norway	Sweden
Discount rate	3,00%	4,10%	2,40%	3,50%
Inflation	2,25%	1,75%	2,00%	2,00%
Salary growth rate	3,75%	3,25%	3,50%	3,50%
Pension growth rate	2,90%	1,75%	2,60%	2,00%
Rate of social security increases	2,90%	3,50%	2,60%	2,00%

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:

	2023		2022	
	Norway*	Sweden	Norway*	Sweden
Retiring at the end of the reporting period:				
- Male	-	22	-	22
- Female	-	24	-	24
Retiring 20 years after the end of the reporting period:				
- Male	-	24	-	24
- Female	-	26	-	26

The Mortality table K2013 is used for Norway and DUS21 (White collar) for Sweden.

* The Norwegian defined benefit schemes were terminated in 2017 and the table shows that there are no remaining members.

The sensitivity of and the impact on the defined benefit obligation to changes in the weighted principal assumption are:

Norway	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 8,18%	Increase by 9,39%
Salary growth rate	1,00%	Increase by 0,81%	Decrease by 0,80%

Sweden	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 22,70%	Increase by 26,32%
Salary growth rate	1,00%	Increase by 1,34%	Decrease by 1,23%

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

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 20 590 TNOK.

The weighted average duration of the defined benefit obligation is 4 years in Norway and 25.4 years in Sweden.

Expected maturity of undiscounted pension benefit payments:

At 31 December 2023	**Less than 1 year**	**Between 1 - 2 years**	**Between 2 - 5 years**	**Between 5 - 10 years**	**Total**
Pension benefit payments	10	7	24	47	**88**

Note 30 - Remuneration

All amounts in thousands of NOK

The Group's principles for determining remuneration, including criteria for the stipulation of any variable remuneration, are stipulated in the Group's Remuneration Policy. Further, the Group has established a remuneration committee, which is a subcommittee of the Board of Directors. The remuneration committee works as both a preparatory and advisory committee for the Board of Directors with respect to the Group's Remuneration Policy.

The Remuneration Policy applies to all employees in the Group. Special requirements apply to senior executives, employees with responsibilities which are of great importance to the company's risk exposure ('risk takers'), and employees in independent control functions. The overall objectives for the Group's remuneration policy are to support the Group's strategies for recruiting, retaining, developing and rewarding employees who contribute to creating shareholder value at the Group and to support the Group's performance culture. The Remuneration Policy is intended to ensure the credibility, effectiveness and fairness of the Group's remuneration practices and the adequacy, proportionality and balance of the ratio of fixed versus variable remuneration. Additionally, the Remuneration Policy intends to ensure that the overall remuneration structure reflects sound and effective risk management principles. As a result, a key element in the Remuneration Policy is to counteract risk-taking that exceeds the level of tolerated risk for the Group while, at the same time, offer a flexible remuneration structure. The Remuneration Policy shall further ensure that the total variable remuneration paid out will not conflict with the requirement of maintaining a sound capital base.

Employees identified as "Senior Management Team" and "Material Risk Takers" are 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
The deferred bonus plan consists of four elements;
1) Cash bonus (25% immediate pay)
2) Shares subject to 1 year of holding (25% delivery subject to holding period)
3) Cash bonus deferred over a four year period (6,25% immediate pay each year, in total 25%)
4) Shares deferred over four year period, each delivery is subject to 1 year of holding (6,25% each year, in total 25%)
The shares received are Banco Santander S.A. shares.

Conditions for the bonus scheme are to be based on a combination of an individual appraisal of each employee, the financial performance of the Group, and a qualitative performance of the Group. Control functions are not measured on financial performance. The financial performance is measured on e.g. Net Income or Risk adjusted Profit before Tax; also risk results e.g. Management delinquency variation. The qualitative performance is measured on e.g. Employee satisfaction, compliance and alignment with non-financial targets.

Granted options are not part of the plan of Material Risk Takers employed at Santander in the Nordic countries.

Remuneration for members of the Board of Directors is subject to approval of the Group's General Meeting.

Pension schemes

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

<u>Norway</u>

1. Defined Contribution: 7% up to 7,1G and 18% from 7,1G to 12G
2. Pension scheme for wages above 12G: 18% paid over payroll

Sweden

Two different types of pensions schemes. BTP1 & BTP2 according to the collective agreement. All new employees go into the BTP1 plan.

BTP1 – Santander pays a monthly premium, but the actual outcome of pension is unknown.

1. 4% on salary up to 7,5 “Inkomstbasbelopp” (IBB) - Valbar del
2. 2,5% on salary up to 7,5 “Inkomstbasbelopp” (IBB) – Trygg del
3. 32% of salary between 7,5 – 30 IBB.

BTP2 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

Denmark

Pensions Scheme with employer contribution 11,65% of salary, and employee contribution 5,25% of salary (Optional additional payment). The employer contribution is regulated by the collective agreement.

Finland

Employer pension contribution is 25,3% (in 2023) of the paid salary.

In 2023, the employee’s share of the contribution that is withdrawn directly from the salary is:

• 7,15 % for those under 53 years of age,
• 8,65 % for those aged 53 - 62 years and
• 7,15 % for those who have turned 63

Key management compensation:

The tables below show the accrued salary, base bonus, pension and compensations for CEO and other Key management:

	Salary	Bonus	Pension	Other benefits	Total 2023	Total 2022
Michael Hvidsten, Chief Executive Officer	4 867	915	164	1 089	**7 035**	**7 469**
Steve Franklin, Chief Commercial Officer	2 010	173	164	586	**2 933**	**3 043**
Peter Sjöberg, Chief Operating Officer*	3 094	293	699	241	**4 327**	**3 615**
Anders Bruun-Olsen, Chief Financial Officer	2 115	200	164	372	**2 851**	**2 891**
Tina Krogsrud Fjeld, Chief Compliance Officer	2 089	327	164	374	**2 954**	**2 922**
Andres Diez, Chief Risk Officer	2 167	244	164	372	**2 947**	**3 049**
Alexander Krupchenko, Chief Controlling Officer	2 454	-	-**	927	**3 381**	**-**
Malin Werner Halvorsen, Chief Operating Officer	1 449	127	164	61	**1 801**	**-**
Espen Hovland, Chief Controlling Officer*	284	170	14	22	**490**	**2 563**
Marion Bout, Chief Compliance Officer*	1 314	-	-**	563	**1 877**	**2 294**
Total	**21 843**	**2 449**	**1 697**	**4 607**	**30 596**	**27 846**

*Have left Santander Nordics in 2023

** Pension contribution provided in home country

Bonus shares (part of CBS program)	Number of shares earned in 2023	Total number of shares earned, but not issued as at 31 December 2023	Value of the shares earned, but not issued* as at 31 December 2023
Michael Hvidsten, Chief Executive Officer	17 565	46 501	1 991
Anders Bruun-Olsen, Chief Financial Officer	3 759	8 103	347
Andres Diez, Chief Risk Officer	4 873	10 694	458
Steve Franklin, Chief Commercial Officer	3 149	8 449	362
Tina Krogsrud Fjeld, Chief Compliance Officer	4 334	12 094	518
Jaime Madera de las Heras, Chief Auditor Executive	399	1 195	51
Alexander Krupchenko, Chief Controlling Officer**	-	-	-
Malin Werner Halvorsen, Chief Operating Officer	-	-	-
Total	**34 079**	**87 036**	**3 727**

* All amounts in thousands of NOK

**Shares net of tax

Defined share value	2023	2022	2021
Share value - Banco Santander (EUR) *	4	3	3
Share value - Banco Santander (NOK) *	43	29	29

* Value of shares is an estimate based on the Santander S.A. share price from BME Stock Exchange as at 28 December 2023, and the exchange rate as at 28 December 2023.

Board of Directors		2023	2022
Jørn Borchgrevink	Chair of the Board External	750	730
Anne Kvam	Director/Board Member External	580	555
Tone B. Strømsnes	Board Member, Employee Representative	230	230
Rolf Larsen (as of February 2023)	Board Member, Employee Representative	250	-
Arja Pynnönen	Deputy Board Member, Employee Representative	25	25
Åsa Ravik (As of February 2023)	Deputy Board Member, Employee Representative	25	-
Sara Norberg	Observer	25	250
Federico Ysart	Deputy Chair/Board Member Internal Non-executive	-	-
De Elejabeitia Rodriguez Pedro	Board Member Internal Non-executive	-	-
Ramon Billordo	Board Member Internal Non-executive	-	-
Tina Stiegler (until June 2022)	Director/Board Member External	-	265
Christa Skovgaard (Until February 2023)	Deputy Director/Employee Representative	-	25
Beate Folmo (As of April 2022 until Febuary 2023)	Director/Employee Representative	-	25
Lukas Rudolph Jansen van Vuuren (until February 2022)	Deputy Director/ Employee Representative	-	-
Francisco Javier Anton San Pablo (until April 2022)	Director/ Board Member Internal Non-executive	-	-
Total		**1 885**	**2 105**

Staff as at 31 December (permanent employees only)	2023 Number of employees	2023 Average FTE for the year	2022 Number of employees	2022 Average FTE for the year
Norway	560	489	545	484
Sweden	288	260	261	227
Denmark	211	199	203	195
Finland	143	135	139	129
Total	**1 202**	**1 083**	**1 148**	**1 035**

Audit services and advisory services (without VAT)*	2023	2022
Audit services	20 306	18 919
Other attestation services	819	469
Total	**21 125**	**19 388**

* All amounts in thousands of NOK

Advokatfirmaet PwC has performed tax services at 50 thousand NOK in 2023. The amount is not included in the overview of audit services and advisory services.

Note 31 - Ownership interests in group companies

Interests in consolidated entities

The Group holds 100% of the shares in Santander Consumer Finance Oy.

The Group retains most of the risk and rewards of the sale of loans to the securitization-vehicles in Finland. These are fully consolidated into the Group's financial statement.

Interests in unconsolidated entities

In order to manage the Group’s risk exposure the Group has entered into a financial guarantee in the form of a synthetic securitization in Sweden with a limited number of investors. The selected portfolio consists of SEK 0.8 Billion IRB Auto Loans at December 31, 2023. In the transaction investors agree to invest in notes linked to the mezzanine risk of the portfolio.

An Irish SPV, Svensk Autofinans Syn I DAC, was established to provide the financial guarantee to the Group. At the same time, the SPV issued credit linked notes (CLN) which mirror the risk of the financial guarantee. The proceeds from the issuance of the notes are put in a deposit account in the Group to fully collateralize the financial guarantee.

The received collateral amount is recognized in Other Liabilities, whereas the financial guarantee premium the Group pays for the guarantee, is recognized in the Fee and Commission Expenses in the Profit and Loss statement.

This SPV is not included in the consolidated financial statement in accordance with IFRS 10, as the Group does not control the SPV.

Svensk Autofinans Syn I DAC	**2023**	**2022**
Assets*	76	193
Liabilities*	76	193

* Amounts in millions of SEK

Note 32 - Receivables and liabilities to related parties

All amounts in millions of NOK

Debt to related parties:	2023	Accrued Interest 2023	2022	Accrued Interest 2022
Santander Consumer Finance S.A.	25 208	164	36 450	111
Total	**25 208**	**164**	**36 450**	**111**

Balance sheet line: "Subordinated loan capital" - Bonds	2023	Accrued Interest 2023	2022	Accrued Interest 2022
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	2	500	2
MSEK 750, maturity December 2029, 3 months STIBOR + 2.08% (Santander Consumer Finance S.A)	757	3	709	1
MSEK 750, maturity December 2030, 3 months STIBOR + 2.29% (Santander Consumer Finance S.A)	757	1	709	1
MNOK 500, maturity June 2031, fixed rate 2.62% (Santander Consumer Finance S.A)	500	1	500	0
Total	**2 515**	**6**	**2 417**	**4**

Balance sheet line: "Senior non-preferred loans"	2023	Accrued Interest 2023	2022	Accrued Interest 2022
MSEK 600, maturity April 2026, 3 months STIBOR + 1.04% (Santander Consumer Finance S.A)	606	5	567	3
MNOK 650, maturity May 2026, 3 months NIBOR + 1.37% (Santander Consumer Finance S.A)	650	5	650	3
MSEK 1 000, maturity August 2026, 3 months STIBOR + 1.50% (Santander Consumer Finance S.A)	1 010	6	945	3
MSEK 1 000, maturity September 2026, 3 months STIBOR + 1.75% (Santander Consumer Finance S.A)	1 010	0	945	1
MSEK 1 000, maturity November 2026, 3 months STIBOR + 2.18% (Santander Consumer Finance S.A)	1 010	6	945	4
MEUR 500, maturity January 2027,fixed rate 4.51% (Santander Consumer Finance S.A)	5 632	239	-	-
MEUR 500, maturity September 2028, fixed rate 4.87% (Santander Consumer Finance S.A)	5 783	77	-	-
Total	**15 700**	**339**	**4 052**	**15**

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

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

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

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

Note 33 - Transactions with related parties

All amounts in millions of NOK

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

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

The following transactions were carried out with related parties:

Profit and loss	**2023**	**2022**
Interest income	19	3
Interest expenses	-2 118	-475
Interest payments additional Tier 1 capital	-194	-140
Fees	-	-
Value change and gain/loss on foreign exchange and securities	-85	-
Other	-69	-701
Net transactions	**-2 447**	**-1 313**

Assets	**2023**	**2022**
Deposits with and receivables on financial institutions	37	5
Financial derivatives	192	21
Other financial assets	528	741
Other assets	267	-
Total assets	**1 023**	**767**

Liabilities	**2023**	**2022**
Debt to credit institutions	25 372	36 561
Debt established by issuing securities	307	219
Financial derivatives	293	462
Other liabilities	438	398
Subordinated loan capital	18 355	6 489
Total liabilities	**44 765**	**44 128**

The Group had transactions with the following related parties as at 31 December 2023:

Banco Santander S.A.
CACEIS Bank Spain SAU
Santander Consumer Finance Global Services S.L.
Santander Consumer Finance S.A.
Santander Global Services S.L.
Santander Global Technology and Operations, S.L. Unipersonal
Santander Seguros Y Reaseguros S.A.
Santander Totta Seguros, Companhia de Seguros de Vida S.A

Note 34 - Contingent liabilities & commitments and provisions

All amounts in millions of NOK

	2023	2022
Contingent liabilities*	132	75
Commitments (Granted undrawn credits)	27 528	34 472

* Contingent liabilities relates mainly to payment guarantees issued to customers.

Note 35 - Result over total assets

All amounts in millions of NOK

	2023	2022
Profit after tax (PAT)	2 821	2 707
Total assets (Assets)	212 057	202 894
PAT over Assets	**1,33%**	**1,33%**

Notes and financial statements

Santander Consumer Bank AS

Santander

Note 1 - Risk Management

1.1 The Bank's Approach to Risk

The Bank's Risk Management and Control Model allows the Bank to conduct its core activities while remaining adaptable to a fluctuating economic landscape, and an evolving regulatory environment. It rests on common principles and a solid risk culture embedded across the Bank, bolstered by a robust governance structure, and advanced risk management processes and tools.

Risk Principles and Culture:

a. **All employees are risk managers**, regardless of their role or responsibility, who must understand the risk factors associated with their function, and not assume risks that will exceed the Bank's risk appetite or have an unknown impact.
b. A stable risk profile within the approved risk appetite limits is sought.
c. An **independent risk management function**, led by the Chief Risk Officer (CRO), consistent with the three lines of defense model.
d. A **forward-looking and comprehensive approach** towards all businesses and risk types is taken.
e. **Thorough and timely reporting** is kept, with the aim of promptly identifying and assessing all risks.

Risk Culture – Risk Pro: The Bank's risk culture, which is called 'Risk Pro,' is not only a fundamental element of our corporate culture, *The Santander Way*, but also aligns with our mission of helping people and businesses prosper. At its essence, Risk Pro emphasizes each employee's accountability for the inherent risks within their areas and tasks, and underscores our commitment to effectively identifying, evaluating, and managing all risks.

Risk Governance:

The Risk function is supported by a robust structure of risk committees which allow us to conduct effective oversight of all risks, in line with our risk appetite. It is based on the 'three lines of defence' model.

a. Three Lines of Defence (LoD):

1st	Formed by business and support areas, which hold primary accountability for managing the risk exposure they generate. Recognizes, measures, monitors, and reports risks in alignment with established risk management policies, models, and procedures.
2nd	Comprised by the Risk and Compliance & Conduct functions which independently oversee and challenge risk management at the first line of defence to make sure we keep risks within the risk appetite limits approved by senior management and promote a robust risk culture in the Bank.
3rd	The Internal Audit function, which is fully independent, gives the Board and senior managers assurance of high-quality and efficient internal controls, governance, and risk management, to preserve our value, solvency, and reputation.

Risk origination must be consistent with the approved risk appetite and related limits.
Risk, Compliance & Conduct, and Internal Audit are sufficiently separate and autonomous functions, with direct access to the Board and its committees.

b. Risk Committees Structure:

The Board of Directors has the ultimate oversight of risk management and control, promoting a sound risk culture and reviewing and approving risk appetite limits and frameworks. It is supported by its executive committee and the Risk committees from management to Board level.

