



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 999 644 392
Organisasjonsform: Aksjeselskap
Foretaksnavn: SAFE DEPOSIT BANK OF NORWAY AS
Forretningsadresse: 7. etasje
Haakon VIIs gate 1
0161 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Morten F. Meland
Dato for fastsettelse av årsregnskapet: 15.04.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 04.06.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Renter og lignende inntekter av utlån til og fordringer på kredittinstitusjoner		372 326	259 304
Sum renteinntekter og lignende inntekter		372 326	259 304
Rentekostnader og lignende kostnader			
Andre rentekostnader og lignende kostnader		161 435	101 251
Sum rentekostnader og lignende kostnader		161 435	101 251
Netto rente- og kredittprovisjonsinntekter		210 891	158 053
Utbytte og andre inntekter av verdipapirer med variabel avkastning			
Sum utbytte og andre inntekter av verdipapirer med variabel avkastning		0	0
Provisjonsinntekter og inntekter fra banktjenester			
Andre gebyrer og provisjonsinntekter		265 028	265 384
Sum provisjonsinntekter og inntekter fra banktjenester		265 028	265 384
Provisjonskostnader og kostnader ved banktjenester			
Andre gebyrer og provisjonskostnader		522 334	259 978
Sum provisjonskostnader og kostnader ved banktjenester		522 334	259 978
Netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler			
Sum netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler		0	0
Andre driftsinntekter			
Sum andre driftsinntekter		0	0
Lønn og generelle administrasjonskostnader			
Lønn	9	4 223 713	3 142 446
Pensjoner	9	128 084	62 302
Sosiale kostnader	9	825 589	391 242



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Lønn m.v.	9	5 177 386	3 595 990
Administrasjonskostnader	9	3 414 283	4 050 585
Sum lønn og generelle administrasjonskostnader		8 591 669	7 646 575
Avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler			
Ordinære avskrivninger	10	1 122 200	2 161 974
Sum avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler		1 122 200	2 161 974
Andre driftskostnader			
Andre driftskostnader	10	2 744 087	1 948 248
Sum andre driftskostnader		2 744 087	1 948 248
Tap på utlån, garantier m.v.			
Sum tap på utlån, garantier m.v.		0	0
Nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler			
Sum nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler		0	0
Resultat av ordinær drift		-12 504 371	-11 593 338
Skatt på ordinært resultat	11	0	0
Resultat av ordinær drift etter skatt		-12 504 371	-11 593 338
Resultat av ekstraordinære poster		0	0
Resultat for regnskapsåret		-12 504 371	-11 593 338
Overføringer og disponeringer			
Overført fra annen egenkapital		12 504 371	11 593 338
Sum disponeringer og overføringer		-12 504 371	-11 593 338



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Kontanter og fordringer på sentralbanker	6,7,12	27 813 764	31 526 936
Utlån til og fordringer på kredittinstitusjoner			
Utlån til og fordringer på kredittinstitusjoner uten avtalt løpetid eller oppsigelsesfrist	6,7,12	22 243 097	9 553 966
Sum netto utlån og fordringer på kredittinstitusjoner		22 243 097	9 553 966
Utlån til og fordringer på kunder			
Factoring		0	0
Sum netto utlån og fordringer på kunder		0	0
Sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning			
Utstedt av det offentlige		0	0
Utstedt av andre		0	0
Sum sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning		0	0
Aksjer, andeler og andre verdipapirer med variabel avkastning			
Sum aksjer, andeler og andre verdipapirer med variabel avkastning		0	0
Eierinteresser i tilknyttede selskaper			
Sum eierinteresser i tilknyttede selskaper		0	0
Eierinteresser i konsernselskaper			
Sum eierinteresser i konsernselskaper		0	0
Immaterielle eiendeler			
Andre immaterielle eiendeler	13, 15	4 304 899	4 376 115
Sum immaterielle eiendeler		4 304 899	4 376 115
Varige driftsmidler			
Maskiner, inventar og transportmidler		2 602 605	20 287



Balanse

Beløp i: NOK	Note	2019	2018
Sum varige driftsmidler		2 602 605	20 287
Andre eiendeler			
Sum andre eiendeler		0	0
Forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter			
Sum forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter		0	0
SUM EIENDELER	1,2,3,4	56 964 365	45 477 304
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Gjeld til kredittinstitusjoner			
Sum gjeld til kredittinstitusjoner		0	0
Innskudd fra og gjeld til kunder			
Innskudd fra og gjeld til kunder uten avtalt løpetid	8	0	326 558
Sum innskudd fra og gjeld til kunder		0	326 558
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		0	0
Annen gjeld			
Annen gjeld	8, 14	3 948 742	1 030 752
Sum annen gjeld		3 948 742	1 030 752
Avsetninger for påløpte kostnader og forpliktelser			
Sum avsetninger for påløpte kostnader og forpliktelser		0	0
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		0	0
Sum gjeld		3 948 742	1 357 310



Balanse

Beløp i: NOK	Note	2019	2018
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/grunnfondsbeviskapital	16	43 140 000	41 000 000
Beholdning av egne aksjer/grunnfondsbevis		77 350 334	58 090 334
Selskapskapital		120 490 334	99 090 334
Annen innskutt egenkapital		-67 474 711	-54 970 340
Sum innskutt egenkapital		53 015 623	44 119 994
Opptjent egenkapital			
Sum opptjent egenkapital		0	0
Sum egenkapital		53 015 623	44 119 994
SUM GJELD OG EGENKAPITAL	17	56 964 365	45 477 304



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Safe Deposit Bank of Norway AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Safe Deposit Bank of Norway AS, which comprise the balance sheet as at 31 December 2019, income statement, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Independent auditor's report - Safe Deposit Bank of Norway AS

A member firm of Ernst & Young Global Limited

Pennco Dokumentnr: Y04JH-Z5DEV-TZ8T1-04G7J-FXT30-NAFGV



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Oslo, 25 March 2020
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The auditor's report is signed electronically

Einar Hersvik
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: Y04JH-Z5DEV-TZ8T1-04G7J-FXT30-NAFGV

Independent auditor's report - Safe Deposit Bank of Norway AS

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Einar Hersvik

Statsautorisert revisor

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Annual Report 2019

As we are writing this, our world is encountering a growing health risk, the full outcome of which is as yet difficult to predict. Notably, given the niche scope of our bank, compared to other players in the banking industry, the disturbances inflicted by this unprecedented health risk are not expected to have significant impact on SDBN. We have implemented our business continuity plans, providing our service seamlessly whilst protecting our team. Over the past year we have fully prepared our way forward, investing in and executing our long-term growth strategy with the EUR product.