The Bank's risk governance keeps the risk control and risk-taking areas independent.

Risk Management Processes and Tools:

i. **Risk Appetite and Structure of Limits (RAS)**: The Bank's 'Risk Appetite' is the volume and type of risks which we deem prudent for our business strategy under normal and stressed circumstances. It is expressed in qualitative terms as well as limits, which are structured around five axes (Results Volatility, Solvency, Liquidity, Concentration, and Non-Financial Risks).

ii. **Risk Profile Assessment (RPA):** The 'Risk Profile Assessment' is a robust methodology that allows us to analyze the various risk types the Bank is exposed to, based on the main principles of the identification and risk assessment model. These include self-assessment and exercise suitability, efficiency, and holistic, in-depth risk analysis (with common approaches and alignment for decision-making). The three lines of defense all take part in the assessment. This helps to strengthen our risk culture by reviewing how risks change, and pinpointing areas for improvement.

iii. **Scenario Analysis**: Scenario analysis is a useful risk management tool to measure our resilience to stress situations under a forward-looking approach and, if necessary, to prepare mitigating plans for expected loss, capital, and liquidity.

iv. **Risk Reporting Structure**: To provide senior managers with a thorough, up-to-date understanding of our risk profile, the Enterprise Risk Management (ERM) team regularly consolidates and reports on current and future risks, so informed decisions can be made in a timely manner. Our risk reporting covers all factors set out in our Risk Framework, as well as all those fundamental aspects that may be necessary for our risk assessment.

Key Risk Types:

The Bank's Risk Framework covers all types of risks which affect the Bank and could impact the achievement of its strategic objectives.
Key risk types, which are reflected in Santander's Risk Map, include financial risks (incl. credit risk, market risk, liquidity & structural risk, and capital risk), non-financial risks (incl. operational risk and reputational risk) and cross risks (incl. model risk, strategic risk, and environmental & climate-related risks).

1.2 Areas of Special Interest | Macro & Geopolitical Landscape

The outset of 2023 and most of the year that followed were overshadowed by persisting challenges from the previous years, notably the war in Ukraine and its economic consequences, and the supply chain disruptions that emerged during the Covid-19 pandemic.
These circumstances, coupled with the liquidity turbulences which resulted from the collapse of several American banks in the first quarter, created an atmosphere of instability, market volatility, and pessimism for the upcoming year. Additionally, sustained inflationary pressures, amplified by weakened exchange rates and increased borrowing expenses, significantly impacted the economic trajectory of the three Nordic countries.

Throughout 2023, Santander steadfastly maintained its commitment to its customers, amid substantial shifts in the financial landscape.
What was once a nearly decade-long era of ultra-low interest rates, where money seemed almost costless, swiftly gave way to a completely unanticipated environment. Over a brief period, interest rates underwent a substantial and remarkably rapid increase, catching both the markets and economic actors off guard. This abrupt change reverberated throughout the economic strategies of all players, forcing a swift recalibration of financial plans and expectations.
The Bank directed its efforts to adapting its offerings and thriving in an increasingly competitive environment, while closely attending to our customers' financial well-being, and complying with the very strict standards of responsible lending mandated by regulatory authorities across our operational markets.

Despite initial apprehensions regarding the economic outlook, our credit quality indicators remained well within expected levels, displaying a robust and stable trajectory throughout the year. This stability was primarily driven by overall good performance, a portfolio weighted towards secured auto lending, and the implementation of tighter admission processes. It was also underscored by the resilience demonstrated by our portfolio and clientele, both before and after the Covid-19 pandemic, who adeptly adjusted their consumption patterns in response to income constraints.

This trend of stability is anticipated to persist throughout the upcoming year of 2024.
Despite the gradual economic activity slowdown observed in 2023 and persistent macroeconomic uncertainties, positive indicators suggest a favorable trajectory. Inflation looks to be on the right path, monetary policies, after a period of gradual adjustments in 2023, seem to have peaked, and, moreover, while growth rates in the Nordic economies are projected to remain modest, forecasts suggest a positive outlook in the upcoming years. As a result, key forecasters foresee no substantial disruptions to the financial system, signaling a more optimistic macroeconomic forecast compared to previous assessments at the conclusion of 2022. This improved outlook has led to the release of the Post-Model Adjustments (PMA) regarding the macroeconomic outlook and inflation by the end of 2023 - for further details please refer to '*Note 4. Credit Risk Exposure.*'

1.3 Credit Risk

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 Santander Consumer Finance Group, considering differences among the companies regarding collection and product mix. The Bank has established credit policies that ensure a good diversification among the customers regarding geography, occupation, and age, among other factors. Single large credit exposures are reported to the Board.

Credit processes and policies describe the guiding principles for the type of customer that the Bank wants.
Processes are divided into "standardized" and "non-standardized." Standardized credits follow a common, very much automated, credit approval process. Non-Standardized credits either do not meet the score requirements, are of a significant credit amount or credit limit, or else are classified as stock finance. Non-Standardized credits are handled individually and are granted according to delegated credit authorities in accordance with the current credit policy.

The assessment of customers or transactions using rating or scoring systems constitutes a judgement 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 considered when 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, related to existing guarantees and other characteristics of the transaction. These factors are the main credit risk parameters. Their combination facilitates calculation of the probable loss or expected loss (EL). This loss is considered an additional cost of the activity which is reflected in the risk premium and must be charged in the transaction price. The Bank uses both an advanced IRB approach (A-IRB) and a standardized approach for capital adequacy calculations for credit risk.

Additionally, portfolio sales are a key component of the Bank's credit risk approach, supporting the Bank's overall strategy.

1.4 Market Risk

Market risk is the risk of losses in on- and off-balance sheet positions arising from adverse movements in market prices.
The Bank's strategy is to avoid taking on any market risk exceeding what follows directly from its operations.
Market risk in the Bank is mainly concentrated around structural interest rate risk and structural currency risk. The Bank does not have a trading portfolio.
A standardized approach is exercised for the regulatory capital calculation for market risk.

1.5 Interest Rate Risk

Interest rate risk is the risk of reduced earnings, or a reduction in the economic value of the equity, due to changes in the interest rates. The Bank strives for a balance sheet composition that minimizes interest rate risk by ensuring a similar total weighted interest repricing term for assets and liabilities.
Limits are set for interest risk exposure in each of the currencies the Bank has operations in.
The interest rate risk position is assessed based on two methods: the Net Interest Margin (NIM) sensitivity and the Market Value of balance sheet equity (MVE) sensitivity. The Bank monitors the sensitivity of NIM and MVE for +/- 100 bp parallel shifts in market interest rates. In addition, the Bank conducts stress testing of the interest rate risk with the six Basel IRRBB scenarios containing both parallel and non-parallel movements in the interest rate curves – For further information please see *'Note 8. Interest Rate Risk.'*

1.6 Currency Risk

The risk of changes in the value of a currency position due to foreign exchange fluctuations, adversely affecting the Bank.

The Bank strives for a balance sheet composition that minimizes currency risk by ensuring that assets, liabilities, and incoming and outgoing cash flows are denominated in the same currency. Practical considerations and requirements laid down by the parent company will also be taken into consideration in connection with the management of currency risk.

The Bank's currency risk is connected to currency positions as a result of operations in the Swedish and Danish markets, and from funding activities in Euro-markets. Limits are set for each currency's net open exposure, as well as for the total consolidated exposure. Routines are in place to ensure that the Bank's currency exposure is continuously monitored and controlled.

1.7 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.

The credit spread risk on the Bank's liquidity portfolio is managed through strict limits on the type of bonds to be held, minimum ratings, and maximum maturities. Bonds are also held to maturity rather than sold in the market. The CVA risk is considered minimal as the Bank's derivatives have CSA agreements.

1.8 Liquidity Risk

Liquidity risk is the possibility of failing to meet payment obligations on time or at an excessive cost. This includes losses due to forced sales of assets or impacts on margins due to a misalliance between estimated cash inflows and outflows.

The Bank manages liquidity risk through minimizing the maturity gap between assets and liabilities, maintaining a portfolio of High-Quality Liquid Assets, and the diversification of funding. Funding sources are adequately diversified, both in terms of type of funding, currency, domestic market, and investors. Funding sources include deposits, secured issuances (ABS), unsecured issuances as Euro Medium Term Notes (EMTN), commercial papers, and intragroup loans. The Bank is mostly self-funded and rather independent from the parent company in its funding.

The main metrics for measuring liquidity risk are the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The Bank also conducts liquidity stress testing on a monthly basis. The Bank controls liquidity risk through limits for LCR, NSFR and the minimum stress test survival horizon (please refer to Note 7 for further information).

1.9 Capital Risk

The Bank defines Capital Risk as the risk of insufficient capital of each quality (CET1, Tier 1, 2, and 3) to meet internal business objectives, regulatory requirements, and market expectations (please review the Solvency and Capital Adequacy section to see how our observed levels compare to regulatory requirements). The Bank's Capital Risk team, which is part of its second line of defense, controls and oversees first-line capital management.
It can independently challenge business and first-line activities by:

i. reviewing key items affecting capital ratios to supervise capital planning and adequacy exercises (ICAAP and ILAAP), which are conducted on an annual basis. The Bank's risk exposure is projected under a base scenario, and several adverse and favorable scenarios to identify potential solvency and liquidity issues.
ii. defining key regulatory capital metrics; setting tolerance levels; and analyzing significant variations and single transactions that could impact capital.
iii. reviewing and challenging proposed capital actions according to capital planning and risk appetite.

In addition to such planning exercises, main metrics such as CET1, Tier 1, Tier 2, and Tier 3 as percentages of risk weighted assets, and leverage (unweighted) ratios, are monitored throughout the whole year to ensure regulatory compliance.

1.10 Operational Risk

In accordance with the Basel framework, the Bank defines operational risk as the risk of losses from defects or failures in internal processes, people, systems, or external events. It covers risk categories such as fraud, technological, cyber, legal (legal processes with an operational risk root cause), and conduct risk. It does not include events arising due to strategic or reputational risk - which are assessed as transversal and are monitored by the Strategic Risk area (performed by the ERM team) and the Compliance & Conduct function, respectively. Operational risk is inherent to all products, activities, processes, and systems. It is generated in all business and support areas.

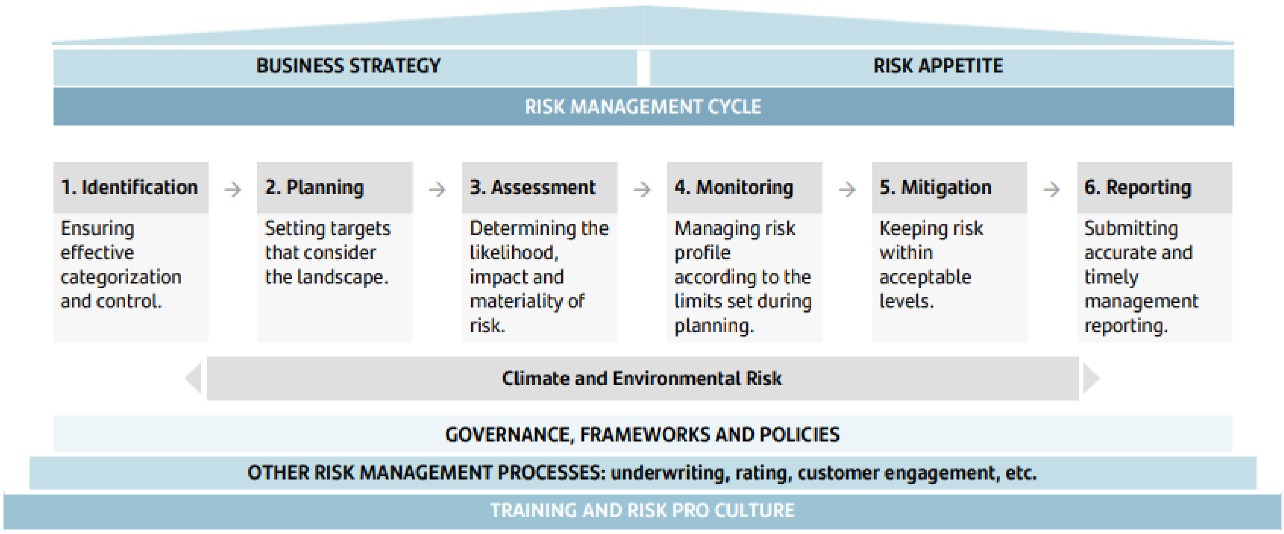
The Bank's operational risk management and control model is based on a continual process of identifying, evaluating, reporting, and mitigating sources of risk, regardless of whether they have materialized or not, and ensuring that risk management priorities are established appropriately. Operational risk is reduced through securing a good internal control environment, which the Bank continuously strives to improve. A 'Basic Indicator Approach' was used in 2023 for the calculation of regulatory capital for operational risk.

1.11 Climate & Environmental Risk

Efficiently managing climate-related and environmental risks remains fundamental to achieving our objectives and fulfilling our commitments.

The Bank considers climate-related and environmental risk as a cross risk, recognizing the potential influence of climate drivers on other traditional risks over different time horizons. The Risk function continues to embed climate and environmental risk in its Risk Management Model. In doing so, considerations are made regarding the potential impact of climate change on the Bank's operations and assets.
This evaluation extends to assessing its effects on the supply chain and the broader market in which the Bank operates. Moreover, focused attention is dedicated to understanding and mitigating transition risks associated with the shift towards a low-carbon economy.

The figure below illustrates the Bank's integration of climate-related and environmental risk within its core processes and risk cycle stages:



- **Identification**:

Two core processes help the Bank to identify climate-related risks:

i. **Top Risks identification process**: When identifying top risks; the Bank's most significant internal and external threats to profitability, capital adequacy and strategy are identified and measured. The analysis covers both qualitative and quantitative factors. Findings from this exercise fuel the Bank's internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP).

ii. **Risk Profile Assessment (RPA)**: A robust methodology that covers all risk types and reveals threats to the Bank's business plan.
The results of this exercise allow the Bank to identify gaps and areas of improvement. Over the past couple of years, the Bank has strengthened this biannual exercise by incorporating an internal self-assessment specifically focused on evaluating climate and environmental risks. It also encompasses a thorough examination of the residual value risk associated with our secured lending portfolio.

- **Planning**:

The Bank's strategic planning includes annual budgeting and the three-year financial plan.
These core strategic processes enable the Bank to plan for risks from the transition to a low-carbon economy, and the physical impact of climate change.

- **Assessment**:

The Bank conducts its materiality assessment in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines.
The Bank continues making progress with our climate-related risk materiality assessment by progressively refining granularity levels with the availability of more data and updated methodologies, strictly adhering to current regulations. Anticipated advancements include heightened granularity and detail in line with the implementation of regulatory reporting requirements derived from the Corporate Sustainability Reporting Directive (CSRD), and the incorporation of the double materiality assessment framework it entails. This assessment will encompass evaluating both the Bank's impact on the environment and the communities where it operates, as well as assessing new risks and opportunities stemming from sustainability-related developments and events.

The Bank sees managing climate risk as a chance to create value for our customers, investors, people, and the communities in which it operates. The desire to reduce its environmental footprint and support customers' transitions to a low-carbon economy presents a significant number of opportunities for the Bank.

- **Monitoring**:

The Bank uses risk appetite, scenario analysis, and other tools to monitor climate-related and environmental risk.

The Risk Appetite sets the volume and type of risks we deem prudent for the Bank's business strategy. Along with implementing policies, it is a key tool for monitoring climate-related risks, targets, and our public commitments. As well as mitigating the risk of failing to meet them.
The Bank continues to enhance its Risk Appetite Statement by periodically introducing new metrics and limits, to complement its strategy with available methodologies and data. Several metrics have been defined related to our residual value risk exposure by type of engine, brand, and maturity.

Scenario analysis is a management tool to monitor climate-related and environmental risk. Analysis techniques are useful for the Bank's internal management, and for handling regulatory and supervisory stress testing. The Bank uses scenarios to analyze the impact under various circumstances, placing an emphasis on capturing transitional risks, which are considered most relevant for the auto industry.

- **Mitigation**:

In accordance with the fourth pillar of the Bank's climate strategy, it is increasingly seeking to integrate climate-related risks into its risk management and associated governance process. In 2023, work continued to further embed climate-related risk management into the Bank's second line of defense processes (Top Risks, Risk Appetite Statement, Risk Map and Risk Strategy) and key strategic exercises (ICAAP, ILAAP, Stress Test, etc.) with a comprehensive approach.

The Bank has a robust governance structure allowing for effective oversight between reporting lines, and the implementation of the Responsible Banking Agenda. The Board of Directors oversees the Bank's business, strategy, organization, and current and future risks. This ensures the Bank achieves its strategic objectives, while also operating responsibly.

To further strengthen the focus on ESG governance, following the adoption of Banco Santander's groupwide Responsible Banking Framework in 2022, the Bank implemented a new Responsible Banking Model and updated Responsible Banking and Sustainability Policy in Q4 2023. The Responsible Banking Model supports the embedding of ESG factors in the Bank by describing key duties and processes, as well as roles and responsibilities, and sets a common approach to responsible banking topics.

The Responsible Banking Framework serves to propel Santander globally towards a more sustainable business model that embeds Environmental, Social and Governance (ESG) criteria. The framework lays out common principles, roles, responsibilities, key processes, and governance arrangements. The framework was adopted by the Bank's Board of Directors in late Q3 2022, and Responsible Banking status updates were included in the 2023 Board agenda. To ensure that it acts responsibly in everything it does, the Bank incorporates best practices and requirements into all governance documents, including frameworks, models, and policies.

Building internal capabilities through training (ensuring that all employees have relevant knowledge and skills) is a crucial step in effectively managing environmental and climate-related risks. The Bank's Risk Pro Culture has been an effective tool for raising awareness amongst employees. For example, the Bank has distributed mandatory ESG training for all employees.

It is also important that the Bank's climate risk management strategy is reviewed and updated regularly, to ensure it remains effective and relevant. Climate risks are constantly evolving, and new risks may emerge over time. Therefore, we regularly re-evaluate and revise our strategy to make sure the Bank is well-equipped to manage these risks and minimize their impact. Climate-related risks were incorporated and defined in the Risk Strategy in 2021 and further enhanced in 2022 and 2023, reflecting the growing importance of this area.

In addition, as part of the Bank's Risk Strategy, a program for the transformation and evolution of the risk function is drawn up annually, called SCORE: Santander Consumer Risk Excellence (formerly known as ARM: Advanced Risk Management).
For 2023, as part of this program, several cross-functional goals were set to reinforce the management and control of these risks.

Santander takes part in international regulatory and supervisory forums and working groups to assess climate risks and opportunities, while anticipating and mitigating potential risks to the Bank.

Note 2 - Risk classification

All amounts in millions of NOK

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

	Gross outstanding		Loss reserves	
	2023	**2022**	**2023**	**2022**
Current - not past due date	150 755	143 529	-1 006	-1 113
Current - past due date	3 921	3 546	-325	-291
Total impaired loans	4 559	4 000	-2 649	-2 335
Total gross loans to customers	**159 234**	**151 075**	**-3 979**	**-3 739**

	Gross outstanding		Loss reserves	
Ageing of past due but not impaired loans	**2023**	**2022**	**2023**	**2022**
1 - 29 days	2 741	2 454	-103	-105
30 - 59 days	732	693	-129	-112
60 - 89 days	448	399	-93	-73
Total loans due but not impaired	**3 921**	**3 546**	**-325**	**-291**

	Gross outstanding		Loss reserves	
Ageing of impaired loans	**2023**	**2022**	**2023**	**2022**
90 - 119 days	375	312	-153	-134
120 - 149 days	274	228	-116	-99
150 - 179 days	199	136	-91	-58
180 + days	2 614	2 180	-1 748	-1 448
Economic doubtful*	1 097	1 144	-540	-595
Total impaired loans	**4 559**	**4 000**	**-2 649**	**-2 335**

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

Note 3 - Net foreign currency position

All amounts in millions of NOK

2023	Balance		Net positions		Effect on OCI from change in foreign currency against NOK	
	Asset	Debt	In NOK	In foreign currency	5% Appreciation	5% Depreciation
SEK	74 851	74 893	-42	-42	-2	2
DKK	48 843	48 725	117	78	4	-4
EUR	38 315	37 982	333	30	1	-1
Total	**162 009**	**161 601**	**408**			

2022	Balance		Net positions		Effect on OCI from change in foreign currency against NOK	
	Asset	Debt	In NOK	In foreign currency	5% Appreciation	5% Depreciation
SEK	65 295	65 197	98	103	5	-5
DKK	43 661	43 521	140	99	5	-5
EUR	30 182	29 783	399	38	2	-2
Total	**139 138**	**138 501**	**637**			

Note 4 - Credit risk exposure

All amounts in millions of NOK

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

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

The Bank's strong reserve base at the end of 2023 reflects the changes in portfolio mix and the stable to improved quality of the portfolio, based on its risk appetite and prudent risk management model.

	2023				2022			
Unsecured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Credit grade								
Loans not past due date	19 369	352	-	**19 722**	20 477	872	-	**21 349**
Standard monitoring	457	510	-	**967**	363	615	-	**978**
Special monitoring	-	121	-	**121**	-	177	-	**177**
Default	-	-	2 551	**2 551**	-	-	2 296	**2 296**
Gross carrying amount	**19 827**	**983**	**2 551**	**23 360**	**20 840**	**1 665**	**2 296**	**24 800**
Loss allowance	-360	-210	-1 669	**-2 238**	-388	-330	-1 477	**-2 194**
Carrying amount	**19 467**	**773**	**882**	**21 122**	**20 452**	**1 335**	**819**	**22 606**
Loss allowance (off balance exposures)	-19	-5	-9	**-34**	-33	-6	-26	**-65**
Loss allowance (%)				**9,58%**				**8,85%**

	2023				2022			
Secured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Credit grade								
Loans not past due date	128 837	2 034	34	**130 905**	119 011	2 853	10	**121 874**
Standard monitoring	1 720	1 198	-	**2 918**	1 275	1 258	-	**2 533**
Special monitoring	-	78	-	**78**	-	173	5	**178**
Default	-	-	1 974	**1 974**	-	-	1 690	**1 690**
Gross carrying amount	**130 556**	**3 310**	**2 008**	**135 874**	**120 286**	**4 284**	**1 704**	**126 275**
Loss allowance	-517	-243	-980	**-1 741**	-421	-265	-858	**-1 544**
Carrying amount	**130 039**	**3 067**	**1 028**	**134 133**	**119 865**	**4 019**	**846**	**124 731**
Loss allowance (%)				**1,28%**				**1,22%**

Secured contracts consist of vehicles that act as guarantees for the loan and lease contracts. The Bank has a robust process to repossess the vehicle and recoup losses on non-performing contracts. The leased vehicles are owned by the Bank and hence are easier to repossess. No significant changes have been made to the collateral and repossession policies during 2023. The loan-to-value (LTV) ratio is considered a useful measure to evaluate the quality of the collateral, i.e. the credit extended divided by the appraised value of the collateral. The appraised value of the collateral is calculated by using statistical models and is based on the initial purchase price of the vehicle. The average LTV ratio for 2023 is estimated to be 123% and 119% for 2022.

	2023				2022			
Commercial papers and bonds	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Credit grade								
Investment grade	10 319	-	-	**10 319**	4 704	-	-	**4 704**
Standard monitoring	-	-	-	**-**	-	-	-	**-**
Special monitoring	-	-	-	**-**	-	-	-	**-**
Default	-	-	-	**-**	-	-	-	**-**
Gross carrying amount	**10 319**	**-**	**-**	**10 319**	**4 704**	**-**	**-**	**4 704**
Loss allowance	-0	-	-	**-0**	-0	-	-	**-0**
Carrying amount	**10 319**	**-**	**-**	**10 319**	**4 704**	**-**	**-**	**4 704**
Loss allowance (%)				**0,00%**				**0,01%**

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

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

Maximum exposure to credit risk	**2023**	**2022**
Financial derivatives Assets	0	-
Financial derivatives Liabilities	0	0

Post-Model Adjustments

Macro and inflation:
The Macroeconomic and Inflationary post-model adjustment of 105MNOK booked as at December 31, 2022 has been released as we are anticipating a more positive macroeconomic and inflationary outlook next year, as discussed in 'Note 1. Risk Management'. The released post-model adjustment consisted of 105 MNOK divided between 70.6 MNOK booked in Stage 1 and 34.6 MNOK booked in Stage 2.

ECL Forward Looking Scenario Weights:
Scenario weights applied in the ECL estimates for the period ended 31 December 2023 are shown below. ECL is estimated for all scenarios, and applying the weights shown below the final ECL requirement is estimated.

All Units

	Weight
Base scenario	50%
Upside scenario 1	20%
Upside scenario 2	5%
Downside scenario 1	20%
Downside scenario 2	5%

A sensitivity analysis comparing relative increase or decrease in ECL from the base scenario to the four scenarios described above are shown below:

Relative impact on ECL	Downside Scenario 1	Downside Scenario 2	Upside Scenario 1	Upside Scenario 2
Norway	1,75%	3,75%	-0,87%	-2,06%
Sweden	3,58%	6,41%	-1,12%	-3,31%
Denmark	7,01%	13,68%	-3,87%	-7,30%

Below is a calculation of forward looking scenario impact for period ending 31 December 2023. For the period ending 31 December 2023, forward looking ECL parameters had resulted in additional reserves of 75,3 MM NOK for the Bank.

Forward looking impact	Local currency	Exchange rate	NOK
Norway	15,4	1,0000	15,4
Sweden	27,5	1,0097	27,8
Denmark	21,4	1,5039	32,1
Total			**75,3**

Note 5 - Loss allowance

All amounts in millions of NOK

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

	2023				2022			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime	
Unsecured loans	**ECL**	**ECL**	**ECL**	**Total**	**ECL**	**ECL**	**ECL**	**Total**
Loss allowance at 1 January	**388**	**330**	**1 477**	**2 194**	**510**	**365**	**1 657**	**2 532**
Transfers:								
Transfer from Stage 1 to Stage 2	-103	687	-	**584**	-141	832	-	**691**
Transfer from Stage 1 to Stage 3	-4	-	57	**53**	-6	-	70	**64**
Transfer from Stage 2 to Stage 3	-	-422	771	**350**	-	-371	655	**284**
Transfer from Stage 2 to Stage 1	102	-450	-	**-349**	117	-530	-	**-413**
Transfer from Stage 3 to Stage 2	-	53	-183	**-130**	-	44	-155	**-111**
Transfer from Stage 3 to Stage 1	0	-	-8	**-8**	0	-	-4	**-4**
Assets remaining in same Stage	-165	93	91	**19**	-119	324	521	**726**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-61	-29	-53	**-143**	-247	-270	-633	**-1 151**
of which 'accounts that have closed in the period'	*-61*	*-29*	*-53*	***-143***	*-247*	*-270*	*-633*	***-1 151***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-530	**-530**	-	-	-676	**-676**
New financial assets originated or purchased	141	-	-	**141**	324	-	-	**324**
Changes in PDs/LGDs/EADs	40	-63	-27	**-49**	-53	-45	76	**-21**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	21	12	74	**107**	3	-20	-34	**-51**
Loss allowance at 31 December	**360**	**210**	**1 669**	**2 239**	**388**	**330**	**1 477**	**2 194**

	2023				2022			
Secured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance at 1 January	**421**	**265**	**858**	**1 544**	**651**	**210**	**853**	**1 714**
Transfers:								
Transfer from Stage 1 to Stage 2	-78	587	-	**509**	-122	694	-	**572**
Transfer from Stage 1 to Stage 3	-21	-	216	**195**	-32	-	217	**185**
Transfer from Stage 2 to Stage 3	-	-335	863	**528**	-	-322	724	**402**
Transfer from Stage 2 to Stage 1	88	-383	-	**-295**	57	-335	-	**-278**
Transfer from Stage 3 to Stage 2	-	196	-490	**-293**	-	204	-487	**-283**
Transfer from Stage 3 to Stage 1	0	-	-2	**-2**	0	-	-2	**-2**
Assets remaining in same Stage	-180	35	195	**49**	-359	-127	164	**-322**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-95	-62	-177	**-334**	-127	-53	-171	**-351**
of which 'accounts that have closed in the period'	*-95*	*-62*	*-177*	**-334**	*-127*	*-53*	*-171*	**-351**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-507	**-507**	-	-	-446	**-446**
New financial assets originated or purchased	251	-	-	**251**	446	-	-	**446**
Changes in PDs/LGDs/EADs	116	-69	-1	**46**	-101	-1	-3	**-105**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	15	9	25	**49**	9	-6	9	**12**
Loss allowance at 31 December	**517**	**243**	**980**	**1 741**	**421**	**265**	**858**	**1 544**

	2023				2022			
Commercial papers and bonds	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance at 1 January	**0**	**-**	**-**	**0**	**-**	**-**	**-**	**-**
Transfers:								
Transfer from Stage 1 to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 1 to Stage 3	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 2 to Stage 3	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 2 to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 3 to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 3 to Stage 1	-	-	-	**-**	-	-	-	**-**
Assets remaining in same Stage	0	-	-	**0**	-0	-	-	**-0**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-0	-	-	**-0**	-	-	-	**-**
of which 'accounts that have closed in the period'	*-0*	-	-	***-0***	-	-	-	**-**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-	**-**	-	-	-	**-**
New financial assets originated or purchased	0	-	-	**0**	0	-	-	**0**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	-	-	-	**-**	0	-	-	**0**
Loss allowance at 31 December	**0**	**-**	**-**	**0**	**0**	**-**	**-**	**0**

	2023				2022			
Off balance exposure	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance at 1 January	**33**	**6**	**26**	**65**	**29**	**9**	**29**	**66**
Transfers:								
Transfer from Stage 1 to Stage 2	-1	11	-	**10**	-1	10	-	**9**
Transfer from Stage 1 to Stage 3	-0	-	14	**14**	-0	-	20	**19**
Transfer from Stage 2 to Stage 3	-	-2	7	**5**	-	-2	8	**6**
Transfer from Stage 2 to Stage 1	2	-12	-	**-10**	3	-17	-	**-14**
Transfer from Stage 3 to Stage 2	-	7	-10	**-3**	-	8	-16	**-7**
Transfer from Stage 3 to Stage 1	0	-	-3	**-2**	0	-	-2	**-2**
Assets remaining in same Stage	-12	0	-5	**-17**	-20	2	17	**-2**
Methodological changes	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised that are not write-offs	-13	-5	-19	**-37**	-5	-4	-24	**-33**
of which 'accounts that have closed in the period'	*-13*	*-5*	*-19*	**-37**	*-5*	*-4*	*-24*	**-33**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-3	**-3**	-	-	-5	**-5**
New financial assets originated or purchased	11	-	-	**11**	28	-	-	**28**
Changes in PDs/LGDs/EADs	-	-	-	**-**	-	-	-	**-**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	1	0	0	**1**	0	-0	0	**0**
Loss allowance at 31 December	**19**	**5**	**9**	**34**	**33**	**6**	**26**	**65**

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

Write off under management was 2 627 MM NOK as at December 31, 2023, and 2 706 MM NOK as at December 31, 2022.

Note 6 - Gross carrying amount

All amounts in millions of NOK

During 2023 the Outstanding distribution by stages and the resulting ECL has been impacted by 3 key factors:

1. Secured loans have experienced continued growth in 2023 with new business close to 2022 which was the Bank's strongest year yet in terms of new business.

2. Off-balance exposure decreased during 2023 following closure of long-term inactive accounts.

3. SICR thresholds were updated for some portfolios due to the yearly IFRS9 parameter update and made the overall Stage 2 balances lower. Other parameters (PDs, LGDs, CCFs and forward-looking) were also part of the update but did not contribute to a change in the outstanding distribution, only to credit risk reserves.