The Safe Deposit Bank of Norway AS ("SDBN") is a service bank with the sole purpose of placing cash deposits with Central Banks. Our cash deposit platform provides the necessary regulatory and payments infrastructure for institutions to access a central bank deposit for the liquid portion of their cash assets. Our Clients benefit from real-time (T+0) clearing on their full account balances on every business day. SDBN makes no third party payments which gives our Clients complete containment over fund transfer flows. We provide our service to amongst others, clearing houses and asset managers. SDBN is a wholly owned subsidiary of Safe Deposit Holding ASA ("SDH"), jointly the Group.

Our company's operating results for 2019 show a loss of NOK 12.504.371 reflecting the operating and salary costs incurred in the final implementation of the addition of the EUR deposit product. The net result for the period is transferred to other equity. Future income from operations is expected to cover total start-up costs of NOK 67.474.711 (including losses carried forward from 2013-2018) within a few years. Commensurate with our conservative approach, the Deferred Tax Asset of NOK 16.857.945 as of 31 December 2019 is not recognized in the balance sheet.

The Board is of the opinion that the prerequisites for the going concern assumption exist, and the Board confirms that the financial statements were prepared on the basis of the going concern assumption. Our capital is held mostly at the Norwegian Central Bank with the remainder at our House bank, an AA-rated commercial bank.

SDBN continues to develop its team for business operations ending 2019 with five core employees. Being a niche bank, and reliant on a powerful technology platform, our employees, three male and two females, are extensively supported by outsourced expertise as well as an active Board of Directors, which are diverse in terms of both gender and nationality. Our small size means that the bank expects exceptional commitment, adaptation and breadth of execution skills from each member of our core team, as well as very active and frequent input from individual Members of our Board. SDBN benefits from the continuity of the uninterrupted involvement of many of the same individuals with our service providers, which are key to our growing business. It has been the dedication, thoughtfulness, perseverance and enthusiasm of our employees, service providers and Board that made the expansion into Europe possible. We are fortunate to have the engaged support and solid backing of our Shareholders. We trust that together with our Clients, SDBN will steadily grow to establish its place as the ultimate cash liquidity and certainty option of choice.

SDBN has had no work-place related accidents or injuries.

Oslo,
March 25, 2020

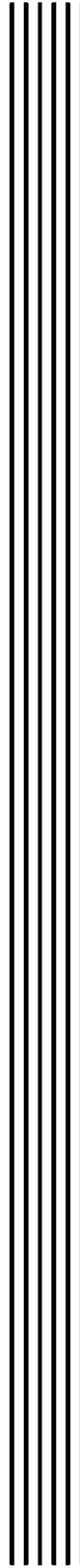
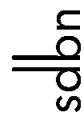
Olga Godinho
Chairman of the Board

Christian A. Homeman Wist
Board Member

Knut Berge
Board Member

Morten Frode Meland
CEO

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Income Statement

	Notes	2019	2018
Interest income (amortised cost)		372 326	259 304
Interest expenses (amortised cost)		161 435	101 251
Net interest income		210 890	158 053
Commission income		265 028	265 384
Commission expenses		522 334	259 978
Net fee and commission income		-257 306	5 406
Change in value of financial investments		0	0
Total income		-46 415	163 459
Employee Remuneration	9	5 177 386	3 595 990
Other operating expenses	10	7 280 570	8 160 806
Total operating expenses		12 457 956	11 756 797
Profit before impairment on loans and taxes		-12 504 371	-11 593 338
Profit before income tax		-12 504 371	-11 593 338
Income tax	11	0	0
Profit for the period		-12 504 371	-11 593 338

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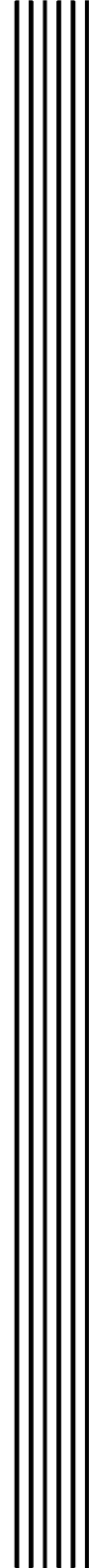
Other Comprehensive Income

NOK	2019	2018
Profit for the period	-12 504 371	-11 593 338
Items that will not be reclassified to profit/loss		
Total	0	0
Items that will be reclassified to profit/loss		
Total	0	0
Total comprehensive income	-12 504 371	-11 593 338

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Balance Sheet

	Notes	31.12.19	31.12.18
ASSETS			
Cash and balances with Central Banks	6,7,12	27 813 764	31 526 936
Loans to and receivables from credit institutions	6,7,12	22 243 097	9 553 966
Loans to and receivables from group company	12,16	0	0
Property, plant and equipment	14	2 602 605	20 288
Intangible assets	13,16	4 304 899	4 376 115
Other assets		0	0
Total assets	1,2,3,4	56 964 365	45 477 304
LIABILITIES AND EQUITY			
Deposits from and debt to Clients	8	0	326 588
Debt to group companies	8,12,16	0	0
Other liabilities	8,15	3 948 742	1 030 752
Total liabilities		3 948 742	1 357 310
Share capital ¹	17	43 140 000	41 000 000
Share premium		77 350 334	58 090 334
Other paid-in capital		0	0
Other equity		-67 474 711	-54 970 340
Total equity		53 015 623	44 119 994
Total liabilities and equity	18	56 964 365	45 477 304

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Oslo, March 25, 2020

Olga Godinho
Chairman of the Board

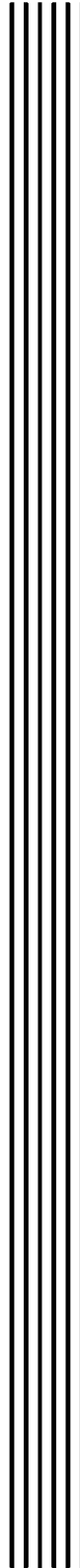
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Board Member

Knut Bergho
Board Member

Morten Frode Meland
CEO

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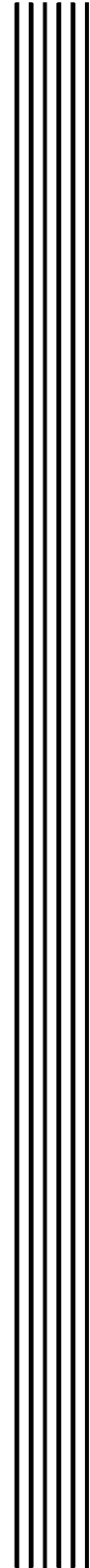
Statement of Changes in Equity

NOK	Issued equity			Total equity	
	Share capital	Share premium	Other paid in capital		Other equity
Equity as at 1 January 2018	40 100 000	49 990 334	0	-43 377 002	46 713 332
Profit for the period				-11 593 338	-11 593 338
Other comprehensive income					0
Total comprehensive income	0	0	0	-11 593 338	-11 593 338
Issue of share capital and premium	900 000	8 100 000	0	0	9 000 000
Transfer	0	0	0	0	0
Equity as at 31 December 2018	41 000 000	58 090 334	0	-54 970 340	44 119 994
Equity as at 1 January 2019	41 000 000	58 090 334	0	-54 970 340	44 119 994
Profit for the period				-12 504 371	-12 504 371
Other comprehensive income					0
Total comprehensive income	0	0	0	-12 504 371	-12 504 371
Issue of share capital and premium	2 140 000	19 260 000			21 400 000
Equity as at 31 December 2019	43 140 000	77 350 334	0	-67 474 711	53 015 623

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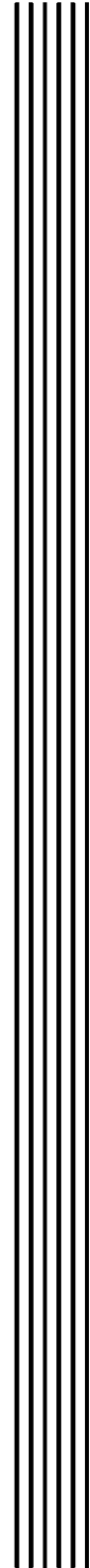


Statement of Cash Flows

	Notes	2019	2018
NOK			
Profit before income tax		-12 504 371	-11 593 338
+ Depreciation and write-downs		1 122 200	2 161 974
Net cash increase from ordinary operations		-11 382 171	-9 431 364
Decrease/(increase) other receivables		0	0
Increase/(decrease) short term debt		2 917 990	-126 837
Increase/(decrease) deposits and debt to Clients	8	-326 558	-266 858
A) Net cash flow from operations		-8 790 739	-9 825 058
Increase in intangible and tangible fixed assets		-3 633 301	-4 376 115
B) Net cash flow from investment		-3 633 301	-4 376 115
Increase/(decrease) in equity - Issue of share capital and premium		21 400 000	9 000 000
Repayment of SDH loan		0	-7 620 689
C) Net cash flow from financial activities		21 400 000	1 379 311
A) + B) + C) Net changes in cash and cash equivalents		8 975 960	-12 821 862
Cash and cash equivalents at 01.01		41 080 902	53 902 764
Cash and cash equivalents at 31.12	6,7,12	50 056 862	41 080 902
Net changes in cash and cash equivalents		8 975 960	-12 821 862

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Note 1 – General information

Description of the business

The head office is at Haakon VII's street no. 1 in Oslo and includes the parent company Safe Deposit Holding ASA ("SDH") and the subsidiary Safe Deposit Bank of Norway AS ("SDBN").

Safe Deposit Bank of Norway is consolidated with the parent company Safe Deposit Holding and the consolidated financial statements are available at the head office's address in Oslo.

The Financial statements for 2019 were approved by the Board of Directors on 25 March 2020.

License

SDBN holds a license as a bank granted by The Financial Supervisory Authority of Norway. SDBN may provide the following services:

- (i) Acceptance of deposits and other repayable funds
- (ii) Lending (limited to lending whereby a European Central Bank is the debtor)

The services correspond to activities no. 1 and 2, included in Annex I of Directive 2013/36/EU on access to the activity of a credit institutions and prudential supervision of credit institutions and investment firms ("CRDIV Directive").

Legal framework

Norway is not a member of the EU. However, Norway is a party to the agreement on the European Economic Area (the "EEA Agreement"), which is an agreement between the EU and the three EFTA-states (Norway, Iceland and Liechtenstein). With regard financial services, practically speaking all EU directives and regulations ("EU acts") are relevant to the EEA Agreement. Decisions to include EU acts in the EEA-agreement require, as a main rule, the approval of the Norwegian parliament. Nevertheless, the Norwegian legislative and executive branch has adopted rules in order to ensure a homogenous EEA i.e. through adoption of materially similar rules implementing EU acts relevant for the financial sector.

Deposits are regarded as Client funds

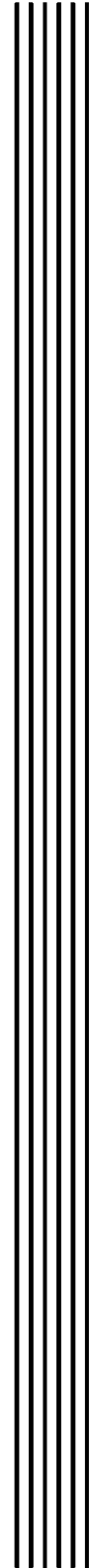
SDBN's internal account registry with respect to SDBN's accounts in Central Banks, together with Client deposit agreements, establish that the funds are sufficiently segregated and accordingly not regarded as the property of SDBN. Therefore, under Norwegian law, SDBN's creditors may not on an individual basis execute attachment liens or by other means create security interests or seize the deposits in order to cover outstanding claims towards SDBN.

Crisis measures/resolution tools under BRRD and winding-up proceedings

Under Norwegian law banks may not be subject to mandatory debt settlement proceedings or insolvency proceedings pursuant to the Norwegian Bankruptcy Act but placed under administration where bail-in-tools may apply to any liabilities of the bank including non-guaranteed deposits. Exemption for liabilities arising by virtue of fiduciary relationship is likely to apply to Central Bank deposits made through SDBN. More importantly, SDBN's minimum capital requirement, excessive 0% risk-weighted capital and current recovery plan suggests that a bail-in is an extremely unlikely event.

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Note 2 – Accounting policies

Basis for preparing the annual accounts

The accounts for 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the EU. The measurement base for both the Parent company and Group accounts is historical cost with the modifications described below. The accounts are presented based on IFRS standards and interpretations mandatory for accounts presented as at 31 December 2019.

Presentation currency

The presentation currency is the Norwegian Krone (NOK), which is also the Bank's functional currency.