The following tables explain changes in the gross carrying amount of loans to customers to explain their significance to the changes in the loss allowance:

	2023				2022			
Unsecured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount at 1 January	**20 840**	**1 665**	**2 296**	**24 800**	**22 319**	**2 341**	**2 714**	**27 374**
Transfers:								
Transfer from Stage 1 to Stage 2	-3 655	3 655	-	**-**	-5 040	5 040	-	**-**
Transfer from Stage 1 to Stage 3	-128	-	128	**-**	-145	-	145	**-**
Transfer from Stage 2 to Stage 3	-	-1 421	1 421	**-**	-	-1 257	1 257	**-**
Transfer from Stage 2 to Stage 1	2 856	-2 856	-	**-**	3 992	-3 992	-	**-**
Transfer from Stage 3 to Stage 2	-	330	-330	**-**	-	282	-282	**-**
Transfer from Stage 3 to Stage 1	15	-	-15	**-**	8	-	-8	**-**
Financial assets derecognised excl. write-offs	-6 072	-301	-187	**-6 559**	-6 583	-588	-584	**-7 755**
of which 'accounts that have closed in the period'	*-2 988*	*-150*	*-88*	***-3 227***	*-1 637*	*-114*	*-138*	***-1 888***
of which 'normal amortizations'	*-3 083*	*-151*	*-99*	***-3 333***	*-4 946*	*-474*	*-446*	***-5 867***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-858	**-858**	-	-	-1 165	**-1 165**
New financial assets originated or purchased	6 244	-	-	**6 244**	6 425	-	-	**6 425**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	-274	-89	96	**-267**	-137	-161	219	**-79**
Gross carrying amount at 31 December	**19 827**	**983**	**2 551**	**23 360**	**20 840**	**1 665**	**2 296**	**24 800**

	2023				2022			
Secured loans	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount at 1 January	**120 286**	**4 284**	**1 704**	**126 275**	**108 413**	**2 764**	**1 752**	**112 929**
Transfers:								
Transfer from Stage 1 to Stage 2	-10 005	10 005	-	**-**	-9 172	9 172	-	**-**
Transfer from Stage 1 to Stage 3	-891	-	891	**-**	-730	-	730	**-**
Transfer from Stage 2 to Stage 3	-	-2 866	2 866	**-**	-	-2 072	2 072	**-**
Transfer from Stage 2 to Stage 1	7 416	-7 416	-	**-**	5 146	-5 146	-	**-**
Transfer from Stage 3 to Stage 2	-	1 467	-1 467	**-**	-	1 251	-1 251	**-**
Transfer from Stage 3 to Stage 1	5	-	-5	**-**	4	-	-4	**-**
Financial assets derecognised excl. write-offs	-48 229	-1 840	-757	**-50 826**	-45 990	-1 399	-756	**-48 145**
of which 'accounts that have closed in the period'	*-29 798*	*-1 091*	*-418*	***-31 308***	*-26 216*	*-782*	*-405*	***-27 404***
of which 'normal amortizations'	*-18 431*	*-749*	*-339*	***-19 519***	*-19 774*	*-617*	*-351*	***-20 741***
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-513	**-513**	-	-	-536	**-536**
New financial assets originated or purchased	61 834	-	-	**61 834**	62 684	-	-	**62 684**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	141	-324	-712	**-896**	-70	-286	-301	**-657**
Gross carrying amount at 31 December	**130 556**	**3 310**	**2 008**	**135 874**	**120 286**	**4 284**	**1 704**	**126 275**

	2023				2022			
Commercial papers and bonds	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount at 1 January	**4 704**	**-**	**-**	**4 704**	**8 275**	**-**	**-**	**8 275**
Transfers:								
Transfer from Stage 1 to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 1 to Stage 3	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 2 to Stage 3	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 2 to Stage 1	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 3 to Stage 2	-	-	-	**-**	-	-	-	**-**
Transfer from Stage 3 to Stage 1	-	-	-	**-**	-	-	-	**-**
Financial assets derecognised excl. write-offs	-149 560	-	-	**-149 560**	-47 552	-	-	**-47 552**
of which 'accounts that have closed in the period'	-	-	-	**-**	-	-	-	**-**
of which 'normal amortizations'	-	-	-	**-**	-	-	-	**-**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	*-149 560*	-	-	***-149 560***	*-47 552*	-	-	***-47 552***
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-	**-**	-	-	-	**-**
New financial assets originated or purchased	154 999	-	-	**154 999**	44 352	-	-	**44 352**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	175	-	-	**175**	-371	-	-	**-371**
Gross carrying amount at 31 December	**10 319**	**-**	**-**	**10 319**	**4 704**	**-**	**-**	**4 704**

	2023				2022			
Off balance exposure	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount at 1 January	**27 806**	**160**	**111**	**28 078**	**27 413**	**212**	**148**	**27 774**
Transfers:								
Transfer from Stage 1 to Stage 2	-616	616	-	**-**	-345	345	-	**-**
Transfer from Stage 1 to Stage 3	-98	-	98	**-**	-105	-	105	**-**
Transfer from Stage 2 to Stage 3	-	-75	75	**-**	-	-51	51	**-**
Transfer from Stage 2 to Stage 1	392	-392	-	**-**	430	-430	-	**-**
Transfer from Stage 3 to Stage 2	-	58	-58	**-**	-	77	-77	**-**
Transfer from Stage 3 to Stage 1	18	-	-18	**-**	17	-	-17	**-**
Financial assets derecognised excl. write-offs	-9 618	-133	-86	**-9 838**	-4 028	-99	-92	**-4 218**
of which 'accounts that have closed in the period'	*-9 618*	*-133*	*-86*	***-9 838***	*-4 028*	*-99*	*-92*	***-4 218***
of which 'normal amortizations'	-	-	-	**-**	-	-	-	**-**
of which 'foreclosed'	-	-	-	**-**	-	-	-	**-**
of which 'sold'	-	-	-	**-**	-	-	-	**-**
of which 'change of perimeter'	-	-	-	**-**	-	-	-	**-**
Write-offs	-	-	-	**-**	-	-	-	**-**
New financial assets originated or purchased	2 757	-	-	**2 757**	2 644	-	-	**2 644**
Modification of contractual cash flows of financial assets	-	-	-	**-**	-	-	-	**-**
FX and other movements	675	69	13	**757**	1 779	107	-8	**1 878**
Gross carrying amount at 31 December	**21 316**	**303**	**135**	**21 755**	**27 806**	**160**	**111**	**28 078**

Note 7 - Liquidity risk

Contractual cash flow at certain intervals of maturity presented in NOK.

All amounts in millions of NOK

2023	=< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	With no specific maturity	Total
Cash on hand	-	-	-	-	-	0	**0**
Cash and receivables on central banks	-	-	-	-	-	1 127	**1 127**
Deposits with and receivables on financial institutions	302	377	-	-	-	1 496	**2 175**
Loans to customers	3 552	7 402	39 498	105 881	30 038	4 343	**190 715**
Commercial papers and bonds	4 651	4 084	892	768	-	-	**10 395**
Financial derivatives	-	0	-	-	-	-	**0**
Loans to subsidiaries and SPV's	18	37	4 087	15 111	-	-	**19 254**
Investments in subsidiaries	-	-	-	-	-	1 806	**1 806**
Other assets	149	284	1 622	987	11	1 921	**4 975**
Total cash from assets	**8 673**	**12 184**	**46 100**	**122 747**	**30 049**	**10 694**	**230 447**
Debt to credit institutions	2 061	10 795	11 772	-	-	-	**24 628**
Deposits from customers	643	19 464	939	-	-	67 500	**88 546**
Debt established by issuing securities	41	881	9 426	21 266	-	-	**31 614**
Financial derivatives	-	0	-	-	-	-	**0**
Other liabilities	737	578	215	34	-	4 586	**6 149**
Subordinated loan capital	12	23	104	1 015	2 190	-	**3 344**
Senior non-preferred loans	65	129	582	17 990	0	-	**18 766**
Total cash from debt	**3 558**	**31 870**	**23 038**	**40 306**	**2 190**	**72 086**	**173 047**
Net liquidity risk	**5 115**	**-19 686**	**23 062**	**82 441**	**27 859**	**-61 392**	**57 400**

All amounts in millions of NOK

2022	=< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	With no specific maturity	Total
Cash and receivables on central banks	-	-	-	-	-	5 680	**5 680**
Deposits with and receivables on financial institutions	-1	709	-	-	-	1 569	**2 277**
Loans to customers	3 041	6 257	35 203	98 967	28 480	4 553	**176 502**
Commercial papers and bonds	1 108	890	1 231	1 561	-	-	**4 790**
Financial derivatives	-	-	-	-	-	-	**-**
Loans to subsidiaries and SPV's	7	3 557	38	14 263	-	-	**17 865**
Investments in subsidiaries	-	-	-	-	-	1 717	**1 717**
Other assets	166	27	874	274	-	1 666	**3 007**
Total cash from assets	**4 322**	**11 439**	**37 346**	**115 065**	**28 480**	**15 185**	**211 838**
Debt to credit institutions	1 276	12 324	15 978	3 927	-	-	**33 503**
Deposits from customers	-	-	-	-	-	75 925	**75 925**
Debt established by issuing securities	31	5 822	1 879	27 550	-	-	**35 282**
Financial derivatives	-	0	-	-	-	-	**0**
Other liabilities	496	437	162	55	-	3 712	**4 862**
Subordinated loan capital	9	18	79	914	2 132	-	**3 151**
Senior non-preferred loans	14	28	126	4 513	1	-	**4 682**
Total cash from debt	**1 825**	**18 629**	**18 223**	**36 959**	**2 132**	**79 636**	**157 405**
Net liquidity risk	**2 497**	**-7 189**	**19 123**	**78 106**	**26 348**	**-64 451**	**54 433**

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. Consignment is included in the financial statement line "Loans to customers".

Liquidity coverage ratio

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

Liquidity Coverage Ratio (LCR) %	2023	2022
Liquidity Coverage Ratio (LCR) Total	164%	203%
Liquidity Coverage Ratio (LCR) NOK	107%	86%
Liquidity Coverage Ratio (LCR) SEK	180%	301%
Liquidity Coverage Ratio (LCR) DKK	223%	220%
Liquidity Coverage Ratio (LCR) EUR	208%	285%

Note 8 - Interest rate risk

The tables 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 interest rate will affect our short term positions immediately, but our long term positions later.

Santander Consumer Bank AS

All amounts in millions of NOK

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Cash and receivables on central banks	1 127	-	-	-	-	-	**1 127**
Deposits with and receivables on financial institutions	2 174	-	-	-	-	-	**2 174**
Loans to customers	4 361	136 848	5 161	7 952	934	-	**155 255**
Commercial papers and bonds	5 077	4 933	308	-	-	-	**10 319**
Financial derivatives	0	-	-	-	-	-	**0**
Loans to subsidiaries	-	-	3 958	14 701	-	-	**18 659**
Other non-interest bearing assets	-	-	-	-	-	6 781	**6 781**
Total assets	**12 740**	**141 780**	**9 427**	**22 653**	**934**	**6 781**	**194 316**
Debt to credit institutions	10 306	12 171	1 819	-	-	-	**24 296**
Deposits from customers	14 195	66 056	6 707	1 588	-	-	**88 546**
Debt established by issuing securities	3 660	11 372	1 694	14 116	-	-	**30 841**
Financial derivatives	0	-	-	-	-	-	**0**
Subordinated loan capital	-	2 019	-	-	501	-	**2 521**
Senior non-preferred loans	16 038	-	-	-	-	-	**16 038**
Other non-interest bearing liabilities	-	-	-	-	-	6 149	**6 149**
Equity	2 250	-	-	-	-	23 674	**25 924**
Total liabilities and equity	**46 450**	**91 618**	**10 220**	**15 704**	**501**	**29 824**	**194 316**
Net interest risk exposure	**-33 710**	**50 163**	**-793**	**6 949**	**433**	**-23 042**	**0**

Santander Consumer Bank AS

All amounts in millions of NOK

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Cash and receivables on central banks	5 680	-	-	-	-	-	**5 680**
Deposits with and receivables on financial institutions	2 276	-	-	-	-	-	**2 276**
Loans to customers	4 298	132 877	5 120	4 948	94	-	**147 337**
Commercial papers and bonds	1 522	1 816	1 225	141	-	-	**4 704**
Financial derivatives	-	-	-	-	-	-	**-**
Other non-interest bearing assets	-	-	-	-	-	22 451	**22 451**
Total assets	**13 777**	**134 693**	**6 345**	**5 089**	**94**	**22 451**	**182 448**
Debt to credit institutions	11 604	18 395	3 079	-	-	-	**33 078**
Deposits from customers	12 870	63 055	-	-	-	-	**75 925**
Debt established by issuing securities	5 598	18 729	-	10 273	-	-	**34 599**
Financial derivatives	0	-	-	-	-	-	**0**
Subordinated loan capital	-	1 921	-	501	-	-	**2 422**
Senior non-preferred loans	4 067	-	-	-	-	-	**4 067**
Other non-interest bearing liabilities	-	-	-	-	-	4 862	**4 862**
Equity	2 216	-	-	-	-	25 280	**27 496**
Total liabilities and equity	**36 355**	**102 100**	**3 079**	**10 773**	**-**	**30 142**	**182 448**
Net interest risk exposure	**-22 578**	**32 593**	**3 266**	**-5 685**	**94**	**-7 691**	**0**

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

Santander Consumer Bank AS Norway

All amounts in millions of NOK

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	4 820	7 489	20 846	32 322	394	1 782	**67 653**
Liabilities	5 381	9 238	5 813	13 061	4 744	29 415	**67 653**
Net balance	**-561**	**-1 749**	**15 032**	**19 261**	**-4 350**	**-27 633**	**-**
Repricing gap	-561	-1 749	15 032	19 261	-4 350	-27 633	**-**
Cumulative gap	-561	-2 311	12 722	31 983	27 633	-	**-**

A +1,00 % parallel increase in market rates will result in a 215,08 million NOK increase in profit in Norway.

Santander Consumer Bank AS Norway

All amounts in millions of NOK

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	3 450	6 398	16 168	37 425	140	2 102	**65 684**
Liabilities	7 930	9 442	4 423	11 887	4 298	27 703	**65 684**
Net balance	**-4 481**	**-3 044**	**11 745**	**25 539**	**-4 158**	**-25 601**	**-**
Repricing gap	-4 481	-3 044	11 745	25 539	-4 158	-25 601	-
Cumulative gap	-4 481	-7 525	4 220	29 759	25 601	-	-

A +1,00 % parallel increase in market rates will result in a 152,19 million NOK increase in profit in Norway.

Santander Consumer Bank AS Norway (Balance sheet items nominated in EUR)

All amounts in millions of EUR

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	19	205	15	-	-	161	**400**
Liabilities	60	110	165	-	-	65	**400**
Net balance	**-41**	**95**	**-150**	**-**	**-**	**96**	**-**
Repricing gap	-41	95	-150	-	-	96	-
Cumulative gap	-41	54	-96	-96	-96	-	-

A +1,00 % parallel increase in market rates will result in a 0,55 million EUR decrease in profit in Norway.

Santander Consumer Bank AS Norway (Balance sheet items nominated in EUR)

All amounts in millions of EUR

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	50	-	117	-	-	163	**331**
Liabilities	39	35	220	-	-	37	**331**
Net balance	**12**	**-35**	**-103**	**-**	**-**	**126**	**-**
Repricing gap	12	-35	-103	-	-	126	-
Cumulative gap	12	-23	-126	-126	-126	-	-

A +1,00 % parallel increase in market rates will result in a 0,68 million EUR decrease in profit in Norway.

Santander Consumer Bank AS Sweden

All amounts in millions of SEK

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	8 863	4 702	19 707	26 660	282	702	**60 915**
Liabilities	13 382	14 931	4 692	21 272	4 274	2 364	**60 915**
Net balance	**-4 519**	**-10 229**	**15 016**	**5 388**	**-3 992**	**-1 663**	**-**
Repricing gap	-4 519	-10 229	15 016	5 388	-3 992	-1 663	-
Cumulative gap	-4 519	-14 748	267	5 655	1 663	-	-

A +1,00 % parallel increase in market rates will result in a 44,37 million SEK decrease in profit in Sweden.

Santander Consumer Bank AS Sweden

All amounts in millions of SEK

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	9 885	3 443	14 611	31 534	0	3 197	**62 669**
Liabilities	15 858	21 862	4 739	14 000	3 893	2 319	**62 669**
Net balance	**-5 973**	**-18 419**	**9 872**	**17 534**	**-3 892**	**878**	**-**
Repricing gap	-5 973	-18 419	9 872	17 534	-3 892	878	-
Cumulative gap	-5 973	-24 392	-14 519	3 014	-878	-	-

A +1,00 % parallel increase in market rates will result in a 75,78 million SEK decrease in profit in Sweden.

Santander Consumer Bank AS Denmark

All amounts in millions of DKK

2023	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	1 569	2 750	7 397	16 344	183	1 337	**29 580**
Liabilities	5 171	1 738	7 925	10 324	3 327	1 095	**29 580**
Net balance	**-3 602**	**1 012**	**-528**	**6 019**	**-3 144**	**242**	**-**
Repricing gap	-3 602	1 012	-528	6 019	-3 144	242	-
Cumulative gap	-3 602	-2 590	-3 118	2 902	-242	-	-

A +1,00 % parallel increase in market rates will result in a 16,24 million DKK increase in profit in Denmark

Santander Consumer Bank AS Denmark

All amounts in millions of DKK

2022	< 1 months	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Non-interest bearing	Total
Assets	1 951	2 350	8 038	14 259	5	1 565	**28 168**
Liabilities	5 275	3 078	3 681	10 337	3 942	1 855	**28 168**
Net balance	**-3 324**	**-729**	**4 357**	**3 922**	**-3 937**	**-289**	**-**
Repricing gap	-3 324	-729	4 357	3 922	-3 937	-289	**-**
Cumulative gap	-3 324	-4 053	304	4 226	289	-	**-**

A +1,00 % parallel increase in market rates will result in a 0,93 million DKK increase in profit in Denmark

Note 9 - Capital adequacy

All amounts in millions of NOK

Balance sheet equity	**2023**	**2022**
Paid in equity	10 618	10 618
Share premium	1 926	1 926
Other equity	11 121	12 687
Tier 1 Capital	2 250	2 250
Other reserves	10	15
Total Equity	**25 924**	**27 496**

Common Equity Tier 1 Capital		
(-) Profit not eligible as capital	-800	-2 216
Cash-flow hedge adjustment	1	-18
IRB Expected Loss - Reserves	-350	-258
Goodwill	-426	-400
Other intangible assets	-56	-96
Deferred tax assets	-	-
Adjustment Prudent Valuation (AVA)	-2	-4
Insufficient coverage for NPE	-9	-
Tier 1 Capital	-2 250	-2 250
Total common Equity Tier 1 Capital	**22 031**	**22 253**

Tier 1 Capital		
Paid in Tier 1 capital instruments	2 250	2 250
Total Tier 1 Capital	**24 281**	**24 503**

Total Capital		
Paid up subordinated loans	2 515	2 417
Subordinated loans not eligible	-131	-31
Total Capital	**26 664**	**26 890**

Risk exposure on Standard Approach	2023	2022
Regional governments or local authorities	67	63
Institutions	871	600
Corporates	9 658	9 108
Retail Standard Approach	47 902	46 913
Exposures in default SA	2 736	2 918
Covered bonds	144	149
Other Exposures	24 887	21 801
Total Risk exposure amount on Standard Approach	**86 264**	**81 552**