Financial instruments

Financial assets and liabilities are recognised in the balance sheet at the date the Company becomes a party to the contractual provisions of the financial instruments. A financial asset is derecognized when the right to receive and retain cash flows from the asset has expired, or when the rights to receive the cash flows from the financial asset and substantially all the risks and rewards from ownership of the financial asset has been transferred. If the Company retains the rights to receive the cash flows from the financial asset but assumes an obligation to pay those cash flows to the eventual recipients, the asset is derecognized if the arrangements meets the criteria for being a "pass-through" arrangement. A financial liability is derecognized when it is extinguished, i.e. when the financial liability is discharged, cancelled or expires.

Classification and measurement

All working capital financial assets of the Company are measured at amortised cost as these assets represent contractual cash flows that are solely payment of principal and interest on the amount outstanding, and are held in a context that requires am-

ortised cost measurement. Financial liabilities shall be accounted for at amortised cost, unless they are held for trading, designated at fair value through profit or loss or are derivatives. All financial liabilities of the Company are measured at amortised cost.

Impairment

Impairments are recognised based on a three-stage model, where assets are classified in stage 1 at initial recognition and in subsequent periods if the credit risk of the assets has not increased significantly since initial recognition. Impairment losses for assets classified in stage 1 is measured as the 12-month expected credit loss. If the credit risk has increased significantly since initial recognition the financial assets shall be classified in stage 2 or 3, and expected credit loss is measured at the lifetime expected credit loss.

All financial assets of the Company are with Central Banks or investment grade counterparties. As all financial assets are considered to be low credit risk (investment grade) at the reporting date, the Company has concluded that credit risk has not increased significantly since initial recognition. Based on an assessment, the Company has concluded that the estimated 12-months expected credit loss is clearly immaterial.

Intangible assets

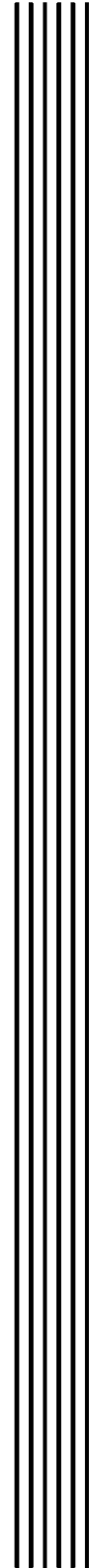
Software expenses recognised in the balance sheet are amortised according to a straight line principle over their expected useful life and are subject to a impairment test when indications of impairment exists.

Property, plant and equipment

Property, plant and equipment along with property used by the owner are accounted for in accordance with IAS 16. The investment is initially measured at its cost and is thereafter depreciated on a linear basis over its expected useful life. When establishing a depreciation plan, the

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Note 2 - continued

Individual assets are to the necessary extent split up into components with differing useful life, with account being taken of estimated residual value. Property, plant and equipment items which individually are of little significance, for example PCs, and other office equipment, are not individually assessed for residual value, useful lifetime or value loss, but are assessed as groups. Property, plant and equipment which are depreciated are subject to an impairment test in keeping with IAS 36 when indications of impairment exist.

Interest income and expenses

Interest income and expenses related to assets and liabilities which are measured at amortised cost are recognised in profit/loss on an ongoing basis using the effective interest rate method. Charges connected to interest-bearing funding and lending are included in the computation of effective interest rate and are amortised over expected lifetime.

Commission income and expenses

Commission income and expenses are generally accrued in step with the provision of the service.

Transactions and holdings in foreign currency

Transactions in foreign currency are converted to Norwegian kroner at the transaction exchange rate. Gains and losses on executed transactions or on conversion of holdings of monetary items on the balance sheet date are recognised in profit/loss, unless they are recognised directly in equity based on hedging principles. Gains and losses on conversion of items other than monetary items are recognised in the same way as the appurtenant balance sheet item.

Income taxes

Tax recorded in the profit and loss account comprises tax in the period (payable tax) and deferred tax. Period tax is tax calculated on the taxable profit for the year. Deferred tax is accounted for

by the liability method in keeping with IAS 12. The rate of tax in effect at all times is employed when calculating deferred tax. In the case of deferred tax, liabilities or assets are calculated on temporary differences i.e. the difference between balance sheet value and tax-related value of assets and liabilities. However, liabilities or assets are not calculated in the case of deferred tax on goodwill for which there is no deduction for tax purposes, nor on first-time-recognised items which affect neither the accounting nor the taxable profit. In the case of deferred tax an asset is calculated on a tax loss carryforward. The Bank's deferred tax asset is not recognised in the balance sheet.

Implementation of IFRS 9

The Company implemented IFRS 9 as of 1 January 2018. The implementation of IFRS 9 did not have any significant impact on measurement of financial assets or liabilities in the Company. All financial assets and liabilities are measured at amortised cost both before and after implementation of IFRS 9, and implementation of IFRS 9's impairment principles did not result in any significant impairments.

Implementation of IFRS 16

Effective 1 January 2019 the Bank adopted IFRS 16 using the modified retrospective approach and accordingly comparative information has not been restated. IFRS 16 eliminates the distinction between operating and finance leases as is required by IAS 17. The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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Note 2 - continued

Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Property, plant and equipment in the Balance Sheet and depreciation on right-of-use assets are presented within Other operating expenses in the Income Statement.

Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Lease liabilities are presented within Other liabilities in the Balance Sheet and interest on lease liabilities are presented within Interest expenses (amortised cost) within the Income Statement.

Deposits from Clients

In 2018, Client deposits were recognised at amortised cost. From 2019, the Company amended its contract regarding deposits from Clients. The Company arranges for Client's deposits with Central Banks. The Company does not have any right to use these deposits in its own operations, and does not have access to the economic benefits of ownership of these deposits. Based on this, the Company will not recognise the Client's deposits in Central Banks as assets, with a corresponding liability to repay these deposits, as they do not meet the definition of assets of the Company. Further, and supporting this view, if the deposits should have been recognised, the deposits should have been derecognised as the Company does not carry any risks or reward related to the Client's deposits with Central Banks and all cash flows related to the deposits is by way of contract required to be transferred immediately and directly to the owners of the deposits.

Provisions, contingent assets and contingent liabilities

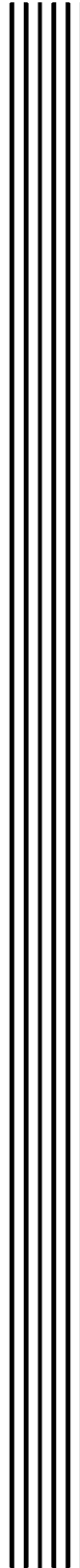
A provision is only recognised when an obligation exists (legal or constructive) as a result of a previous event, and it is likely that an outflow resources embodying economic benefits will be required to fulfill the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are recognised at the amount that expresses the existing obligation. If considered material, the time value of money is taken into account when calculating the size of the provision. Contingent assets or contingent liabilities are not recognised.