Risk exposure on Internal Rating Based Approach		
Retail Other	32 111	30 286
Total Risk exposure amount on Internal Rating Based Approach	**32 111**	**30 286**

Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	**118 374**	**111 838**

Foreign exchange (zero if under threshold)	-	637
Risk exposure amount for position, foreign exchange and commodities risks	-	637

Basic indicator approach	-	11 671
Standard approach	9 205	-
Risk exposure amount for operational risk	**9 205**	**11 671**

Standardized method	-	24
Risk exposure amount for credit valuation adjustment	**-**	**24**

Total risk exposure amount	**127 579**	**124 171**

Total exposure for Leverage Ratio		
Derivatives: Add-on under SA -CCR	1 077	447
Off-balance sheet items with 10% CCF	2 194	2 850
Off-balance sheet items with 20% CCF	752	766
Off-balance sheet items with 50% CCF	66	38
Adjusted On balance sheet exposure	**196 804**	**184 622**
Total exposure for Leverage Ratio	**200 893**	**188 723**

Minimum Regulatory Capital	**2023**	**2022**
Minimum Core Equity	4,50%	4,50%
Pillar 2 Requirement	1,52%	3,30%
Pillar 2 Guidance	1,50%	1,50%
Countercyclical Buffer (combined)	1,92%	1,35%
Conservation Buffer	2,50%	2,50%
Systemic Risk Buffer	1,19%	1,25%
Minimum Regulatory Capital ratio (CET1)	**13,13%**	**14,41%**

Minimum Regulatory Capital		
Minimum Core Equity	5 741	5 588
Pillar 2 Requirement	1 939	4 098
Pillar 2 Guidance	1 914	1 863
Countercyclical Buffer (combined)	2 444	1 682
Conservation Buffer	3 189	3 104
Systemic Risk Buffer	1 523	1 558
Minimum Regulatory Capital amount	**16 751**	**17 892**
Surplus of Core Equity Tier 1 capital	5 280	4 361
Common equity tier 1 capital ratio	**17,27%**	**17,92%**
CET1 regulatory requirements	13,13%	14,41%
Tier 1 capital ratio	**19,03%**	**19,73%**
Tier 1 regulatory requirements	15,14%	15,91%
Total capital ratio	**20,90%**	**21,66%**
Total capital regulatory requirements	17,82%	17,91%
Leverage ratio	**12,09%**	**12,98%**
LR regulatory requirements	3,00%	3,00%

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

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

Note 10 - Segment information

All amounts in millions of NOK

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

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

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

Product segmentation per country (gross lending before expected losses)

2023

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	4 825	47 705	11 924	-	**64 453**
Sweden	11 401	23 623	20 523	-	**55 547**
Denmark	7 134	28 188	3 913	1 599	**40 833**
Total	**23 360**	**99 515**	**36 359**	**1 599**	**160 833**

2022

	Unsecured loans	Secured loans	Finance leases	Operating leases	Total
Norway	5 425	45 841	11 827	-	**63 093**
Sweden	12 853	20 666	18 031	-	**51 550**
Denmark	6 522	26 598	3 311	366	**36 798**
Total	**24 800**	**93 106**	**33 170**	**366**	**151 441**

Profit and Loss per Country	2023				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Total interest income	5 401	3 620	3 123	-455	**11 688**
Total interest expenses	-2 688	-2 063	-863	455	**-5 159**
Net interest income	**2 713**	**1 557**	**2 259**	**-**	**6 529**
Fee and commission income	212	188	143	-	**543**
Fee and commission expenses	-173	-49	-54	-	**-276**
Value change and gain/loss on foreign exchange and securities	10	-7	-16	-	**-14**
Other operating income	89	102	257	-	**447**
Other operating expenses	-55	-41	-127	-	**-224**
Gross margin	**2 795**	**1 748**	**2 462**	**-**	**7 005**
Salaries and personnel expenses	-527	-417	-348	-	**-1 292**
Administrative expenses	-590	-423	-317	-	**-1 330**
Depreciation and amortisation	-152	-83	-67	-	**-301**
Net operating income before impairment losses on loans	**1 526**	**825**	**1 731**	**-**	**4 082**
Other income and costs	-148	-	-17	-	**-165**
Impairment losses on loan, guarantees etc.	-35	-323	-435	-	**-793**
Profit before tax	**1 343**	**502**	**1 279**	**-**	**3 125**
Income tax expense	-320	-159	-302	-	**-781**
Profit after tax	**1 023**	**344**	**977**	**-**	**2 344**

Profit and Loss per Country	2022				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Total interest income	3 397	2 127	1 753	-	**7 277**
Total interest expenses	-856	-544	-144	-	**-1 544**
Net interest income	**2 541**	**1 582**	**1 609**	**-**	**5 733**
Fee and commission income	217	221	81	-	**520**
Fee and commission expenses	-151	-51	-26	-	**-229**
Value change and gain/loss on foreign exchange and securities	1	-19	-12	-	**-29**
Other operating income	50	39	186	-	**274**
Other operating expenses	-182	-33	-76	-	**-292**
Gross margin	**2 475**	**1 739**	**1 762**	**-**	**5 977**
Salaries and personnel expenses	-480	-362	-277	-	**-1 118**
Administrative expenses	-428	-271	-277	-	**-977**
Depreciation and amortisation	-118	-71	-43	-	**-233**
Net operating income before impairment losses on loans	**1 449**	**1 035**	**1 165**	**-**	**3 649**
Other income and costs	-58	-3	0	-	**-60**
Impairment losses on loan, guarantees etc.	38	-441	-256	-	**-659**
Profit before tax	**1 430**	**591**	**909**	**-**	**2 929**
Income tax expense	-310	-135	-269	-	**-713**
Profit after tax	**1 120**	**456**	**640**	**-**	**2 216**

Balance Sheet per Country	2023				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Cash on hand	0	-	-	-	**0**
Cash and receivables on central banks	68	1 059	-	-	**1 127**
Deposits with and receivables on financial institutions	912	625	637	-	**2 174**
Total gross loans to customers	64 453	55 547	39 235	0	**159 234**
Write-downs	-1 210	-1 351	-1 418	-	**-3 980**
Commercial papers and bonds	3 988	4 794	1 537	-	**10 319**
Financial derivatives	0	-	-	-	**0**
Investments in subsidiaries	1 806	-	-	-	**1 806**
Other assets	39 770	644	3 606	-20 386	**23 634**
Total assets	**109 788**	**61 318**	**43 596**	**-20 386**	**194 316**
Debt to credit institutions	6 956	30 276	7 171	-20 106	**24 296**
Deposits from customers	28 788	24 634	35 124	-	**88 546**
Debt established by issuing securities	27 809	2 913	120	-	**30 841**
Financial derivatives	-	-	0	-	**0**
Other liabilities	20 444	3 508	1 036	-280	**24 708**
Equity	25 792	-13	145	-	**25 924**
Total liabilities and equity	**109 788**	**61 318**	**43 596**	**-20 386**	**194 316**

Balance Sheet per Country	2022				
	Norway	Sweden	Denmark	Eliminations	Total Bank
Cash and receivables on central banks	66	5 615	-	-	**5 680**
Deposits with and receivables on financial institutions	581	777	918	-	**2 276**
Total gross loans to customers	63 093	51 550	36 432	0	**151 075**
Write-downs	-1 254	-1 316	-1 168	-	**-3 739**
Commercial papers and bonds	3 175	1 247	282	-	**4 704**
Financial derivatives	-	-	-	-	**-**
Investments in subsidiaries	1 717	-	-	-	**1 717**
Other assets	31 411	520	1 905	-13 102	**20 734**
Total assets	**98 788**	**58 393**	**38 370**	**-13 102**	**182 448**
Debt to credit institutions	8 886	29 893	7 323	-13 024	**33 078**
Deposits from customers	25 131	20 898	29 896	-	**75 925**
Debt established by issuing securities	29 883	4 708	8	-	**34 599**
Financial derivatives	0	-	-	-	**0**
Other liabilities	7 594	2 815	1 020	-78	**11 351**
Equity	27 294	79	123	-	**27 496**
Total liabilities and equity	**98 788**	**58 393**	**38 370**	**-13 102**	**182 448**

Note 11 - Net interest income

Amounts in millions of NOK

	2023	2022
Interest and similar income on loans to and receivables from credit institutions	194	44
Interest and similar income on loans to and receivables from customers	10 944	7 034
Interest and similar income on comm. paper, bonds and other securities	235	34
Interest and similar income on loans to subsidiaries, branches and SPVs	250	165
Other interest income and similar income	65	-
Total interest income	**11 688**	**7 277**
Interest and similar expenses on debt to credit institutions	-1 142	-374
Interest and similar expenses on deposits from and debt to customers	-2 524	-706
Interest and similar expenses on issued securities	-446	-292
Interest on subordinated loan capital	-128	-71
Interest on senior non-preferred loans	-548	-46
Other interest expenses and similar expenses	-372	-56
Total interest expense	**-5 159**	**-1 544**
Net interest income	**6 529**	**5 733**

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

To credit institutions	**2023**	**2022**
Interest expenses	-1 142	-374
Average loan	28 687	30 739
Average nominal interest rate	**3,98%**	**1,22 %**

To customers	**2023**	**2022**
Interest expenses	-2 524	-706
Average deposit	82 235	74 614
Average nominal interest rate	**3,07%**	**0,95 %**

To bondholders	2023	2022
Interest expenses	-446	-292
Average issued notes and bonds	32 720	36 487
Average nominal interest rate	**1,36%**	**0,80 %**

Subordinated loan capital	2023	2022
Interest expenses	-128	-71
Average subordinated loan capital	2 471	2 443
Average nominal interest rate	**5,16%**	**2,91 %**

Senior non-preferred loans	2023	2022
Interest expenses	-548	-46
Average senior non-preferred loan capital	10 053	2 034
Average nominal interest rate	**5,45%**	**2,27 %**

Total of tables above	2023	2022
Interest expenses	-4 787	-1 488
Loan	156 166	146 317
Average nominal interest rate	**3,07%**	**1,02 %**

Note 12 - Other operating income and expenses

Amounts in millions of NOK

	2023	2022
Operating lease income	254	183
Dividends from investments	-	0
Other	193	91
Total other operating income	**447**	**274**
Depreciation on operating lease assets	-78	-38
Fee to The Norwegian Banks' Guarantee Fund	-76	-84
Other	-70	-170
Total other operating expenses	**-224**	**-292**

Note 13 - Tax

All amounts in millions of NOK

Income tax	**2023**	**2022**
Tax payable	-114	-386
Adjustments in respect of prior years	-28	-45
Residual tax supplement	-	-7
Currency effects foreign tax credits	-	-
Total current tax	**-142**	**-438**
Change in temporary differences	-614	-331
Adjustments in respect of prior years	-25	56
Currency effects	-	-
Total change in deferred tax	**-639**	**-275**
Income tax expense	**-781**	**-713**

	2023	**2022**
Profit before tax	3 125	2 929
Estimated income tax at nominal tax rate 25%	-781	-732
Tax effects of:	-	
- Interest hybrid capital	49	35
- Non-deductible expenses	17	-20
Adjustments in respect of prior years*	-65	11
Residual tax supplement**	-	-7
Tax charge	**-781**	**-713**

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

2023	**Before tax**	**Total tax charge**	**After tax**
Actuarial assumption related to pension	12	3	9
Cash flow hedges	27	7	20
Net investment hedge	-28	-7	-21
Currency translation differences	5	1	4
Shares in VN Norge AS - value adjustment	-14	-	-14
Other comprehensive income	**3**	**4**	**-1**
Tax payable		1	
Deferred tax		3	
Tax in OCI		**4**	

Deferred tax in the balance sheet	2023	2022
Deferred tax assets/deferred taxes as at 1 January	1 721	1 573
Changes recognized in income statement	575	315
Changes recognized in OCI	1	13
Currency adjustment	39	16
Adjustments in respect of prior years*	83	-196
Net Deferred tax assets/deferred taxes at 31 December	**2 419**	**1 721**

Deferred taxes related to the following temporary differences	2023	2022
Fixed assets	9 128	6 463
Net pension commitments	12	26
Financial instruments	-105	-24
Net other taxable temporary differences	644	422
Total deferred tax position	**9 679**	**6 887**
Fixed assets	2 281	1 615
Net pension commitments	3	6
Financial instruments	-26	-6
Net other taxable temporary differences	161	106
Net Deferred tax assets/deferred taxes at 31 December	**2 419**	**1 721**

Tax effect of different tax rates in other countries:
The Bank has operations in Sweden and Denmark whose tax rates are different from that in Norway (25 percent). Taxes are paid in Norway, and later credited by amount paid in other countries.

Tax Payable in the balance sheet of MNOK 168 consist of tax payable for Norway and the Danish branch.

* The adjustment in respect of prior years relates to true-up adjustment of tax settlements.

** Tax supplement of residual tax payment

Global Minimum Tax Pillar Two

In the European Union, in December 2022, the European Commission adopted Directive 2022/2523 on ensuring an overall minimum level of taxation for multinational enterprise groups and large domestic groups in the EU, to be transposed by 31 December 2023, with the new minimum taxation coming into force on 1 January 2024. The Directive implements at EU level the Pillar Two rules of the OECD's Inclusive Framework on base erosion and profit shifting. Pillar Two applies to multinational groups with a turnover of more than EUR 750 million and entail the requirement of a minimum tax of 15% calculated on adjusted accounting profit on a jurisdiction-by-jurisdiction basis. During 2023, the OECD has completed these rules by approving administrative guides and a report on safe harbours in order to simplify the application of these rules.

In Norway, in January 2024, the Parliament approved the Act of Qualified Domestic Minimum Top Up Tax establishing an overall minimum tax level of 15% for multinational companies and large domestic groups. In Denmark and Finland the legislation was approved in December 2023. The Act will enter into force in these countires as of 1 January 2024. In Sweden, the Act is in process of being enacted.

Grupo Santander and the Nordic Group are in scope of this legislation and Grupo Santander has performed an assessment of the potential exposure to Pillar Two income taxes taking into consideration transitory safe harbours. Once the legislation is approved in Spain, Banco Santander S.A. will become the Ultimate Parent Entity (UPE), and so, the primarily liable for the Top-up Tax of all Low-Tax Constituent Entities in those jurisdictions without a Qualified Domestic Top Up Tax enacted. Also, in those countries where Global Minimum Tax would be approved, entities of Grupo Santander will be subject to the tax.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in Grupo Santander. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which Grupo Santander operates are above 15%. Consequently, Grupo Santander does not estimate a significant impact derived from this new regulation, without prejudice to the relevant administrative burdens that will entail its implementation.

Note 14 - Loans to customers

All amounts in millions of NOK

	2023	2022
Credit Card	4 786	4 928
Unsecured loans	18 574	19 873
Auto loans	135 874	126 275
- Installment loans	*99 515*	*93 106*
- Finance leases	*36 359*	*33 170*
Total gross loans to customers	**159 234**	**151 075**
- Loan loss allowance - Stage 1	-876	-809
- Loan loss allowance - Stage 2	-454	-595
- Loan loss allowance - Stage 3	-2 649	-2 335
Total net loans to customers	**155 255**	**147 337**

Note 15 - Impairment losses on loan, guarantees etc.

All amounts in millions of NOK

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

	2023	2022
Change in loss allowance - Unsecured loans	69	331
Change in loss allowance - Secured loans	-150	195
Change in loss allowance - Commercial papers and bonds	-0	-0
Change in loss allowance - Off balance exposure*	32	-
+ Total realized losses	-1 371	-1 686
- Recoveries on previously realized losses	239	248
- Gain on sold portfolios	388	253
Impairment losses on loan, guarantees etc.	**-793**	**-659**

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

Note 16 - Loans and impairment by main sectors

All amounts in millions of NOK

The following table shows the loans and impairment by main sectors.