Defined contribution

Under a defined contribution pension scheme, the Company does not provide a future pension of a given size; instead the Company pays an annual contribution to the employees' collec-

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Note 3 – Critical estimates and assessments concerning the use of accounting principles

In the preparation of the Bank accounts the management makes accounting estimates, discretionary assessments and assumptions that influence the effect of the application of the accounting principles and hence the amounts booked for assets, liabilities, incomes and expenses. Estimates and discretionary assessments are evaluated continuously and are based on empirical experiences and expectations of events which, as of the balance sheet date, are deemed likely to occur in the future.

Intangible assets

Impairment tests of intangible assets are largely based on discounting of expected future cash flows. Cash flow estimates will invariably be subject to substantial uncertainty, and in some cases the methods used to assign cash flows to different assets will also be encumbered with uncertainty. Assets are amortised using a straight-line basis over expected lifetime from the date they are ready for use.

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Note 2 – continued

tive pension savings. The future pension will depend on the size of the contribution and annual return on the pension savings. The Company has no further obligations regarding the labour contribution after the annual contribution has been paid. There is no allocation for accrued pension obligations under such schemes. Defined contribution schemes are directly expensed.

Dividends

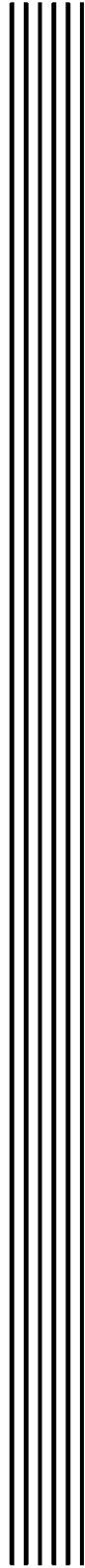
Dividends are recognised as equity capital until approved by the Annual General Meeting.

Events after the balance sheet date

The annual accounts are regarded as approved for publication once they have been considered by the Board of Directors. The Annual General Meeting and regulatory authorities can thereafter refuse to approve the accounts, but not to change them. Events up to the time at which the accounts are approved for publication, and which relate to circumstances already known on the balance sheet date, will be included in the information base for accounting estimates and thus be fully reflected in the accounts. Events concerning circumstances that were not known on the balance sheet date will be disclosed if significant.

The accounts are presented on the going-concern assumption. In the view of the Board of Directors this assumption was met at the time the accounts were approved for presentation. The Board of Directors' proposal for dividends is set out in the Directors' report and in the equity capital statement.

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Note 4 – Risks

SDBN started operations in 2016. The Company's Risk Management Strategy provides effective risk management process that is appropriate to its size and risks.

The Risk Management Strategy describes the overall risk appetite for the Company and stipulates responsibilities for the risk management system and helps ensure adequate and systematic risk management and internal controls within the Company, in order to ensure that the risk profile of the Company remains within the risk appetite level deemed appropriate by the Board of Directors.

The Company operates at a low level of aggregate risk and is committed to effective risk management. The Company's main risk categories, as outlined below, are operational risk, credit risk and business and strategic risks.

Operational risk

Operational risk is the risk of an adverse outcome related to inadequate internal processes, people, technology or the impact of external events. Exposure to operational risk arises from both procedure errors as well as extraordinary incidents such as system failures. Potential operational risks include:

- Execution and delivery management
- Business disruption and system failures
- Integrity and confidentiality of Client data

The Company has a low tolerance for operational errors and have designed business processes and internal controls to minimize these risks.

Credit risk

The Company has no credit and counterparty risks related to loans or Client deposits. The Client assumes all risks and rewards pertaining to their deposits and SDBN has no obligation to credit or pay the Client any amount unless equivalent amounts are credited SDBN by the Central Bank and made available for payment to SDBN. Client deposits are backed one-to-one with deposits at the Central Bank without exception. Credit and counterparty risks are therefore only relevant to the Company's bank deposits. All own funds are to be deposited with the Company's main house bank (Handelsbanken), or European Central Banks. Credit risk is therefore limited to the funds held with these counterparties.

Business and strategic risks

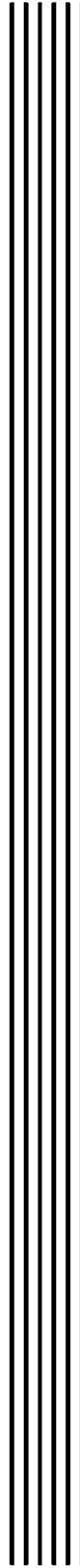
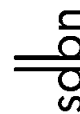
The Company is exposed to normal business and strategic risks.

Other risk categories

The Company is exposed to liquidity and financing risks. Risk exposure and risk tolerance is low as the Company's business model requires and ensures that Client deposits are highly liquid assets, as they are placed in overnight deposits with European Central Banks, currently the Central Bank of Norway (Norges Bank) and the Central Bank of Germany (Deutsche Bundesbank). There is also an inherent risk that the Company does not have enough liquidity to fulfill its obligations with regards to operating expenses. SDH Group and SDBN have adequate capital for 2020 and beyond.

The Company is exposed to market risk in the form of interest rate risk on (own) deposits. Leverage risk is not relevant since no Group companies have any debt. Systemic risk is inherently low given the business model.

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Note 5 - Capital adequacy

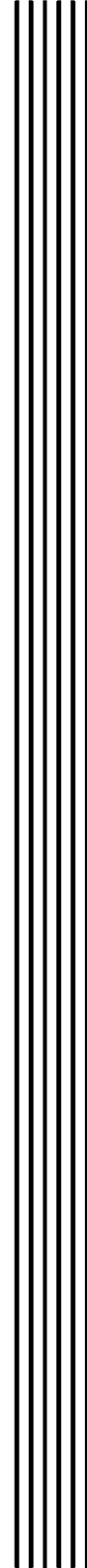
As of 31 December 2019 the capital conservation buffer requirement is 2.5 percent, the systemic risk requirement is 3 percent and countercyclical buffer has differentiated rates with 2.5 percent being maintained for exposures in Norway. For exposures in other countries the countercyclical capital buffer rate set by the authorities in the country concerned is used. If the country concerned has not established a rate, the same rate as for exposures in Norway is to be used unless the Ministry of Finance sets another rate. These requirements are additional to the requirement of 4.5 percent CET1 capital, so that the overall minimum requirement on CET1 capital is 12.5 percent. Following the CRR/CRD IV regulation into Norwegian law as of 31 December 2019, the Bank's fixed minimum capital requirement is equal to NOK 40 000 000.

The Bank's common equity tier 1 capital at year end was NOK 48 710 724,- and risk weighted assets were NOK 7 234 642,-, which gives a CET1 capital ratio of 673.30 %.

Note 6 - Central Banks and credit institutions - loans and receivables

NOK	Loans and advances to credit institutions	
	2019	2018
Cash and balances with Central Banks	27 813 764	31 526 936
Loans and receivables without agreed maturity or notice of withdrawal, AA rating	22 243 097	9 553 966
Total	50 056 861	41 080 902

Loans and advances to credit institutions are floating rate.





Note 7 - Credit quality per class of financial assets

The table below shows credit quality per class of financial assets on the balance sheet. Cash and balances with the European Central Bank, loans and claims on other Norwegian banks and intercompany loans are considered as lowest risk assets.

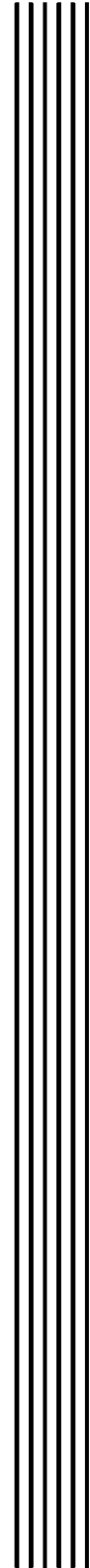
NOK	Neither defaulted nor written down	Defaulted or written down	Total
2019	Lowest risk		
	27 813 764	-	27 813 764
Cash and balances with Central Banks	22 243 097	-	22 243 097
Loans to and receivables from credit institutions	50 056 861	0	50 056 861
Total			

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NOK	Neither defaulted nor written down	Defaulted or written down	Total
2018	Lowest risk		
	31 526 936	-	31 526 936
Cash and balances with Central Banks	9 553 966	-	9 553 966
Loans to and receivables from credit institutions	41 080 902	0	41 080 902
Total			

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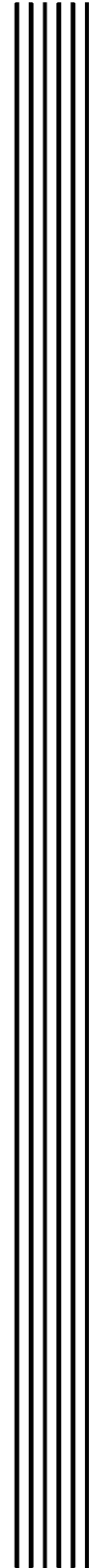


Note 8 - Liquidity risk

Liquidity risk is the risk that the Group will be unable to refinance its debt or unable to finance increases in its assets.

NOK	At 31 December 2019	On demand	Below 3 months	3-12 months	1-5 yrs	Above 5 yrs	Total
Cash flows related to liabilities							
Deposits from and debt to Clients		0					0
Loans to and receivables from group company		0					0
Other commitments		3 948 742					3 948 742
Total cash flow liabilities		3 948 742	0	0	0	0	3 948 742
NOK	At 31 December 2018	On demand	Below 3 months	3-12 months	1-5 yrs	Above 5 yrs	Total
Cash flows related to liabilities							
Deposits from and debt to Clients		326 558					326 558
Loans to and receivables from group company		0					0
Other commitments		1 030 752					1 030 752
Total cash flow liabilities		1 357 310	0	0	0	0	1 357 310

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Note 9 - Employee remuneration

According to the SDBN Remuneration Policy, SDBN will offer their employees remuneration that is fair, motivating and in line with the Risk and Management Strategy. This Policy shall ensure that SDBN will comply with regulations concerning remuneration in Financial Institutions. The Policy applies to all forms of remunerations and to all employees.

NOK	2019	2018
Wages	3 701 263	2 753 511
Accrued wages	522 450	388 935
Pension costs	128 084	62 302
Employer's contribution	832 207	357 928
Social costs	-6 618	33 314
Total personnel	5 177 386	3 595 990

SDBN had 5 employees as of 31 December 2019 (5 employees as of 31 December 2018), which implies FTE of 4.6. (FTE of 4.6 as 31 December 2018)

CEO	2019	2018
Morten Meland	1 619 784	1 616 326

Compensation to Board Members	2019	2018
Olga Godinho	300 000	300 000
Christian A. Horneman Wist	100 000	100 000
Knut Bergho	75 000	0
Gudrun Bugge Andvord	25 000	100 000

No additional bonus or variable remunerations were paid to Board Members or management.

There are no loans or guarantees to Board Members or management.

The SDBN compensation committee consists of all members of the SDBN Board.

It is the opinion of the SDBN Board that the SDBN Remuneration for management in 2019 is in accordance with the SDBN Remuneration Policy.

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Note 10 - Other operating expenses

NOK	2019	2018
Ordinary depreciation	1 122 200	2 161 974
Operating expenses, real properties	201 052	934 097
Purchased services	2 505 532	991 338
Other operating expenses	3 451 785	4 073 398
Other operating expenses	7 280 570	8 160 806
Audit fees		
Statutory audit services	123 131	120 449
Other attestation services	114 025	114 305
Tax-related services	76 375	59 750
Other non-audit services	251 263	0
Total incl value added tax	564 794	294 504

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Note 11 – Income tax

The following is a specification of the difference between the accounting profit before tax, the year's tax base and the year's tax charge.

NOK	2019	2018
Profit before tax	-12 504 371	-11 593 338
+/- permanent differences	2 632	9 733
+/- change in temporary differences as per specification	7 816	6 724
Income subject to tax	-12 493 924	-11 576 880
Payable tax	0	0
Net change in deferred tax	0	0
Income tax	0	0

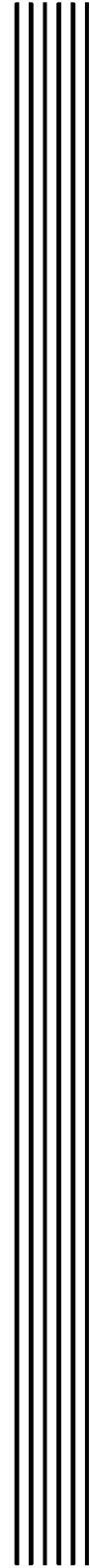
NOK	Deferred tax in balance sheet	
Composition of deferred tax carried in the balance sheet and deferred tax recognised in the income statement	2019	2018
Temporary differences:		
Property, plant and equipment	-9 350	-1 535
Total tax-increasing temporary differences	-9 350	-1 535
Deferred tax	-2 338	-384
Temporary differences:		
Deficit carried forward	-67 431 779	-54 937 855
Total tax-decreasing temporary differences	-67 431 779	-54 937 855
Deferred tax asset	-16 857 945	-13 734 464
Net	-16 860 282	-13 734 847

The above table comprises temporary differences shown gross. At the Company level tax-increasing and tax-reducing temporary differences are shown net.