2023	Gross carrying amount	Accumulated impairment	Net carrying amount
Private individuals	125 908	-3 612	**122 296**
Wholesale and retail trade	13 829	-94	**13 734**
Construction	7 567	-111	**7 457**
Administrative and support service activities	2 606	-37	**2 569**
Professional, scientific and technical activities	1 974	-19	**1 955**
Transport and storage	1 843	-45	**1 799**
Manufacturing	1 350	-13	**1 337**
Real estate activities	749	-11	**738**
Information and communication	640	-6	**634**
Accommodation and food service activities	608	-9	**600**
Other services	471	-8	**463**
Human health services and social work activities	396	-3	**393**
Governments	340	-3	**337**
Education	298	-4	**294**
Arts, entertainment and recreation	281	-4	**277**
Agriculture, forestry and fishing	227	-1	**226**
Water supply	84	-0	**84**
Electricity, gas, steam and air conditioning supply	37	-0	**37**
Other financial corporations	18	-0	**18**
Mining and quarrying	6	-0	**6**
Public administration and defence, compulsory social security	1	-0	**1**
Total	**159 234**	**-3 979**	**155 255**

2022	Gross carrying amount	Accumulated impairment	Net carrying amount
Private individuals	121 428	-3 367	**118 060**
Wholesale and retail trade	12 607	-84	**12 523**
Construction	7 017	-123	**6 894**
Administrative and support service activities	2 090	-33	**2 057**
Transport and storage	1 718	-44	**1 674**
Professional, scientific and technical activities	1 507	-17	**1 491**
Manufacturing	1 197	-15	**1 182**
Real estate activities	672	-8	**664**
Accommodation and food service activities	529	-11	**518**
Information and communication	475	-11	**464**
Other services	355	-11	**345**
Governments	354	-3	**351**
Human health services and social work activities	307	-4	**303**
Education	262	-3	**258**
Arts, entertainment and recreation	248	-3	**245**
Agriculture, forestry and fishing	180	-1	**179**
Water supply	81	-1	**79**
Electricity, gas, steam and air conditioning supply	28	-0	**28**
Other financial corporations	12	-0	**12**
Mining and quarrying	8	-0	**7**
Public administration and defence, compulsory social security	2	-0	**2**
Total	**151 075**	**-3 739**	**147 337**

Note 17 - Classification of financial instruments

All amounts in millions of NOK

Classification of financial assets 31 December 2023	Financial assets at fair value through P&L	Financial assets at fair value through OCI	Amortized cost	Book value
Cash on hand	-	-	0	0
Cash and receivables on central banks	-	-	1 127	1 127
Deposits with and receivables on financial institutions	-	-	2 174	2 174
Loans to customers	-	-	155 255	155 255
Commercial papers and bonds	-	-	10 319	10 319
Financial derivatives	0	-	-	0
Loans to subsidiaries and SPV's	-	-	18 659	18 659
Other ownership interests	-	14	-	14
Other financial assets	-	-	190	190
Total financial assets	**0**	**14**	**187 725**	**187 739**

Non-financial assets	6 577
Total assets	**194 316**

Classification of financial liabilities 31 December 2023	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	24 296	24 296
Deposits from customers	-	-	88 546	88 546
Debt established by issuing securities	-	-	30 841	30 841
Financial derivatives	0	-	-	0
Other financial liabilities	-	-	584	584
Subordinated loan capital	-	-	2 521	2 521
Senior non-preferred loans	-	-	16 038	16 038
Total financial liabilities	**0**	**-**	**162 827**	**162 827**

Non-financial liabilities and equity	31 489
Total liabilities and equity	**194 316**

Classification of financial assets 31 December 2022	Financial assets at fair value through P&L	Financial assets at fair value through OCI	Amortized cost	Book value
Cash and receivables on central banks	-	-	5 680	5 680
Deposits with and receivables on financial institutions	-	-	2 276	2 276
Loans to customers	-	-	147 337	147 337
Commercial papers and bonds	-	-	4 704	4 704
Financial derivatives	-	-	-	-
Loans to subsidiaries and SPV's	-	-	17 728	17 728
Other ownership interests	-	12	-	12
Other financial assets	-	-	311	311
Total financial assets	**-**	**12**	**178 035**	**178 047**

Non-financial assets	4 401
Total assets	**182 448**

Classification of financial liabilities 31 December 2022	Financial liabilities at fair value through P&L	Financial liabilities at fair value through OCI	Amortized cost	Book value
Debt to credit institutions	-	-	33 078	33 078
Deposits from customers	-	-	75 925	75 925
Debt established by issuing securities	-	-	34 599	34 599
Financial derivatives	0	-	-	0
Other financial liabilities	-	-	374	374
Subordinated loan capital	-	-	2 422	2 422
Senior non-preferred loans	-	-	4 067	4 067
Total financial liabilities	**0**	**-**	**150 464**	**150 464**

Non-financial liabilities and equity	31 984
Total liabilities and equity	**182 448**

Note 18 - Issued securities

All amounts in millions of NOK

	2023	2022
Issued certificates	802	-
Senior unsecured issued securities	30 039	34 599
Total issued securities	**30 841**	**34 599**

Changes in liability issued securities	Book value 1 January 2023	New issues/ repurchase	Monthly payments and at maturity	Changes in foreign fx rates	Book value 31 December 2023
Issued certificates	-	802	-	-	802
Senior unsecured issued securities	34 599	1 397	-8 360	2 404	30 039
Total issued securities	**34 599**	**2 199**	**-8 360**	**2 404**	**30 841**

Certificates

Issuer	Net nominal value	Currency	Interest	Call date	Book value 31 December 2023
Issued certificates					
Santander Consumer Bank AS	500	NOK	Floating	2024-08-28	501
Santander Consumer Bank AS	300	NOK	Floating	2024-09-05	301
Totals issued bonds					**802**

Bonds					Book value
	Net nominal				31 December
Issuer	value	Currency	Interest	Call date	2023
Senior unsecured issued securities					
Santander Consumer Bank AS	499	EUR	Fixed	2025-08-11	5 462
Santander Consumer Bank AS	499	EUR	Fixed	2025-02-25	5 543
Santander Consumer Bank AS	500	EUR	Fixed	2024-09-11	5 560
Santander Consumer Bank AS	499	EUR	Fixed	2026-04-14	5 595
Santander Consumer Bank AS	500	NOK	Floating	2024-03-14	501
Santander Consumer Bank AS	300	NOK	Floating	2024-03-14	301
Santander Consumer Bank AS	500	SEK	Floating	2025-01-15	510
Santander Consumer Bank AS	500	SEK	Floating	2025-01-15	510
Santander Consumer Bank AS	500	NOK	Floating	2024-11-13	504
Santander Consumer Bank AS	500	NOK	Floating	2025-09-15	501
Santander Consumer Bank AS	500	SEK	Floating	2026-01-19	510
Santander Consumer Bank AS	500	SEK	Floating	2024-04-29	509
Santander Consumer Bank AS	500	SEK	Floating	2024-04-29	509
Santander Consumer Bank AS	500	SEK	Floating	2024-10-11	510
Santander Consumer Bank AS	750	NOK	Floating	2024-11-05	756
Santander Consumer Bank AS	250	NOK	Floating	2026-11-05	252
Santander Consumer Bank AS	500	NOK	Floating	2027-08-31	502
Santander Consumer Bank AS	500	NOK	Floating	2025-08-29	502
Santander Consumer Bank AS	599	NOK	Floating	2028-09-18	600
Santander Consumer Bank AS	400	NOK	Floating	2026-09-18	401
Totals issued bonds					**30 039**

The Bank has not had any defaults of principal or interest or other breaches with respect to its issued securities during the years ended 31 December 2023 and 31 December 2022.

Note 19 - Valuation Hierarchy

All amounts in millions of NOK

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

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

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

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

2023 **Financial instruments measured at fair value**			**Quoted market price Level 1**	**Using observable inputs Level 2**	**With significant unobservable inputs Level 3**	**Total**
Financial assets						
Name	***Type***	***Notional***				
FX Swap EUR DKK	Cross Currency Swap	MM EUR 50	-	0	-	**0**
Total Financial derivative assets			**-**	**0**	**-**	**0**
Name	***Type***					
VN Norge	Equity		-	14	-	**14**
Norsk Gjeldsinformasjon AS	Equity		-	-	0	**0**
Vipps AS	Equity		-	-	0	**0**
Total other ownership interests			**-**	**14**	**0**	**14**
Total Assets			**-**	**14**	**0**	**14**

Financial liabilities			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Name	***Type***	***Notional***				
FX Swap EUR/DKK	Cross Currency Swap	MM EUR 67	-	0	-	**0**
Total Liabilities			**-**	**0**	**-**	**0**

Derivatives designated for hedge accounting - assets						
Name	***Type***	***Notional***				
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	62	-	**62**
SNP EUR MEUR 200	Cross Currency Swap	MM EUR 200	-	37	-	**37**
SNP EUR MEUR 170	Cross Currency Swap	MM EUR 170	-	76	-	**76**
Total derivatives designated for hedging - assets**			**-**	**175**	**-**	**175**

Derivatives designated for hedge accounting - liabilities						
Name	***Type***	***Notional***				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 150	-	80	-	**80**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	56	-	**56**
SNP EUR MEUR 330	Cross Currency Swap	MM EUR 330	-	139	-	**139**
Total derivatives designated for hedging - liabilities* **			**-**	**275**	**-**	**275**

* 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 18.
** Derivatives designated for hedge accounting are included in the balance sheet line "Other Assets" for the derivatives that represent an asset and in "Other liabilities" for derivatives that represent a liability for the entity.

2022

Financial instruments measured at fair value		Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial assets					
Name	***Type***				
VN Norge	Equity	-	12	-	**12**
Norsk Gjeldsinformasjon AS	Equity	-	-	0	**0**
Vipps AS	Equity	-	-	0	**0**
Total other ownership interests		**-**	**12**	**0**	**12**
Total Assets		**-**	**12**	**0**	**12**

			Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Financial liabilities						
Name	***Type***	***Notional***				
FX Swap EUR/DKK	Cross Currency Swap	MM EUR 35	-	0	-	0
Total Liabilities			-	0	-	0
Derivatives designated for hedge accounting - assets						
Total derivatives designated for hedging - assets**			-	-	-	-
Derivatives designated for hedge accounting - liabilities						
Name	***Type***	***Notional***				
DK EMTN MEUR 200	Cross Currency Swap	MM EUR 200	-	1	-	**1**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	113	-	**113**
DK EMTN MEUR 150	Cross Currency Swap	MM EUR 150	-	135	-	**135**
SV EMTN MEUR 350	Cross Currency Swap	MM EUR 350	-	49	-	**49**
Total derivatives designated for hedging - liabilities* **			-	**297**	-	**297**

* 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 18.
** Derivatives designated for hedge accounting are included in the balance sheet line "Other Assets" for the derivatives that represent an asset and in "Other liabilities" for derivatives that represent a liability for the entity.

Offsetting of financial assets and financial liabilities

The disclosure in the table below includes financial assets and financial liabilities that are subject to enforceable master netting arrangements or similar arrangements.

The ISDA and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position. This is because they create for the parties to the agreement a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Bank or the counterparties or following other predetermined events. In addition, the Bank and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The Bank receives and gives collateral in the form of cash and marketable securities in respect of the following transactions:
• derivatives
• sale-and-repurchase, and reverse sale-and-repurchase agreements

This collateral is subject to standard industry terms including, when appropriate, an ISDA credit support annex.

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the below tables have been measured in the statement of financial position on the following bases:

• derivative assets and liabilities – fair value
• assets and liabilities resulting from sale-and-repurchase agreements, reverse sale-and repurchase agreements – amortised cost

				Related amounts not offset in the statement of financial position		
2023	**Gross amounts**	**Amounts offset in the statement of financial position**	**Net amount presented in the financial statements**	**Financial instruments**	**Collateral**	**Net amount after possible netting**
Financial assets						
Derivatives	175	-	175	-	-	175
Reverse repurchase arrangements	679	-	679	679	-	-
Financial liabilities						
Derivatives	275	-	275	-	157	118
Repurchase arrangements	-	-	-	-	-	-

				Related amounts not offset in the statement of financial position		
2022	**Gross amounts**	**Amounts offset in the statement of financial position**	**Net amount presented in the financial statements**	**Financial instruments**	**Collateral**	**Net amount after possible netting**
Financial assets						
Derivatives	-	-	-	-	37	-
Reverse repurchase arrangements	707	-	707	707	-	-
Financial liabilities						
Derivatives	297	-	297	-	311	-
Repurchase arrangements	-	-	-	-	-	-

Note 20 - Hedging

All amounts in millions of NOK

Fair Value Hedge

Fair value hedges are used to protect the Bank against exposures to changes in the market prices of recognized fixed interest-notes and fixed interest-loans issued in EUR. The Bank uses cross currency interest rate swaps and interest rate swaps that qualify as hedging instruments, and designates these to the hedge relationship at time of inception if all criteria's for hedge accounting are met. Changes in fair value of the hedging instruments are recognized in the income statement together with changes in the fair value of the hedged liability that are attributable to the hedged risk.

For the fair value hedges the Bank assesses whether the derivative designated in each hedging relationship is expected to be and has been highly effective in offsetting changes in fair value of the hedged item using the dollar offset method. This method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument (including any counterparty credit risk) with the change in fair value of the hedged item attributable to the hedged risk. As counterparties credit risk is not hedged this is a source of ineffectiveness.

The fair values of derivatives designated as fair value hedges is as follows:

	2023			2022		
	Assets	**Liabilities**	**Gains (losses) recognized in P&L**	**Assets**	**Liabilities**	**Gains (losses) recognized in P&L**
Hedged item (Issued Bonds)	-	15 134	-414	-	8 922	479
Hedge instruments (Cross currency swaps)	264	319	426	-	525	-499
Fair value hedge item adjustment	-	-	-	-	-	-
Nominal of hedging instruments	-	15 134	-	-	8 922	-
Net exposure over P&L			**12**			**-20**

	2023	2022
Inefficiency	**Ineffectiveness recognized in P&L**	**Ineffectiveness recognized in P&L**
Fair value hedging ineffectiveness	12	-20

Cash Flow Hedge

Cash flow hedging is applied for the exposure to variation in future interest payments due to exchange rate risk on issued notes in foreign currency (EUR). Cross currency swaps (NOK swapped to EUR) are used as hedging instruments and they are designated into hedge relationships at inception when all criteria's for hedge accounting are met.

Further, cash flow hedging is applied for the exposure of variation in future interest payments from issued floating rate-notes with floating EURIBOR-rate. Interest rate swaps (fixed interest swapped to floating) are used as hedging instruments and they are designated into hedge relationships at inception when all criteria's for hedge accounting are met.

The portion of the gain or loss in the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income. Gains or losses on hedging instruments that have been accumulated in equity are recognized in profit or loss in the same period as interest expense from the hedged liability. The ineffective portion of the gain or loss on hedging instruments is recognized in profit or loss.

The Bank assesses whether the derivative designated in each hedging relationship is expected to be and has been highly effective in offsetting changes in cash flows of the hedged item (prospectively and retrospectively) using the hypothetical derivative method. This method assess hedge ineffectiveness by comparing the change in fair value of the actual derivative designated as the hedging instrument and the change in fair value of a "hypothetical derivative" that would result in perfect hedge effectiveness for the designated item. The hypothetical derivative would have terms that exactly match the critical terms of the hedged item with the lower of the two cumulative changes always appearing in Equity.

The fair values of derivatives designated as cash flow hedges are as follows:

		2023			2022	
	Assets	**Liabilities**	**Amount recognized in OCI**	**Assets**	**Liabilities**	**Amount recognized in OCI**
Hedged item (Bonds)	-	15 134	-	-	8 922	-
Hedge instruments (Cross currency interest rate swaps)	292	336	28	246	8	4
Hedge instruments (Interest rate swaps)	-	-	-	-	-	-
Nominal of hedging instruments	-	15 134	-	-	8 922	-
Net exposure over P&L			**28**			**4**

	2023	2022
Inefficiency	**Ineffectiveness recognized in P&L**	**Ineffectiveness recognized in P&L**
Cash flow hedging ineffectiveness	29	6

Periods when the cash flows are expected to occur and when they are expected to affect profit or loss;

		2023			2022	
	< 1 year	**1-5 years**	**> 5 years**	**< 1 year**	**1-5 years**	**> 5 years**
Cash inflows (assets)	-	-	-	-	-	-
Cash outflows (liabilities)	1 682	13 453	-	2 104	6 818	-
Net cash flows	**1 682**	**13 453**	**-**	**2 104**	**6 818**	**-**

Reclass from OCI to profit and loss:	**2023**	**2022**
Reclassified amount	-	-

Fair value hedge of shares in subsidiary

The Bank's shares in Santander Consumer Finance Oy are denominated in EUR, as the Bank's functional currency is NOK it is exposed for translation risks. The risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiary (EUR) and the Bank's functional currency (NOK), which causes the value of the shares to fluctuate when translating them to NOK.

Loans from external parties nominated in EUR is designated as hedging instruments and designated into the hedging relationship when all criteria's for hedge accounting are met. The Bank assesses whether the EUR nominated loans designated in each hedging relationship is expected to be and has been highly effective in offsetting changes in cash flows of the hedged item (prospectively and retrospectively) using the dollar offset method.

The fair values of derivatives designated as net investment hedges is as follows:

	2023			2022		
	Assets	Liabilities	Amount recognized in P&L	Assets	Liabilities	Amount recognized in P&L
Hedged item (Shares in SCF Oy)	1 455	-	91	1 366	-	70
Hedge instrument (EUR-loan)	-	1 455	-91	-	1 378	-70
Net exposure over OCI			**-**			**-**

	2023	2022
Inefficiency	Ineffectiveness recognized in P&L	Ineffectiveness recognized in P&L
Net investment hedging ineffectiveness	-	-

Interest Rate Benchmark Reform: Amendments to IFRS 9; IAS 39 and IFRS 7

The Bank is closely monitoring the market and the output from the various industry working groups managing the transition to new benchmark interest rates. The Bank has established a project to manage the transition for any of its contracts that could be affected.

Cross currency swaps	Nominal amount	Average maturity
EURIBOR EUR (3 months) to CIBOR DKK (3 months)	5 269	2025-11-08
EURIBOR EUR (3 months) to STIBOR SEK (3 months)	9 865	2026-06-17
Total	**15 134**	

Note 21 - Financial instruments measured at amortized cost

The financial instruments in the Bank's balance sheet are primarily measured and booked to amortized cost. This applies to cash on hand, cash and receivables on central banks, deposits with and receivables on financial institutions, loans to customers, commercial papers and bonds, deposits from customers and debt established by issuing securities. Accounting for these items at amortized cost implies that the Bank intends to hold or issue the items to collect or pay the contractual cash flows, and adjust for impairment if relevant.