Deferred tax asset is not recognised in the balance sheet at year end 2018 or 2019.

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Note 12 - Financial instruments

Fair value of financial instruments at amortised cost

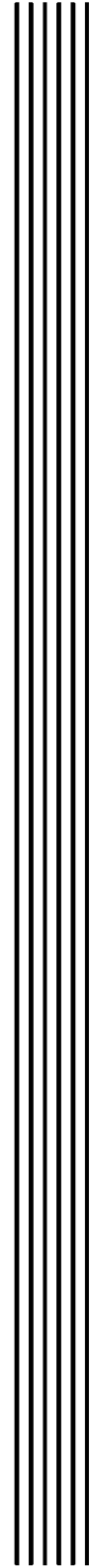
Amortised cost entails valuing items in the balance sheet after initially agreed cash flows, adjusted for impairment. Measurement at fair value will invariably be encumbered with uncertainty, as it has not been measured, but assumed that their carrying amount (book value) are a reasonable approximation of fair value among else due to short-term nature and low credit risk.

NOK	2019		2018	
	Classification	Book value	Book value	Book value
Assets				
Cash and balances with central banks	Amortised cost	27 813 764	31 526 936	
Loans to and receivables from credit institutions	Amortised cost	22 243 097	9 553 966	
Total financial assets		50 056 861	41 080 902	
Liabilities				
Debt to group companies	Amortised cost	0	0	
Deposits from and debt to Clients	Amortised cost	0	326 558	
Total financial liabilities		0	326 558	

Note 13 - Intangible assets

NOK	2019	2018
Intangible assets		
Cost as at 1 January	12 138 883	7 762 768
Intragroup acquisitions/disposals	0	0
Acquisitions/disposals	407 106	4 376 115
Cost as at 31 December	12 545 989	12 138 883
Total depreciation and impairment as at 1 January		
	7 762 768	5 612 973
Depreciation		
	478 322	2 149 794
Total depreciation and impairment as at 31 December	8 241 090	7 762 768
Carrying amount as at 31 December	4 304 899	4 376 115

Intangible assets concerns IT systems and licenses. The IT systems are amortised on a straight-line basis in accordance with the rest period of the agreement. Amounts recorded above are reviewed on the balance sheet date for any indications of value impairment. No write-downs has been made in 2018 or 2019.





Note 14 - Property, plant and equipment

	2019		2018	
	Office equipment	Right-of-use asset	Office equipment	Right-of-use asset
Cost as at 1 January	60 888	3 226 195	60 888	-
Intragroup acquisitions/disposals	0	0	-	-
Acquisitions/disposals	0	0	-	-
Cost as at 31 December	60 888	3 226 195	60 888	-
Total depreciation and impairment as at 1 January	40 600	0	28 420	-
Depreciation	12 180	631 698	12 180	-
Total depreciation and impairment as at 31 December	52 780	631 698	40 600	-
Carrying amount as at 31 December	8 108	2 594 497	20 288	-

Based on cost less any residual value office equipment are depreciated linearly over 5 years. The Right of use asset are depreciated over the lower of remaining lease term at the commencement of the lease or economic life which for the Bank's leased assets is 4-5 years. Set out below are the carrying amounts of lease liabilities (included under 'Other liabilities' in Note 15) and the moments during the period:

	2019
As at 1 January – effect of adoption of IFRS 16	3 226 195
Additions	-
Accretion of interest	161 310
Payments	-793 008
As at 31 December	2 594 497

The Bank had total cash outflows for leases of NOK 793 008.

The initial application of IFRS 16 resulted in non-cash additions in right-to-use assets and lease liabilities of NOK 3 226 195 at 1 January 2019.

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Note 16 - Transactions with related parties

Significant transactions with group companies and other related parties			
NOK	2019	2018	
Loan (Safe Deposit Holding ASA)	0	0	0
Interest income/expense	0	101 251	
Intragroup acquisition/disposal of intangible assets	0	0	0
Sum transactions with group companies	0	101 251	

The Bank has paid expenses equivalent to NOK 475 813 in 2019 on account of services executed by the Bank's Board Member, Knut Bergho from Schjødt AS.

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Note 15 - Other debt and liabilities

NOK	2019	2018
Other debt and recognised liabilities		
Creditors	227 747	215 524
Other	3 720 995	815 228
Total other debt and recognised liabilities	3 948 742	1 030 752
Guarantee commitments	-	-
Total guarantee commitments	-	-
Other commitments, not recognised	-	-
Total other commitments	-	-
Total commitments	3 948 742	1 030 752

There are no securities pledged at year end 2018 or 2019.

Note 17 - Share capital

NOK	Number of shares	Nominal value	Book value
Share capital			
Ordinary shares 1 January 2018	401 000	100	40 100 000
Issue new shares	9 000	100	900 000
Ordinary shares 31 December 2018	410 000	100	41 000 000
Issue new shares	21 400	100	2 140 000
Ordinary shares 31 December 2019	431 400	100	43 140 000

Shareholders	Number of shares	Value	Ownership in percent
Safe Deposit Holding ASA	431 400	43 140 000	100 %

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Note 18 - Subsequent events

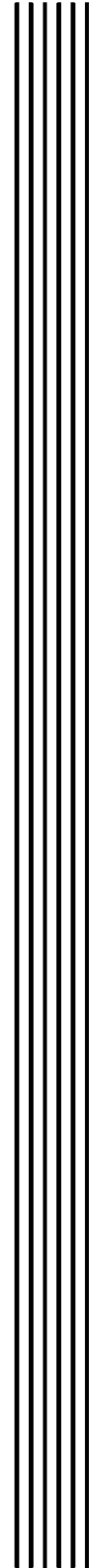
No significant events affecting the Bank's accounts have been recorded after the balance sheet date.