Differences between amortized cost and fair value of the items may be caused by a number of factors, such as different view on macro-economic perspectives, credit risk, market conditions, return requirements and varying access to accurate information. The below table shows estimated fair value of items carried at amortized cost.

Fair value is measured on the basis of the fair value hierarchy as described in note 19.

Cash on hand:
This item consist of cash on hand. Due to the short term nature of this item, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Cash and receivables on central banks:
This item consist of deposits with central banks. Due to the short term nature of this item, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Deposits with and receivables on financial institutions:
This item consists of deposits with financial institutions and reverse repurchase agreements. Due to their short term nature, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Loans to customers:
The Bank's portfolio of loans to customers consists of the following main groups; credit cards, finance leases, installment loans and unsecured loans. All loans in the portfolio are subject to continuous evaluation of whether an impairment or loan loss allowance should be booked for it. Interest rates for new business volume are assumed to be a fair representative of market rates. In order to estimate fair value of the portfolio, an adjustment has to be made for the difference between interest rates for new business volume and existing portfolio. The approach for estimation of fair value is based on a correlation model between the average nominal interest rates (TIN) (%) of the portfolio / evaluated portfolio and the average New Business TIN (%) of the last three months of the same portfolios. If the average TIN (%) of the portfolio differs from that of new business rate (average three months), fair value will be different from book value. When fair value has been identified following this rationale, it will be discounted to the present value of the moment in which the estimate is carried out.

Level in fair value hierarchy: Level 3

Commercial papers and bonds:
Quoted prices in active markets exist for HQLAs and the fair value is reported in level 1 for this group of financial instruments.

The Bank has also invested in issued securities by SPV’s. These securities are a part of the SPVs' underlying structure for securitization and issuance of ABS’. These notes are generally fixed rate notes, as the notes are generally very illiquid, it is difficult to find observable, representative market data, for that reason it is assumed that the book value is the best estimate for the fair value.

Level in fair value hierarchy: Level 1 for HQLAs and level 3 for investment in notes issued by SPV's.

Loans to subsidiaries and SPV's:
Consists of loans to subsidiaries and SPV's. Due to their short term nature, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Other financial assets:
This item consists of posted swap collateral. Due to their short term nature, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Debt to credit institutions:
This item consists of debt to financial institutions. Due to their short term nature, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Deposits from customers:
Fair value is assessed to equal amortized cost, as the contractual maturity is short and the deposits are affected by changes in credit risk to a limited extent.

Level in fair value hierarchy: Level 3

Debt established by issuing securities:
The Bank has issued securities in both EUR, SEK, DKK and NOK. Issuances of bonds in SEK/EUR/NOK are done on traded markets and quoted market prices (average of bid/ask prices) for the securities are used as fair value (level 1).

Level in fair value hierarchy: Level 1 for securities with quoted market prices.

Other financial liabilities:
This item consists of received swap collateral, lease liability, withheld taxes and accounts payable. Due to their short term nature, the fair value is assumed to equal the book value.

Level in fair value hierarchy: Level 3

Subordinated loan capital:
The Bank issues subordinated loan capital as a part of their funding. The loans are floating rate, and repriced quarterly based on a 3M STIBOR and NIBOR. The book value of the loans is considered to be a good estimate of the fair value, as the loans are floating rate with frequent repricings ensuring the debt is at market terms.

Level in fair value hierarchy: Level 3

Senior non-preferred loans:
The Bank issues Senior non-preferred loans as a part of their funding. The loans are floating rate, and repriced quarterly based on a 3M STIBOR and NIBOR. The book value of the loans is considered to be a good estimate of the fair value, as the loans are floating rate with frequent repricings, ensuring the debt is at market terms.

Level in fair value hierarchy: Level 3

All amounts in millions of NOK

		2023		2022	
Financial assets	**Fair value level**	**Book value**	**Fair value**	**Book value**	**Fair value**
Cash on hand	Level 3	0	0	-	-
Cash and receivables on central banks	Level 3	1 127	1 127	5 680	5 680
Deposits with and receivables on financial institutions	Level 3	2 174	2 174	2 276	2 276
Loans to customers	Level 3	155 255	174 619	147 337	129 177
Commercial papers and bonds	Level 1 and 3	10 319	10 367	4 704	4 726
Loans to subsidiaries and SPV's	Level 3	18 659	18 659	17 728	17 728
Other financial assets	Level 3	190	190	311	311
Total financial assets		**187 725**	**207 137**	**178 035**	**159 898**

		2023		2022	
Financial liabilities	**Fair value level**	**Book value**	**Fair value**	**Book value**	**Fair value**
Debt to credit institutions	Level 3	24 296	24 296	33 078	33 078
Deposits from customers	Level 3	88 546	88 546	75 925	75 925
Debt established by issuing securities	Level 1	30 841	28 844	34 599	32 806
Other financial liabilities	Level 3	584	584	374	374
Subordinated loan capital	Level 3	2 521	2 521	2 422	2 422
Senior non-preferred loans	Level 3	16 038	16 038	4 067	4 067
Total financial liabilities		**162 827**	**160 830**	**150 464**	**148 671**

Note 22 - Securitization

The Bank securitizes auto loan to customers by selling the loans to special purpose companies, which fund 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 and motorcycles) and the related collateral. For the reporting period ending 31.12.2023, the Bank has not sold any auto loan portfolios to a SPV. (See note 33 for a list of SPVs)

In accordance with IFRS 9, the sold assets are not derecognized from the Bank's balance sheet, as the Bank retains basically all the risks and rewards of the transferred assets. The risks are retained through the Bank’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 rewards are retained as the Bank receives the margin between car loan costumer payments and payments to bondholders.

As the Bank continues to recognize the transferred assets in the balance sheet, a liability to transfer the future cash flows from the customers arises. The Bank therefore recognizes a financial liability for the consideration received.

For the reporting period ending 31.12.2023, the Bank has not sold any auto loan portfolios to a SPV.

Note 23 - Fixed assets

All amounts in millions of NOK

2023	Buildings	Machines, fittings, equipment	Operating lease assets	Total
Acquisition cost at 1 January	**331**	**124**	**423**	**879**
Additions	67	13	1 513	**1 592**
Disposals	-14	-24	-247	**-285**
Net foreign exchange differences on translation	9	3	-	**12**
Acquisition cost at 31 December	**393**	**116**	**1 689**	**2 198**
Accumulated depreciation and impairment at 1 January	**-202**	**-91**	**-69**	**-362**
Depreciation*	-89	-9	-90	**-188**
Disposals	-	21	57	**78**
Impairment	-	-	-18	**-18**
Net foreign exchange differences on translation	-5	-3	-	**-8**
Accumulated depreciation and impairment at 31 December	**-296**	**-81**	**-120**	**-498**
Net book value at 31 December	**96**	**35**	**1 569**	**1 700**

* Depreciation on operating lease assets is reported as "Other operating expenses" in the profit and loss statement.

Method of measurement	Acquisition cost	Acquisition cost	Acquisition cost
Depreciation method	Straight-line	Straight-line	Straight-line
Depreciation plan and useful life	3 – 10 years	1 – 10 years	1 - 10 years
Average useful life	5 years	3 years	3 years

As at 31 December 2023, Buildings includes right-of-use assets of 96 MM NOK related to leased office premises.

2022	Buildings	Machines, fittings, equipment	Operating lease assets	Total
Acquisition cost at 1 January	**335**	**112**	**428**	**875**
Additions	-	18	213	**231**
Disposals	-	-5	-218	**-223**
Net foreign exchange differences on translation	-4	-0	-	**-4**
Acquisition cost at 31 December	**331**	**124**	**423**	**879**
Accumulated depreciation and impairment at 1 January	**-153**	**-80**	**-74**	**-307**
Depreciation*	-51	-14	-48	**-113**
Disposals	-	3	53	**56**
Impairment	-	-	-1	**-1**
Net foreign exchange differences on translation	2	1	-	**2**
Accumulated depreciation and impairment at 31 December	**-202**	**-91**	**-69**	**-362**
Net book value at 31 December	**129**	**34**	**354**	**517**

* Depreciation on operating lease assets is reported as "Other operating expenses" in the profit and loss statement.

Note 24 - Intangible assets

All amounts in millions of NOK

2023	Software and other intangible assets	Goodwill	Total
Acquisition cost at 1 January	**988**	**400**	**1 388**
Additions	274	-	**274**
Disposals	-95	-	**-95**
Net foreign exchange differences on translation	17	25	**43**
Acquisition cost at 31 December	**1 184**	**426**	**1 610**
Accumulated amortization and impairment at 1 January	**-543**	**-**	**-543**
Amortization	-225	-	**-225**
Disposals	91	-	**91**
Impairment	-	-	**-**
Net foreign exchange differences on translation	-9	-	**-9**
Accumulated amortization and impairment at 31 December	**-686**	**-**	**-686**
Net book value at 31 December	**499**	**426**	**924**

Method of measurement	Acquisition cost	Acquisition cost
Amortization method	Straight-line	Goodwill is not amortized
Amortization plan and useful life	3 – 7 years	-
Average useful life	5 years	-

The useful life regarding software is evaluated annually. Goodwill is related to the purchase of the portfolio from Eik Sparebank in 2007, the purchase of GE Money Oy in 2009 and GE Money Bank in 2014.

2022	Software and other intangible assets	Goodwill	Total
Acquisition cost at 1 January	**835**	**382**	**1 217**
Additions	150	-	**150**
Disposals	-	-	**-**
Net foreign exchange differences on translation	3	18	**22**
Acquisition cost at 31 December	**988**	**400**	**1 388**
Accumulated amortization and impairment at 1 January	**-354**	**-**	**-354**
Amortization	-188	-	**-188**
Disposals	-	-	**-**
Impairment	-	-	**-**
Net foreign exchange differences on translation	-2	-	**-2**
Accumulated amortization and impairment at 31 December	**-543**	**-**	**-543**
Net book value at 31 December	**445**	**400**	**845**

Note 25 - Leasing

All amounts in millions of NOK

Finance leases (as lessor):
The Bank owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as "loans to customers" in the balance sheet, and are valued at the present value of future cash flows.

	2023	2022
Gross investment in the lease:		
Due in less than 1 year	13 109	11 688
Due in 1 - 5 years	23 198	21 417
Due later than 5 years	52	65
Total gross investment in the lease	**36 359**	**33 170**
Present value of minimum lease payments receivable:		
Due in less than 1 year	12 414	11 279
Due in 1 - 5 years	19 495	21 254
Due later than 5 years	37	51
Total present value of minimum lease payments receivable	**31 946**	**32 584**
Unearned finance income	**4 414**	**586**

Operating leases (as lessor)

The Bank owns assets leased to customers under operating lease agreements. Operating lease agreements are reported as fixed assets in the balance sheet.

	2023	2022
Future minimum lease payments under non-cancellable operating leases		
Due in less than 1 year	639	162
Due in 1 - 5 years	960	204
Due later than 5 years	-	-
Total future minimum lease payments under non-cancellable operating leases	**1 599**	**366**

Finance leases (as lessee):

Right-of-use assets

The Bank leases several assets including buildings, machines and IT equipment. The average lease term is 3 years. If there is an option to extend the lease term of the right-of-use asset, the probability for extension has been calculated. This is the basis for lease term in the calculation.

2023	Buildings	Machines, fittings, equipment	Total
Cost at 1 January	**331**	**21**	**352**
Additions	67	-	**67**
Disposals	-14	-14	**-28**
Net foreign exchange differences on translation	9	-	**9**
Cost at 31 December	**393**	**7**	**399**
Accumulated depreciation at 1 January	**-202**	**-21**	**-223**
Charge for the year	-89	0	**-89**
Disposals	-	14	**14**
Net foreign exchange differences on translation	-5	-0	**-6**
Accumulated depreciation at 31 December	**-296**	**-7**	**-303**
Carrying amount at 31 December	**96**	**-**	**96**

2022	Buildings	Machines, fittings, equipment	Total
Cost at 1 January	**335**	**21**	**356**
Additions	-	-	**-**
Disposals	-	-0	**-0**
Net foreign exchange differences on translation	-4	-	**-4**
Cost at 31 December	**331**	**21**	**352**
Accumulated depreciation at 1 January	**-153**	**-19**	**-172**
Charge for the year	-51	-2	**-53**
Disposals	-	-	**-**
Net foreign exchange differences on translation	2	0	**2**
Accumulated depreciation at 31 December	**-202**	**-21**	**-223**
Carrying amount at 31 December	**129**	**-**	**129**

	2023	2022
Amounts recognised in profit and loss		
Depreciation expenses relating to right-of-use assets	89	53
Interest expense on lease liabilities	1	2
Expense relating to short-term leases	20	21
Expense relating to leases of low value assets	2	2

At 31 December 2023, the Bank is committed to 20 MNOK in short-term leases.

Maturities for lease liabilities are presented in note 28.

Note 26 - Repossessed Assets

All amounts in millions of NOK

	2023	2022
Vehicles	8	5
Total repossessed assets	**8**	**5**

Note 27 - Changes in liabilities arising from financing activities

All amounts in millions of NOK

The tables below show a reconciliation of the opening and closing balances for liabilities arising from financing activities.

2023 **Liability**	**2022**	**Changes from financing cash flows**	**Changes in foreign exchange rates**	**Changes in fair value**	**Other changes***	**2023**
Debt to credit institutions	**33 078**	-10 335	1 553	-	-	**24 296**
Debt established by issuing securities	**34 599**	-6 161	2 404	-	-	**30 841**
Subordinated loan capital	**2 422**	1	97	-	-	**2 521**
Senior non-preferred loans	**4 067**	11 773	198	-	-	**16 038**
Lease liability (IFRS16)	**102**	-7	2	-	-	**98**

* Other changes regarding the line item Debt to credit institutions, consists of changes in the debt to SPVs on future cash flow of securitized loans.

2022 **Liability**	**2021**	**Changes from financing cash flows**	**Changes in foreign exchange rates**	**Changes in fair value**	**Other changes***	**2022**
Debt to credit institutions	**28 400**	7 603	-2 054	-	-870	**33 078**
Debt established by issuing securities	**38 375**	-4 445	669	-	-	**34 599**
Subordinated loan capital	**2 463**	2	-43	-	-	**2 422**
Senior non-preferred loans	**-**	4 082	-14	-	-	**4 067**
Lease liability (IFRS16)	**169**	-65	-2	-	-	**102**

* Other changes regarding the line item Debt to credit institutions, consists of changes in the debt to SPVs on future cash flow of securitized loans.

Note 28 - Lease liabilities

All amounts in millions of NOK

Maturities of lease liabilities	2023	2022
Less than a year	63	47
From 1 year to 3 years	34	55
From 3 year to 5 years	-	-
More than 5 years	-	-
Total lease liabilities	**98**	**102**

The Bank does not face a significant liquidity risk with regard to its lease liabilities. Liquidity risk is monitored within the Bank's treasury function.

Note 29 - Pension expenses and provisions

All amounts in millions of NOK

In Norway, the Bank has a collective defined contribution pension scheme under the Occupational Pensions Act for all employees. In addition, employees can withdraw pension from the collectively agreed AFP scheme. This scheme only applies to employees in Norway and forms part of a collective agreement. The previous defined benefit pension schemes were terminated in 2017 and active members were transferred to the defined contribution pension scheme. The remaining defined benefit pension commitments to certain employees consist of executive pension schemes.

In Sweden, the Bank 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. Starting 1 July 2015, the results below include the former GE Money Bank pension schemes acquired in Sweden (BTP plan consistent with description above).

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

In Denmark, the Bank has defined contribution plans.

Pension expenses for defined benefit plans	**2023**	**2022**
Present value of year's pension earnings	-7	-10
Curtailment (gain) / loss	-	-
Settlement (gain) / loss	-	-
Interest cost on accrued liability	-11	-8
Interest income on plan assets	12	7
Allowance for taxes	1	0
Net Pension expenses	**-5**	**-10**

Pension expenses for defined contribution plans	**2023**	**2022**
Total expenses	101	97

Pension liabilities in balance sheet	**2023**	**2022**
Pension funds at market value	332	316
Estimated pension liability	-269	-290
Effect of asset ceiling	-7	-
Net pension asset/liability	**56**	**26**

The movement in the defined benefit obligation and fair value of plan assets over the year is as follows:

2023	**Present value of obligation**	**Fair value of plan assets**	**Net pension asset/liability**
At 1 January	**-290**	**316**	**26**
Current service cost	-7	-	**-7**
Curtailment gain / (loss)	-	-	**-**
Settlement gain / (loss)	-	-	**-**
Interest expense / Income	-11	12	**1**
	-17	**12**	**-5**
Remeasurements:			
- Return on plan assets	-	-27	**-27**
- Gain/(Loss) from change in demographic assumptions	0	-	**0**
- Gain/(Loss) from change in financial assumptions	62	-	**62**
- Gain/(Loss) from plan experience	-15	-	**-15**
	47	**-27**	**20**
Exchange rate differences	-20	22	**2**
Contributions:			
- Employer	-	21	**21**
- Plan participants	-	-	**-**
Payments from plans:			
- Benefit payments	11	-11	**-**
Acquired in a business combination	-	-	**-**
Settlement	-	-	**-**
Others	-	-	**-**
	-9	**31**	**23**
Before effects of asset ceiling	**-269**	**332**	**63**
- Change in asset ceiling			**-7**
At 31 December			**56**

2022	Present value of obligation	Fair value of plan assets	Net pension asset/liability
At 1 January	**-399**	**350**	**-49**
Current service cost	-10	-	**-10**
Curtailment gain / (loss)	-	-	**-**
Settlement gain / (loss)	-	-	**-**
Interest expense / Income	-8	7	**-1**
	-18	**7**	**-11**
Remeasurements:			
- Return on plan assets	-	-41	**-41**
- Gain/(Loss) from change in demographic assumptions	-13	-	**-13**
- Gain/(Loss) from change in financial assumptions	114	-	**114**
- Gain/(Loss) from plan experience	4	-	**4**
- Change in asset ceiling	-	-	**-**
	106	**-41**	**65**
Exchange rate differences	12	-10	**1**
Contributions:			
- Employer	-	20	**20**
- Plan participants	-	-	**-**
Payments from plans:			
- Benefit payments	10	-10	**-**
Acquired in a business combination	-	-	**-**
Settlement	-	-	**-**
Others	-	-	**-**
	21	**-1**	**21**
At 31 December	**-290**	**316**	**26**

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

	2023			2022		
	Norway	**Sweden**	**Total**	**Norway**	**Sweden**	**Total**
Present value of obligation	-4	-265	-269	-5	-285	**-290**
Fair value of plan assets	-	332	332	-	316	**316**
Effect of asset ceiling	-	-7	-7	-	-	**-**
Total	**-4**	**61**	**56**	**-5**	**31**	**26**

The following assumptions have been used calculating future pensions:

	2023		2022	
	Norway	Sweden	Norway	Sweden
Discount rate	3,00%	4,10%	2,40%	3,50%
Inflation	2,25%	1,75%	2,00%	2,00%
Salary growth rate	3,75%	3,25%	3,50%	3,50%
Pension growth rate	2,90%	1,75%	2,60%	2,00%
Rate of social security increases	2,90%	3,50%	2,60%	2,00%

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:

	2023		2022	
	Norway*	Sweden	Norway*	Sweden
Retiring at the end of the reporting period:				
- Male	-	22	-	22
- Female	-	24	-	24
Retiring 20 years after the end of the reporting period:				
- Male	-	24	-	24
- Female	-	26	-	26

The Mortality table K2013 is used for Norway and DUS23 (White collar) for Sweden.

* The Norwegian defined benefit schemes were terminated in 2017 and the table shows that there are no remaining members.

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

Norway	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 8,18%	Increase by 9,39%
Salary growth rate	1,00%	Increase by 0,81%	Decrease by 0,80%

Sweden	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1,00%	Decrease by 22,70%	Increase by 26,32%
Salary growth rate	1,00%	Increase by 1,34%	Decrease by 1,23%

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

The Bank'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 20 590 TNOK.

The weighted average duration of the defined benefit obligation is 4 years in Norway and 25.4 years in Sweden.

Expected maturity of undiscounted pension benefit payments:

At 31 December 2023	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
Pension benefit payments	10	7	24	47	**88**

Note 30 - Remuneration

All amounts in thousands of NOK

The Bank's principles for determining remuneration, including criteria for the stipulation of any variable remuneration, are stipulated in the Bank's Remuneration Policy. Further, the Bank has established a remuneration committee, which is a subcommittee of the Board of Directors. The remuneration committee works as both a preparatory and advisory committee for the Board of Directors with respect to the Bank's Remuneration Policy.

The Remuneration Policy applies to all employees in the Bank, as well as the Bank's subsidiary in Finland. Special requirements apply to senior executives, employees with responsibilities which are of great importance to the company's risk exposure ('risk takers'), and employees in independent control functions. The overall objectives for the Bank's remuneration policy are to support the Bank's strategies for recruiting, retaining, developing and rewarding employees who contribute to creating shareholder value at the Bank and to support the Bank's performance culture. The Remuneration Policy is intended to ensure the credibility, effectiveness and fairness of the Bank's remuneration practices and the adequacy, proportionality and balance of the ratio of fixed versus variable remuneration. Additionally, the Remuneration Policy intends to ensure that the overall remuneration structure reflects sound and effective risk management principles. As a result, a key element in the Remuneration Policy is to counteract risk-taking that exceeds the level of tolerated risk for the Bank while, at the same time, offer a flexible remuneration structure. The Remuneration Policy shall further ensure that the total variable remuneration paid out will not conflict with the requirement of maintaining a sound capital base.

Employees identified as "Senior Management Team" and "Material Risk Takers" are 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

The deferred bonus plan consists of four elements;

1) Cash bonus (25% immediate pay)
2) Shares subject to 1 year of holding (25% delivery subject to holding period)
3) Cash bonus deferred over a four year period (6,25% immediate pay each year, in total 25%)
4) Shares deferred over four year period, each delivery is subject to 1 year of holding (6,25% each year, in total 25%)

The shares received are Banco Santander S.A. shares.

Conditions for the bonus scheme are to be based on a combination of an individual appraisal of each employee, the financial performance of the Bank, and a qualitative performance of the Bank. Control functions are not measured on financial performance. The financial performance is measured on e.g. Net Income or Risk adjusted Profit before Tax; also risk results e.g. Management delinquency variation. The qualitative performance is measured on e.g. Employee satisfaction, compliance and alignment with non-financial targets.

Granted options are not part of the plan of Material Risk Takers employed at Santander in the Nordic countries.

Remuneration for members of the Board of Directors is subject to approval of the Bank's General Meeting.

Pension schemes

The Bank offers different pension and insurance schemes in the Nordic countries:

<u>Norway</u>

1. Defined Contribution: 7% up to 7,1G and 18% from 7,1G to 12G
2. Pension scheme for wages above 12G: 18% paid over payroll

Sweden

Two different types of pensions schemes. BTP1 & BTP2 according to the collective agreement. All new employees goes into the BTP1 plan.

BTP1 – Santander pays a monthly premium, but the actual outcome of pension is unknown.

1. 4% on salary up to 7,5 “Inkomstbasbelopp” (IBB) - Valbar del
2. 2,5% on salary up to 7,5 “Inkomstbasbelopp” (IBB) – Trygg del
3. 32% of salary between 7,5 – 30 IBB.

BTP2 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

Denmark

Pensions Scheme with employer contribution 11,65% of salary, and employee contribution 5,25% of salary (Optional additional payment). The employer contribution is regulated by the collective agreement.

Key management compensation:

The tables below show the accrued salary, base bonus, pension and compensations for CEO and other Key management:

	Salary	Bonus	Pension	Other benefits	Total 2023	Total 2022
Michael Hvidsten, Chief Executive Officer	4 867	915	164	1 089	**7 035**	**7 469**
Steve Franklin, Chief Commercial Officer	2 010	173	164	586	**2 933**	**3 043**
Peter Sjöberg, Chief Operating Officer*	3 094	293	699	241	**4 327**	**3 615**
Anders Bruun-Olsen, Chief Financial Officer	2 115	200	164	372	**2 851**	**2 891**
Tina Krogsrud Fjeld, Chief Compliance Officer	2 089	327	164	374	**2 954**	**2 922**
Andres Diez, Chief Risk Officer	2 167	244	164	372	**2 947**	**3 049**
Alexander Krupchenko, Chief Controlling Officer	2 454	-	-**	927	**3 381**	**-**
Malin Werner Halvorsen, Chief Operating Officer	1 449	127	164	61	**1 801**	**-**
Espen Hovland, Chief Controlling Officer*	284	170	14	22	**490**	**2 563**
Marion Bout, Chief Compliance Officer*	1 314	-	-**	563	**1 877**	**2 294**
Total	**21 843**	**2 449**	**1 697**	**4 607**	**30 596**	**27 846**

*Have left Santander Nordics in 2023

** Pension contribution provided in home country

Bonus shares (part of CBS program)	Number of shares earned in 2023	Total number of shares earned, but not issued as at 31 December 2023	Value of the shares earned, but not issued* as at 31 December 2023
Michael Hvidsten, Chief Executive Officer	17 565	46 501	1 991
Anders Bruun-Olsen, Chief Financial Officer	3 759	8 103	347
Andres Diez, Chief Risk Officer	4 873	10 694	458
Steve Franklin, Chief Commercial Officer	3 149	8 449	362
Tina Krogsrud Fjeld, Chief Compliance Officer	4 334	12 094	518
Jaime Madera de las Heras, Chief Auditor Executive	399	1 195	51
Alexander Krupchenko, Chief Controlling Officer**	-	-	-
Malin Werner Halvorsen, Chief Operating Officer	-	-	-
Total	**34 079**	**87 036**	**3 727**

* All amounts in thousands of NOK

**Shares net of tax

Defined share value	2023	2022	2021
Share value - Banco Santander (EUR) *	4	3	3
Share value - Banco Santander (NOK) *	43	29	29

* Value of shares is an estimate based on the Santander S.A. share price from BME Stock Exchange as at 28 December 2023, and the exchange rate as at 28 December 2023.

Board of Directors		2023	2022
Jørn Borchgrevink	Chair of the Board External	750	730
Anne Kvam	Board Member External	580	555
Tone B. Strømsnes	Board Member, Employee Representative	230	230
Rolf Larsen (as of February 2023)	Board Member, Employee Representative	250	-
Arja Pynnönen	Deputy Board Member, Employee Representative	25	25
Åsa Ravik (As of February 2023)	Deputy Board Member, Employee Representative	25	-
Sara Norberg	Observer	25	250
Federico Ysart	Deputy Chair/Board Member Internal Non-executive	-	-
De Elejabeitia Rodriguez Pedro	Board Member Internal Non-executive	-	-
Ramon Billordo	Board Member Internal Non-executive	-	-
Tina Stiegler (until June 2022)	Director/Board Member External	-	265
Christa Skovgaard (Until February 2023)	Deputy Director/Employee Representative	-	25
Beate Folmo (As of April 2022 until Febuary 2023)	Director/Employee Representative	-	25
Lukas Rudolph Jansen van Vuuren (until February 2022)	Deputy Director/ Employee Representative	-	-
Francisco Javier Anton San Pablo (until April 2022)	Director/ Board Member Internal Non-executive	-	-
Total		**1 885**	**2 105**

	2023		2022	
Staff as at 31 December (permanent employees only)	**Number of employees**	**Average FTE for the year**	**Number of employees**	**Average FTE for the year**
Norway	560	489	545	484
Sweden	288	260	261	227
Denmark	211	199	203	195
Total	**1 059**	**948**	**1 009**	**905**

Audit services and advisory services (without VAT)*	**2023**	**2022**
Audit services	20 233	17 929
Other attestation services	819	469
Total	**21 052**	**18 399**

* All amounts in thousands of NOK

Advokatfirmaet PwC has performed tax services at 50 thousand NOK in 2023. The amount is not included in the overview of audit services and advisory services.

Note 31 - Ownership interests in group companies

All amounts in millions of NOK

Interests in consolidated entities

The Bank holds 100% of the shares in Santander Consumer Finance Oy. The subsidiary's address is Risto Rytin tie 33, 00570 Helsinki, Finland. The net investment in the subsidiary is subject to changes in foreign exchange rates. The investment is being hedged. See note 20 for further details.

	2023	2022
Number of shares held by the Bank	600 000	600 000
Net investment	1 806	1 717

Santander Consumer Finance Oy	2023	2022
Equity	4 660	3 891
Total assets	37 814	39 009
Profit for the year	476	491

Interests in unconsolidated entities

In order to manage the Bank's risk exposure, the Bank has entered into a financial guarantee in the form of a synthetic securitization in Sweden with a limited number of investors. The selected portfolio consists of SEK 0.8 Billion IRB Auto Loans at December 31, 2023. In the transaction investors agree to invest in notes linked to the mezzanine risk of the portfolio.

An Irish SPV, Svensk Autofinans Syn I DAC, was established to provide the financial guarantee to the Bank. At the same time, the SPV issued credit linked notes (CLN), which mirror the risk of the financial guarantee. The proceeds from the issuance of the notes are put in a deposit account in the Bank to fully collateralize the financial guarantee.

The received collateral amount is recognized in Other Liabilities, whereas the financial guarantee premium the Bank pays for the guarantee, is recognized in the Fee and Commission Expenses in the Profit and Loss statement.

The SPV is not included in the consolidated financial statement in accordance with IFRS 10, as the Bank does not control the SPV.

Svensk Autofinans Syn I DAC	2023	2022
Assets*	76	193
Liabilities*	76	193

* Amounts in millions of SEK

Note 32 - Receivables and liabilities to related parties

All amounts in millions of NOK

Debt to related parties:	2023	Accrued Interest 2023	2022	Accrued Interest 2022
Santander Consumer Finance S.A.	24 143	154	32 979	99
Debt to SPV on future cash flow of securitized loans	-	-	-	-
Total	**24 143**	**154**	**32 979**	**99**

Balance sheet line: "Subordinated loan capital" - Bonds	2023	Accrued Interest 2023	2022	Accrued Interest 2022
MNOK 500, maturity September 2027, 3 months NIBOR + 1.66% (Santander Consumer Finance S.A)	500	2	500	2
MSEK 750, maturity December 2029, 3 months STIBOR + 2.08% (Santander Consumer Finance S.A)	757	3	709	1
MSEK 750, maturity December 2030, 3 months STIBOR + 2.29% (Santander Consumer Finance S.A)	757	1	709	1
MNOK 500, maturity June 2031, fixed rate 2.62% (Santander Consumer Finance S.A)	500	1	500	0
Total	**2 515**	**6**	**2 417**	**4**

Balance sheet line: "Senior non-preferred loans"	2023	Accrued Interest 2023	2022	Accrued Interest 2022
MSEK 600, maturity April 2026, 3 months STIBOR + 1.04% (Santander Consumer Finance S.A)	606	5	567	3
MNOK 650, maturity May 2026, 3 months NIBOR + 1.37% (Santander Consumer Finance S.A)	650	5	650	3
MSEK 1 000, maturity August 2026, 3 months STIBOR + 1.50% (Santander Consumer Finance S.A)	1 010	6	945	3
MSEK 1 000, maturity September 2026, 3 months STIBOR + 1.75% (Santander Consumer Finance S.A)	1 010	0	945	1
MSEK 1 000, maturity November 2026, 3 months STIBOR + 2.18% (Santander Consumer Finance S.A)	1 010	6	945	4
MEUR 500, maturity January 2027,fixed rate 4.51% (Santander Consumer Finance S.A)	5 632	239	-	-
MEUR 500, maturity September 2028, fixed rate 4.87% (Santander Consumer Finance S.A)	5 783	77	-	-
Total	**15 700**	**339**	**4 052**	**15**

Receivables on related parties:	2023	Accrued Interest 2023	2022	Accrued Interest 2022
Balance sheet line: "Commercial papers and bonds"				
B and C notes issued by SPVs	-	-	-	-
Balance sheet line :"Loans to subsidiaries and SPV's"				
Loan to subsidiary (Santander Consumer Finance Oy)	18 469	190	17 675	53

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

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

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

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

Note 33 - Transactions with related parties

All amounts in millions of NOK

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

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

The following transactions were carried out with related parties:

Profit and loss	**2023**	**2022**
Interest income	250	113
Interest expenses	-2 130	-453
Interest payments additional Tier 1 capital	-194	-140
Fees	-	3
Other	-146	-287
Net transactions	**-2 220**	**-765**

Assets	**2023**	**2022**
Loans to customers	18 659	17 728
Deposits with and receivables on financial institutions	2	3
Commercial papers and bonds	-	-
Investments in subsidiaries	1 806	1 717
Other financial assets	167	294
Other assets	243	65
Total assets	**20 877**	**19 805**

Liabilities	**2023**	**2022**
Debt to credit institutions	24 296	33 078
Debt established by issuing securities	307	219
Other liabilities	463	388
Subordinated loan capital	18 355	6 489
Total liabilities	**43 422**	**40 174**

The Bank had transactions with the following related parties as at 31 December 2023:

Banco Santander S.A.
CACEIS Bank Spain SAU
Santander Consumer Finance Global Services S.L.
Santander Consumer Finance Oy
Santander Consumer Finance S.A.
Santander Global Services S.L.
Santander Global Technology and Operations, S.L. Unipersonal
Santander Seguros Y Reaseguros S.A.
Santander Totta Seguros, Companhia de Seguros de Vida S.A

Note 34 - Contingent liabilities & commitments and provisions

All amounts in millions of NOK

	2023	**2022**
Contingent liabilities*	132	75
Commitments (Granted undrawn credits)	25 513	31 910

* Contingent liabilities relates mainly to payment guarantees issued to customers.

Note 35 - Result over total assets

All amounts in millions of NOK

	2023	**2022**
Profit after tax (PAT)	2 344	2 216
Total assets (Assets)	194 316	182 448
PAT over Assets	**1,21%**	**1,21%**