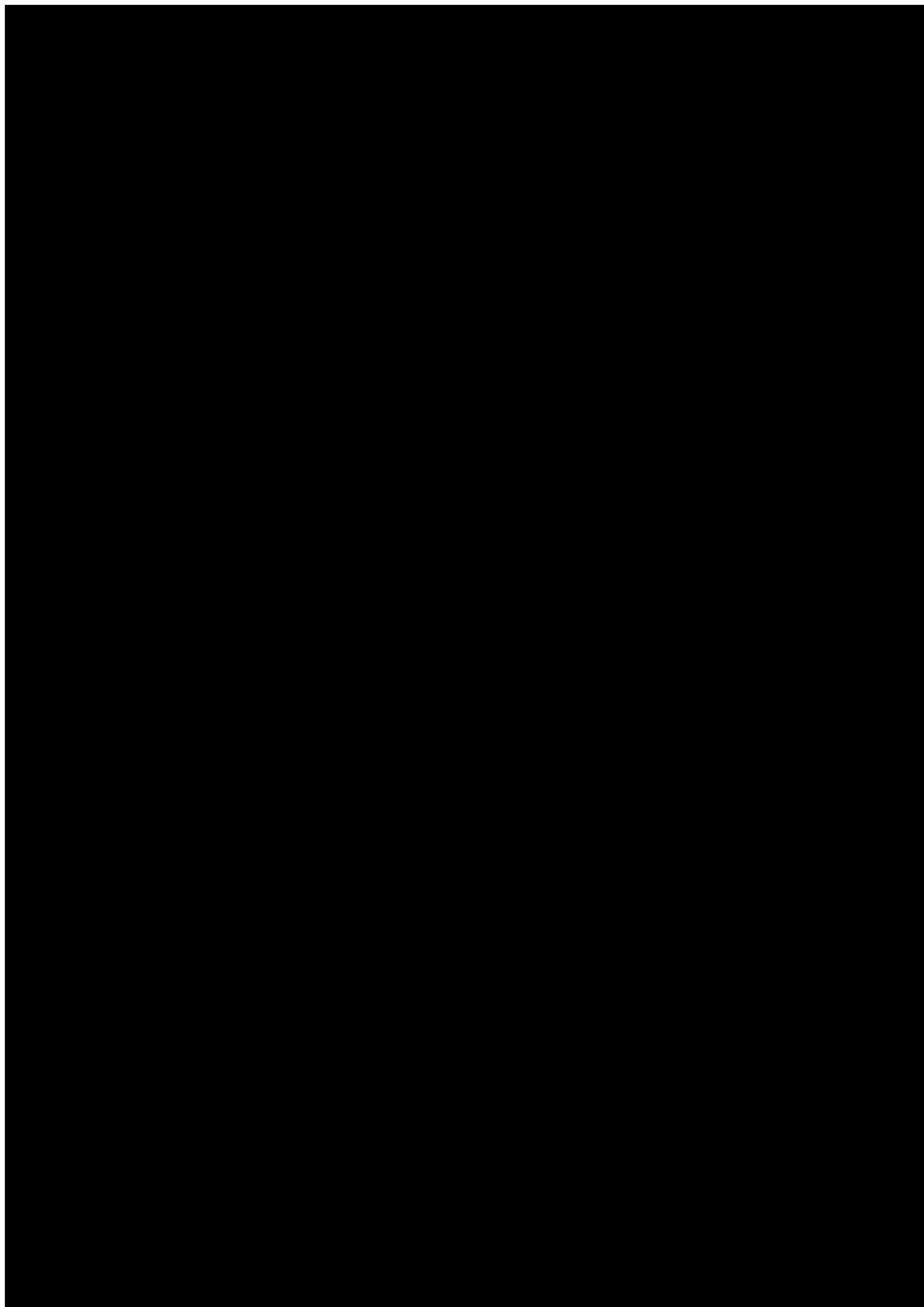
The COVID-19 pandemic. There is considerable uncertainty about the consequences of this global health risk and its impact on the world's economies. SDBN mobilized its business continuation plans early in order to protect our team and ensure continued operations.

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Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Safe Deposit Bank of Norway AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Safe Deposit Bank of Norway AS, which comprise the balance sheet as at 31 December 2019, income statement, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Independent auditor's report - Safe Deposit Bank of Norway AS

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Pennco Dokumentnr: Y04JH-Z5DEV-TZ8T1-04G7J-FXT30-NAFGV



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Oslo, 25 March 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Einar Hersvik
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: Y04JH-Z5DEV-TZ8T1-04G7J-FXT30-NAFGV

Independent auditor's report - Safe Deposit Bank of Norway AS

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Einar Hersvik

Statsautorisert revisor

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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 25.11.2015	Vår dato 25.01.2016
Telefon 22078139	Deres referanse Jens Guthe	Vår referanse 2015/1138198

SAFE DEPOSIT BANK OF NORWAY AS
POSTBOKS 1667 VIKÅ
0120 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 25. november 2015 og e-post av 22. januar 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Safe Deposit Holding ASA org. nr. 998 096 162
Safe Deposit Bank of Norway AS org. nr. 999 644 392

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Safe Deposit Holding ASA er et holdingselskap uten annen virksomhet enn å eie aksjene i Safe Deposit Bank of Norway AS. Selskapet eies av en gruppe norske (ca. 60 %) og utenlandske investorer (ca. 40 %), som alle benytter engelsk som felles arbeidsspråk. Konsernets arbeidsspråk er engelsk. Safe Deposit Bank of Norway AS har konsesjon fra Finanstilsynet til å drive bank. Banken, som er en meget spesiell nisjebank, vil være i operativ drift fra februar 2016. Styreleder i banken er utenlandsk, og all styrebehandling foregår på engelsk. Banken vil kun motta innskudd, og kun fra utvalgte kunder, og innskuddene vil umiddelbart settes inn i Norges Bank. Kundene vil være blant de største norske bedrifter og utvalgte private investorer, og disse innskudd forventes å være av betydelig karakter. Kunder vil få full trygghet for sine innskudd, men må pr. i dag betale 0,25 % rente for disse innskudd. Banken kan ikke drive med utlån. Alle sentrale aktører og samarbeidspartnere innen denne bransjen i Norge og utlandet behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

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0134 Oslo

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Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eid av profesjonelle norske og utenlandske investorer. Utenlandske investorer eier 40 %. Konsernspråket er engelsk og styreleder er utenlandsk. Banken er en nisjebank som retter seg mot de største norske bedrifter og utvalgte private investorer. Banken håndterer kun innskudd og disse innskudd forventes å være av betydelig karakter. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer