Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	998 096 162
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	SAFE DEPOSIT HOLDING ASA
Forretningsadresse:	7. etasje Haakon VIIs gate 1 0161 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Morten F. Meland
Dato for fastsettelse av årsregnskapet:	28.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 04.08.2022

Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Renteinntekter beregnet etter effektivrentemetoden av utlån til og fordringer på kredittinstitusjone		225	777
Sum renteinntekter og lignende inntekter		**225**	**777**
Rentekostnader og lignende kostnader			
Sum rentekostnader og lignende kostnader		**0**	**0**
Netto renteinntekter		**225**	**777**
Utbytte og andre inntekter av egenkapitalinstrumenter			
Sum utbytte og andre inntekter av egenkapitalinstrumenter		**0**	**0**
Netto verdiendring og gevinst/tap på valuta og finansielle instrumenter			
Sum netto verdiendring og gevinst/tap på valuta og finansielle instrumenter		**0**	**0**
Lønn og andre personalkostnader	9	329 444	358 144
Andre driftskostnader	10	**482 480**	**276 042**
Av-/nedskrivninger, verdiendringer og gevinst/tap på ikke-finansielle eiendeler			
Sum av-/nedskrivninger, verdiendringer og gevinst tap på ikke-finansielle eiendeler		**0**	**0**
Kredittap på utlån, garantier mv. og rentebærende verdipapirer			
Sum kredittap på utlån, garantier og rentebærende verdipapirer		**0**	**0**
Resultat før skatt fra videreført virksomhet		**-811 699**	**-633 409**
Resultat etter skatt fra videreført virksomhet		**-811 699**	**-633 409**
Resultat før andre inntekter og kostnader		**-811 699**	**-633 409**
Andre inntekter og kostnader			

Resultatregnskap

Beløp i: NOK	Note	2020	2019
Sum andre inntekter og kostnader		**0**	**0**
Totalresultat for regnskapsåret		**-811 699**	**-633 409**

Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Utlån til og fordringer på kredittinstitusjoner og finansieringsforetak			
Utlån og fordringer på kredittinstitusjoner og finansieringsforetak til amortisert kost	6,7,12	235 331	1 025 317
Sum utlån og fordringer på kredittinstitusjoner og finansieringsforetak	6,7,12	**235 331**	**1 025 317**
Utlån til og fordringer på kunder			
Sum utlån og fordringer på kunder		**0**	**0**
Rentebærende verdipapirer			
Sum rentebærende verdipapirer		**0**	**0**
Eierinteresser i konsernselskaper			
Eierinteresser i konsernselskaper	12,16	133 000 000	120 500 000
Varige driftsmidler			
Sum varige driftsmidler		**0**	**0**
Andre eiendeler			
Andre eiendeler		66 000	60 000
Sum andre eiendeler		**66 000**	**60 000**
Anleggsmidler og avhendingsgrupper holdt for salg			
SUM EIENDELER		**133 301 331**	**121 585 317**
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Innlån fra kredittinstitusjoner og finansieringsforetak			
Sum innlån fra kredittinstitusjoner og finansieringsforetak		**0**	**0**
Innskudd og andre innlån fra kunder			
Sum innskudd og andre innlån fra kunder		**0**	**0**

Balanse

Beløp i: NOK	Note	2020	2019
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		**0**	**0**
Finansielle derivater			
Annen gjeld			
Annen gjeld	8,15	266 926	239 213
Avsetninger			
Sum avsetninger		**0**	**0**
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		**0**	**0**
Fondsobligasjonskapital			
Sum fondsobligasjonskapital		**0**	**0**
Sum gjeld		**266 926**	**239 213**
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/eierandelskapital	17	19 800 000	18 800 000
Overkursfond		118 177 053	106 677 053
Annen innskutt egenkapital		-4 942 648	-4 130 949
Sum innskutt egenkapital		**133 034 405**	**121 346 104**
Opptjent egenkapital			
Sum opptjent egenkapital		**0**	**0**
Sum egenkapital		**133 034 405**	**121 346 104**
SUM GJELD OG EGENKAPITAL	18	**133 301 331**	**121 585 317**

Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Renteinntekter beregnet etter effektivrentemetoden av utlån til og fordringer på kredittinstitusjone		183 384	373 103
Sum renteinntekter og lignende inntekter		**183 384**	**373 103**
Rentekostnader og lignende kostnader			
Øvrige rentekostnader		132 097	161 435
Sum rentekostnader og lignende kostnader		**132 097**	**161 435**
Netto renteinntekter		**51 287**	**211 668**
Provisjonsinntekter og inntekter fra banktjenester		3 286 890	265 028
Provisjonskostnader og kostnader ved banktjenester		1 500 039	522 334
Utbytte og andre inntekter av egenkapitalinstrumenter			
Sum utbytte og andre inntekter av egenkapitalinstrumenter		**0**	**0**
Netto verdiendring og gevinst/tap på valuta og finansielle instrumenter			
Sum netto verdiendring og gevinst/tap på valuta og finansielle instrumenter		**0**	**0**
Lønn og andre personalkostnader	9	6 045 867	5 535 530
Andre driftskostnader	10	**5 649 360**	**6 434 412**
Av-/nedskrivninger, verdiendringer og gevinst/tap på ikke-finansielle eiendeler			
Avskrivninger	10	1 815 761	1 122 200
Sum av-/nedskrivninger, verdiendringer og gevinst tap på ikke-finansielle eiendeler		**-1 815 761**	**-1 122 200**
Kredittap på utlån, garantier mv. og rentebærende verdipapirer			
Sum kredittap på utlån, garantier og rentebærende verdipapirer		**0**	**0**

Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
Resultat før skatt fra videreført virksomhet		-11 672 850	-13 137 780
Resultat etter skatt fra videreført virksomhet		-11 672 850	-13 137 780
Resultat før andre inntekter og kostnader		-11 672 850	-13 137 780
Andre inntekter og kostnader			
Sum andre inntekter og kostnader		0	0
Totalresultat for regnskapsåret		-11 672 850	-13 137 780

Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Kontanter og kontantekvivalenter	6,7,12	32 719 961	27 813 764
Utlån til og fordringer på kredittinstitusjoner og finansieringsforetak			
Utlån og fordringer på kredittinstitusjoner og finansieringsforetak til amortisert kost	6,7,12	20 018 133	23 268 414
Sum utlån og fordringer på kredittinstitusjoner og finansieringsforetak		**20 018 133**	**23 268 414**
Utlån til og fordringer på kunder			
Sum utlån og fordringer på kunder		**0**	**0**
Rentebærende verdipapirer			
Sum rentebærende verdipapirer		**0**	**0**
Immaterielle eiendeler			
Immaterielle eiendeler	13	6 442 210	4 304 899
Varige driftsmidler			
Eierbenyttet eiendom	14	1 966 553	2 594 497
Andre varige driftsmidler	14	0	8 108
Sum varige driftsmidler		**1 966 553**	**2 602 605**
Andre eiendeler			
Andre eiendeler		222 560	60 000
Sum andre eiendeler		**222 560**	**60 000**
SUM EIENDELER	1,2,3,4	**61 369 417**	**58 049 682**
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Innlån fra kredittinstitusjoner og finansieringsforetak			
Sum innlån fra kredittinstitusjoner og finansieringsforetak		**0**	**0**

Konsernets balanse

Beløp i: NOK	Note	2020	2019
Innskudd og andre innlån fra kunder			
Sum innskudd og andre innlån fra kunder		**0**	**0**
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		**0**	**0**
Finansielle derivater			
Annen gjeld			
Annen gjeld	8,16	6 680 540	4 187 955
Avsetninger			
Sum avsetninger		**0**	**0**
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		**0**	**0**
Fondsobligasjonskapital			
Sum fondsobligasjonskapital		**0**	**0**
Sum gjeld		**6 680 540**	**4 187 955**
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/eierandelskapital	17	19 800 000	18 800 000
Overkursfond		118 167 387	106 667 387
Annen innskutt egenkapital		-83 278 510	-71 605 660
Sum innskutt egenkapital		**54 688 877**	**53 861 727**
Opptjent egenkapital			
Sum opptjent egenkapital		**0**	**0**
Sum egenkapital		**54 688 877**	**53 861 727**
SUM GJELD OG EGENKAPITAL	18	**61 369 417**	**58 049 682**

SDH

Safe Deposit Holding ASA

Annual Report 2020

Dear Reader,

Over the course of 2020, the Covid health and economic risks have played out in every part of the globe and every facet of life. The Group responded as most businesses did by adapting its day-to-day practices to protect its employees: all staff began working remotely in March and continue to do so as of this writing. We are happy to report that everyone stayed healthy—as did our business overall. Throughout the health crisis, operations proved resilient. SDBN had not a single meaningful glitch; Clients were able to rely on our consistent, attentive service through volatile and uncertain external times.

While our operating model was validated by the events of 2020, conditions did affect the Group's pace of new business development. Marketing efforts were slowed by our inability to conduct face to face meetings and by the demands of the pandemic on our prospective Clients. Looking forward however, with our model proved and lockdowns lifting, the signs are positive. By leveraging our network and that of our Advisory Group members, we have made significant inroads into the German market. Our task now is to continue to build scale by further driving understanding and adoption of our offering.

Safe Deposit Holding ASA ("SDH") is licensed by the Norwegian Ministry of Finance as a financial holding company for its subsidiary Safe Deposit Bank of Norway ("SDBN") that carries a Norwegian banking license as a service bank with the sole purpose of placing deposits with Central banks. Both SDH and SDBN (jointly the Group) are financial enterprises regulated by Norwegian law and supervised by the Norwegian Financial Supervision Authority.

SDBN is not a traditional bank. We offer a single, unique service to institutional, regulated Clients. A specialised banking license restricts the bank to the single function of placing, as agent, EUR and NOK Client deposits, one-to-one, directly with the relevant Central Banks—like a dedicated pipe with a highly controlled valve. SDBN can provide this essential piece of infrastructure precisely and solely because it prohibits itself from performing any other business or function. This restriction allows SDBN to stand apart and insulated from the complex, interconnected system of banking and clearing. SDBN represents a vital safety valve not only for our Clients but also for the financial systems in which we all operate. SDBN contributes to overall systemic stability. There is no other offering in the market that definitively provides clients this combination of three critical elements: safety, liquidity and transparency. Notable new Clients in 2020 included a major continental European Clearing House and one of Europe's largest private Asset Managers.

As we added volumes, operations continued to perform flawlessly: our systems' design, implementation and daily execution proved robust and effective. This makes us confident that beyond the commercial value proposition that we offer our Clients, we continue to deliver consistent, reliable liquidity. The operational excellence is made possible by the Group's team which has shown exceptional commitment, adaptability, and breadth of execution capability. This lean core team is supported by an industry-leading group of external service providers and an active, diverse Board. It has been the dedication, thoughtfulness, perseverance and enthusiasm of our employees, service providers and Board that made the expansion into Europe possible. Alongside these Stakeholders, we are fortunate to have the engaged support and solid backing of our Shareholders. We trust that together with our Clients, the Group will establish its place as a differentiated solution to manage and diversify liquid cash balances for the stability of the financial ecosystem in which we all live.

SDH's net result for 2020 shows a net loss of NOK 811.699, which is transferred to other equity. The 2020 net result for the Group shows a loss of NOK 11.672.850. Commensurate with our conservative approach, the Deferred Tax Asset of NOK 2.730.068 (SDH) and NOK 22.296.707 (Group) as of 31 December 2020 is not recognised on the balance sheet in line with our conservative approach.

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 that basis. The Group's own capital is held at the Norwegian Central Bank and an AA-rated commercial bank.

Oslo,
March 25, 2021

Christian A. Horneman Wist	Olga Godinho	Monica Amanda Haugan	Harry Konterud	Daniel Vock	Morten Meland
Chairman	*Board Member*	*Board Member*	*Board Member*	*Board Member*	*CEO*

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Income Statement

NOK	Parent				Group	
	2019	2020		Notes	2020	2019
	777	225	**Interest income (amortised cost)**		183 384	373 103
	0	0	Interest expenses (amortised cost)		132 097	161 435
	777	**225**	**Net interest income**		**51 287**	**211 667**
	0	0	Commission income		3 286 890	265 028
	0	0	Commission expenses[1]		1 500 039	522 334
	0	**0**	**Net fee and commission income**		**1 786 852**	**-257 306**
	777	**225**	**Total income**		**1 838 139**	**-45 638**
	358 144	329 444	Employee Remuneration	9	6 045 867	5 535 530
	276 042	482 479	Other operating expenses	10	7 465 122	7 556 612
	634 186	**811 924**	**Total operating expenses**		**13 510 989**	**13 092 141**
	-633 409	**-811 699**	**Profit before impairment on loans and taxes**		**-11 672 850**	**-13 137 780**
	-633 409	**-811 699**	**Profit before income tax**		**-11 672 850**	**-13 137 780**
	0	0	Income tax	11	0	0
	-633 409	**-811 699**	**Profit for the period**		**-11 672 850**	**-13 137 780**

[1] includes cost of sales and fees for clearing systems, regulators and Bank Guarantee Fund

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Other Comprehensive Income

NOK	Parent 2019	Parent 2020		Group 2020	Group 2019
	-633 409	-811 699	Profit for the period	-11 672 850	-13 137 780
			Items that will not be reclassified to profit/loss		
	0	0	Total	0	0
			Items that will be reclassified to profit/loss		
	0	0	Total	0	0
	-633 409	**-811 699**	**Total comprehensive income**	**-11 672 850**	**-13 137 780**

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Balance Sheet

NOK	Parent				Group	
	31.12.19	31.12.20		Notes	31.12.20	31.12.19
			ASSETS			
	0	0	Cash and balances with Central Banks	6,7,12	32 719 961	27 813 764
	1 025 317	235 331	Loans to and receivables from house bank	6,7,12	20 018 133	23 268 414
	120 500 000	133 000 000	Investment in group company	12,16	0	0
	0	0	Property, plant and equipment	14	1 966 553	2 602 605
	0	0	Intangible assets	13	6 442 210	4 304 899
	60 000	66 000	Other assets		222 561	60 000
	121 585 317	**133 301 331**	**Total assets**	**1,2,3,4**	**61 369 417**	**58 049 682**
			LIABILITIES AND EQUITY			
	239 213	266 926	Other liabilities	8,15	6 680 540	4 187 955
	239 213	**266 926**	**Total liabilities**		**6 680 540**	**4 187 955**
	18 800 000	19 800 000	Share capital	17	19 800 000	18 800 000
	106 677 053	118 177 053	Share premium		118 167 387	106 667 387
	-4 130 950	-4 942 648	Other equity		-83 278 510	-71 605 660
	121 346 104	**133 034 405**	**Total equity**		**54 688 877**	**53 861 727**
	121 585 317	**133 301 331**	**Total liabilities and equity**	**18**	**61 369 417**	**58 049 682**

Oslo, March 25, 2021

Christian A. Horneman Wist
Chairman

Olga Godinho
Board Member

Monica Amanda Haugan
Board Member

Harry Konterud
Board Member

Daniel Vock
Board Member

Morten Meland
CEO

Safe Deposit Bank of Norway

Statement of Changes in Equity

NOK		Issued equity		
Parent	Share capital	Share premium	Other equity	Total equity
Equity as at 1 January 2019	**16 933 400**	**87 077 753**	**-3 497 541**	**100 513 612**
Profit for the period			-633 409	-633 409
Total comprehensive income	**0**	**0**	**-633 409**	**-633 409**
Issue of share capital and premium	1 866 600	19 599 300		21 465 900
Equity as at 31 December 2019	**18 800 000**	**106 677 053**	**-4 130 950**	**121 346 104**
Equity as at 1 January 2020	**18 800 000**	**106 677 053**	**-4 130 950**	**121 346 104**
Profit for the period			-811 699	-811 699
Total comprehensive income	**0**	**0**	**-811 699**	**-811 699**
Issue of share capital and premium	1 000 000	11 500 000		12 500 000
Equity as at 31 December 2020	**19 800 000**	**118 177 053**	**-4 942 648**	**133 034 405**

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Statement of Changes in Equity

NOK		Issued equity		
Group	Share capital	Share premium	Other equity	Total equity
Equity as at 1 January 2019	**16 933 400**	**87 068 087**	**-58 467 881**	**45 533 607**
Profit for the period			-13 137 780	-13 137 780
Total comprehensive income	**0**	**0**	**-13 137 780**	**-13 137 780**
Issue of share capital and premium	1 866 600	19 599 300		21 465 900
Equity as at 31 December 2019	**18 800 000**	**106 667 387**	**-71 605 660**	**53 861 727**
Equity as at 1 January 2020	**18 800 000**	**106 667 387**	**-71 605 660**	**53 861 727**
Profit for the period			-11 672 850	-11 672 850
Total comprehensive income	**0**	**0**	**-11 672 850**	**-11 672 850**
Issue of share capital and premium	1 000 000	11 500 000		12 500 000
Equity as at 31 December 2020	**19 800 000**	**118 167 387**	**-83 278 510**	**54 688 877**

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Statement of Cash Flows

NOK	Parent				Group	
	2019	2020		Notes	2020	2019
	-633 409	-811 699	Profit before income tax		-11 672 850	-13 137 780
	0	0	+ Depreciation and write-downs		1 815 761	1 122 200
	-633 409	**-811 699**	**Net cash increase from ordinary operations**		**-9 857 089**	**-12 015 579**
	0	-6 000	Decrease/(increase) other receivables		-162 561	0
	2 177	27 713	Increase/(decrease) short term debt		2 492 585	2 920 167
	0	0	Increase/(decrease) deposits and debt to Clients	8	0	-326 558
	-631 231	**-789 986**	**A) Net cash flow from operations**		**-7 527 064**	**-9 421 970**
	0	0	Increase in intangible and tangible fixed assets		-3 317 020	-3 633 301
	-21 400 000	-12 500 000	Net investments in subsidiaries		0	0
	-21 400 000	**-12 500 000**	**B) Net cash flow from investment**		**-3 317 020**	**-3 633 301**
	21 465 900	12 500 000	Increase/(decrease) in equity - Issue of share capital and premium		12 500 000	21 465 900
	21 465 900	**12 500 000**	**C) Net cash flow from financial activities**		**12 500 000**	**21 465 900**
	-565 331	**-789 986**	**A) + B) + C) Net changes in cash and cash equivalents**		**1 655 916**	**8 410 628**
	1 590 648	1 025 316	Cash and cash equivalents at 01.01		51 082 178	42 671 550
	1 025 316	235 331	Cash and cash equivalents at 31.12	6,7,12	52 738 094	51 082 178
	-565 331	**-789 986**	**Net changes in cash and cash equivalents**		**1 655 916**	**8 410 628**

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Safe Deposit Bank of Norway

Note 1 – General information

Description of the business

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

The financial statements for both the Bank and consolidated Group for 2020 were approved by the respective Boards of Directors on 25 March 2021.

Banking license

SDBN's banking license is granted by the Financial Supervisory Authority of Norway and the Norwegian Ministry of Finance. SDBN provides the following services under the license:

(i) Acceptance of deposits and other repayable funds

(ii) Lending where 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 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, all EU directives and regulations ("EU acts") are relevant to the EEA Agreement. The Norwegian legislative and executive branches have 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

Client funds are fully segregated and not regarded as the property of the Group, nor are they a source of funding for the Group. The Group's internal account registry with respect to the Group's accounts in Central Banks, together with Client deposit agreements, establish this fact. Under Norwegian law, the Group'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 the Group.

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, the Group'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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Safe Deposit Bank of Norway

Note 2 – Accounting policies

Basis for preparing the annual accounts

The accounts for 2020 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 2020.

Presentation currency

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

Consolidation

The Group accounts include the parent company and all subsidiaries which are not due for divestment in the near future and which are therefore to be classified as held for sale under IFRS 5. All undertakings controlled by the Group, i.e. where the Group has the power to control the undertaking's financial and operational principles with the intention of achieving benefits from the undertaking's activities, are regarded as subsidiaries. Subsidiaries are consolidated from the date on which the Group has taken over control, and are deconsolidated at the date on which the Group relinquishes control. Mutual balance sheet items and all significant profit elements are eliminated.

Upon takeover of control of an enterprise (business combination), all identifiable assets and liabilities are recognised at fair value in accordance with IFRS 3. A positive difference between fair value of the consideration and the fair value of identifiable assets and liabilities is recorded as goodwill, while a negative difference is taken to income upon purchase. Accounting for good - will after first-time recognition is described under the section on intangible assets. All intra-group transactions are eliminated in the preparation of the Group accounts. The non-controlling interest of the Group result is presented on a separate line under profit after tax in the income statement. In the equity capital, the non-controlling interest is shown as a separate item.

Financial instruments

Financial assets and liabilities are recognised in the balance sheet at the date the Group becomes a party to the contractual provisions of the financial instruments. A financial asset is derecognised 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 Group 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 derecognised if the arrangements meets the criteria for being a "pass-through" arrangement. A financial liability is derecognised when it is extinguished, i.e. when the financial liability is discharged, cancelled or expired.

Classification and measurement

All working capital financial assets of the Group 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 amortised 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 Group are measured at amortised cost.

Note 2 – continued

Subsidiaries

Subsidiaries are defined as companies in which the Group has control, directly and indirectly, through ownership or other means. The Group recognises the existence of the facto control, but generally assumes to have control when the Group's direct or indirect holdings represent more than 50 percent. With respect to companies where the Group's holding is 50 percent or less, the Group makes an assessment of whether other factors indicate de facto control. Investments in subsidiaries are accounted for at cost in the parent entity's accounts

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 Group 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 Group has concluded that credit risk has not increased significantly since initial recognition. Based on an assessment, the Group 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 an 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 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.

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Note 2 – continued

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 carry forward. The Group's deferred tax asset is not recognised in the balance sheet.

Leases

The Group 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 Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group 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 Group 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 Group 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

The Group places Client's deposits with Central Banks. The Group does not have any right to use these deposits in its own operations, nor does it have access to the economic benefits of ownership of these deposits. Based on this, the Group does not recognise the Client's deposits in Central Banks as assets, as they do not meet the definition of assets of the Bank. All cash flows related to the deposits are contractually required to be transferred immediately and directly to the owner of the deposits.

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Note 2 – continued

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 fulfil 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 Group does not provide a future pension of a given size; instead the Group pays an annual contribution to the employees' collective pension savings. The future pension will depend on the size of the contribution and annual return on the pension savings. The Group 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 Parent company's 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.

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

In the preparation of the Group 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.

Note 4 – Risks

The Group's Risk Management Strategy provides effective risk management processes that are appropriate to its size and risks, as stipulated by the applicable Directive and Regulations.

The Group's full annual Pillar 3 report is available on the Bank's website.

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

The Group operates at a low level of aggregate risk and is committed to effective risk management. The Group'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 partners. 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 Group has zero tolerance for operational errors and has designed business processes and internal controls to minimise these risks.

Credit risk

The Group has no credit or 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. The Group's credit and counterparty risks are therefore only relevant to the Group's own operational deposits held at the house bank (Handelsbanken). The Group's credit risk is therefore limited to the funds held with this counterparty.

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Note 4 – continued

Business and strategic risks

The Group is exposed to the normal execution and strategic risks inherent in building and achieving institutional Client traction/adoption for a new liquidity management solution in the EUR market. In terms of exposure to systemic banking risk, the Group's business and operations are insulated from risk bearing banking activity.

Other risk categories

SDH will be exposed to ownership risk related to their shares in SDBN. This risk will mainly be related to operational risk, credit risk and business and strategic risk for business operations as described above. This will be monitored by the management and Board of Directors in SDH.

The Group is exposed to liquidity and financing risks. Risk exposure and risk tolerance is low as the Group'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 Group does not have enough liquidity to fulfil its obligations with regards to operating expenses. SDH Group and SDBN have adequate capital for 2021 and beyond.

The Group is exposed to market risk in the form of interest rate risk on its own deposits, as well as limited currency risk. Leverage risk is not relevant since no Group companies have any debt. Systemic risk is inherently low given the business model.

Note 5 – Capital adequacy

As of 31 December 2020 the capital conservation buffer requirement is 2.5 percent, the systemic risk requirement is 3 percent and countercyclical buffer has differentiated rates with 1.0 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 11.0 percent.

The Group's Common Equity Tier 1 capital at year end was NOK 48 246 668,- and risk weighted assets were NOK 8 250 117,-
reflecting a CET1 capital ratio of 584.80 %.

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Note 6 – Central Banks and house bank – loans and receivables

NOK	Parent 2019	Parent 2020	Loans and advances to Central Banks and house bank	Group 2020	Group 2019
	0	0	Cash and balances with Central Banks	32 719 961	27 813 764
	1 025 317	235 331	Loans and receivables from house bank without agreed maturity or notice of withdrawal, AA rating	20 018 133	23 268 414
	1 025 317	**235 331**	**Total**	**52 738 094**	**51 082 178**

Loans and advances to house bank 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 European Central Banks, loans and claims on other Norwegian banks are considered as lowest risk assets.

NOK Parent 2020	Neither defaulted nor written down: Lowest risk	Defaulted or written down	Total
Cash and balances with Central Banks	0	-	0
Loans to and receivables from house bank	235 331	-	235 331
Total	**235 331**	**0**	**235 331**

NOK Parent 2019	Neither defaulted nor written down: Lowest risk	Defaulted or written down	Total
Cash and balances with Central Banks	0	-	0
Loans to and receivables from house bank	1 025 317	-	1 025 317
Total	**1 025 317**	**0**	**1 025 317**

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Note 7 – continued

NOK Group	Neither defaulted nor written down		
2020	Lowest risk	Defaulted or written down	Total
Cash and balances with Central Banks	32 719 961	-	32 719 961
Loans to and receivables from house bank	20 018 133	-	20 018 133
Total	**52 738 094**	**0**	**52 738 094**

NOK Group	Neither defaulted nor written down		
2019	Lowest risk	Defaulted or written down	Total
Cash and balances with Central Banks	27 813 764	-	27 813 764
Loans to and receivables from house bank	23 268 414	-	23 268 414
Total	**51 082 178**	**0**	**51 082 178**

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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 Group At 31 December 2020	On demand	Below 3 months	3-12 months	1-5 yrs	Above 5 yrs	Total
Cash flows related to liabilities						
Other commitments	6 680 540					6 680 540
Total cash flow liabilities	**6 680 540**	**0**	**0**	**0**	**0**	**6 680 540**

NOK Group At 31 December 2019	On demand	Below 3 months	3-12 months	1-5 yrs	Above 5 yrs	Total
Cash flows related to liabilities						
Other commitments	4 187 955					4 187 955
Total cash flow liabilities	**4 187 955**	**0**	**0**	**0**	**0**	**4 187 955**

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Note 9 – Employee remuneration

Pursuant to section 6 – 16a of the Norwegian Public Limited Companies Act, The Board of Directors will present the following statement on remunerations to Annual General Meeting for voting:

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	Parent			Group	
	2019	2020		2020	2019
	100 000	100 000	Wages	4 252 834	3 801 263
	234 864	228 198	Accrued wages	839 553	757 314
	0	0	Pension costs	163 736	128 084
	-6 720	1 246	Employer's contribution	757 976	825 487
	30 000	0	Social costs	31 768	23 382
	358 144	**329 444**	**Total personnel**	**6 045 867**	**5 535 530**

The Group had 5 employees as of 31 December 2020 (5 employees as of 31 December 2019), which implies FTE of 4,8 (FTE of 4,6 as of 31 December 2019)

CEO	**2020**	**2019**
Morten Meland	1 552 470	1 619 784

Compensation to board members	**2020**	**2019**
Christian A. Horneman Wist	100 000	100 000
Olga Godinho	50 000	50 000
Monica Haugen	50 000	50 000
Harry Konterud	50 000	50 000
Daniel Vock	50 000	50 000

No additional bonus or variable remunerations were paid to board members or management in connection with their executive or non-executive duties. 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 2020 is in accordance with the SDBN Remuneration Policy.

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Note 10 – Other operating expenses

NOK	Parent			Group	
	2019	2020		2020	2019
	0	0	Ordinary depreciation	1 815 761	1 122 200
	0	0	Operating expenses, real properties	179 232	201 052
	133 575	344 099	Purchased services	1 944 421	2 639 108
	142 466	138 381	Other operating expenses	3 525 708	3 594 251
	276 042	**482 479**	**Other operating expenses**	**7 465 122**	**7 556 612**
			Audit fees		
	68 406	70 941	Statutory audit services	217 515	191 537
	22 594	87 338	Other attestation services	262 482	136 619
	0	0	Tax-related services	74 265	76 375
	0	0	Other non-audit services	93 835	251 263
	91 000	**158 279**	**Total incl value added tax**	**648 095**	**655 794**

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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	Parent			Group	
	2019	2020		2020	2019
	-633 409	-811 699	Profit before tax	-11 672 850	-13 137 780
	0	0	+/- permanent differences	21 757	2 632
	0	0	+/- change in temporary differences as per specification	4 616	7 816
	-633 409	**-811 699**	**Income subject to tax**	**-11 646 476**	**-13 127 332**
	0	**0**	**Payable tax**	**0**	**0**
	0	**0**	**Net change in deferred tax**	**0**	**0**
	0	0	Income tax	0	0

NOK	Parent			Group	
	Deferred tax in balance sheet			Deferred tax in balance sheet	
	2019	2020	Composition of deferred tax recognised in the income statement	2020	2019
			Temporary differences:		
	-	-	Property, plant and equipment	-13 966	-9 350
	0	**0**	**Total tax-increasing temporary differences**	**-13 966**	**-9 350**
	0	**0**	**Deferred tax**	**-3 492**	**-2 338**
			Temporary differences:		
	-10 108 572	-10 920 270	Deficit carried forward	-89 186 826	-77 540 350
	-10 108 572	**-10 920 270**	**Total tax-decreasing temporary differences**	**-89 186 826**	**-77 540 350**
	-2 527 143	**-2 730 068**	**Deferred tax asset**	**-22 296 707**	**-19 385 088**
	-2 527 143	**-2 730 068**	**Net**	**-22 300 198**	**-19 387 425**

The above table comprises temporary differences from all consolidated companies shown gross. At the Company level tax-increasing and tax-reducing temporary differences are shown net. At the Group level recognition is on a gross basis in conformity with IAS 12 with each company being presented separately in the calculation of the Group's tax benefit and deferred tax.

Deferred tax asset is not recognised in the balance sheet at year end 2019 or 2020.

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Note 12 – Financial instruments

Fair value of financial instruments at amortised cost

Amortised cost entails valuing items in 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 short-term nature and low credit risk.

NOK Parent	Classification	2020 Book value	2019 Book value
Assets			
Loans to and receivables from house bank	Amortised cost	235 331	1 025 317
Total financial assets		**235 331**	**1 025 317**
Liabilities			
Total financial liabilities		**0**	**0**

NOK Group	Classification	2020 Book value	2019 Book value
Assets			
Cash and balances with Central Banks	Amortised cost	32 719 961	27 813 764
Loans to and receivables from house bank	Amortised cost	20 018 133	23 268 414
Total financial assets		**52 738 094**	**51 082 178**
Liabilities			
Total financial liabilities		**0**	**0**

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Note 13 – Intangible assets

NOK	Parent 2019	Parent 2020		Group 2020	Group 2019
			Intangible assets		
	0	0	Cost as at 1 January	12 545 989	12 138 883
	0	0	Acquisitions/disposals	3 269 541	407 106
	0	**0**	**Cost as at 31 December**	**15 815 530**	**12 545 989**
	0	0	Accumulated depreciation as at 1 January	8 241 090	7 762 768
	0	0	Depreciation	1 132 230	478 322
	0	**0**	**Total depreciation as at 31 December**	**9 373 320**	**8 241 090**
	0	**0**	**Carrying amount as at 31 December**	**6 442 209**	**4 304 899**

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 have been made in 2019 or 2020.

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Note 14 – Property, plant and equipment

NOK			2020			2019
	Office equipment	Right-of-use asset	Total	Office equipment	Right-of-use asset	Total
Cost as at 1 January	60 888	3 226 195	3 287 083	60 888	3 226 195	3 287 083
Aquisitions/disposals	0	47 479	47 479	-	-	-
Cost as at 31 December	**60 888**	**3 273 674**	**3 334 562**	**60 888**	**3 226 195**	**3 287 083**
Accumulated depreciation as at 1 January	52 780	631 698	684 478	40 600	-	40 600
Depreciation	8 108	675 423	683 531	12 180	631 698	643 878
Total depreciation as at 31 December	**60 888**	**1 307 121**	**1 368 009**	**52 780**	**631 698**	**684 478**
Carrying amount as at 31 December	**0**	**1 966 553**	**1 966 553**	**8 108**	**2 594 497**	**2 602 605**

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 commencment of the lease or economic life which for the Group's leased assets is 3-4 years. Set out below are the carrying amounts of lease liabilities (included under 'Other liabilities' in Note 15) and the movements during the period:

NOK	2020	2019
As at 1 January	**2 594 497**	**3 226 195**
Additions	47 479	-
Accretion of interest	132 097	161 310
Payments	-807 520	-793 008
As at 31 December	**1 966 553**	**2 594 497**

The Group had total cash outflows for leases of NOK 807 520 in 2020.
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 15 – Other debt and liabilities

NOK	Parent			Group	
	2019	2020	Other debt and recognised liabilities	2020	2019
	4 349	38 728	Creditors	1 001 988	232 096
	234 864	228 198	Other	5 678 552	3 955 859
	239 213	**266 926**	**Total other debt and recognised liabilities**	**6 680 540**	**4 187 955**
	239 213	**266 926**	**Total commitments**	**6 680 540**	**4 187 955**

There are no securities pledged at year end 2019 or 2020.

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Note 16 – Investments in subsidiaries and transactions with related parties

Shares in subsidiaries

Recorded at acquisition cost in the Parent company. Full consolidation in the Group accounts.

NOK 2020	Company number	Reg. office	Stake in percent	Share capital	No of shares	Nominal value
Safe Deposit Bank of Norway AS	999644392	Oslo	100	44 390 000	443 900	100
Total investments in credit institutions				**44 390 000**	**443 900**	**100**

	Assets	Liabilities	Total income	Total expenses	Result	Book value 31.12
Safe Deposit Bank of Norway AS	61 068 087	6 413 614	1 837 914	12 699 065	-10 861 151	133 000 000
Total investments in credit institutions	**61 068 087**	**6 413 614**	**1 837 914**	**12 699 065**	**-10 861 151**	**133 000 000**

NOK 2019	Company number	Reg. office	Stake in percent	Share capital	No of shares	Nominal value
Safe Deposit Bank of Norway AS	999644392	Oslo	100	43 140 000	431 400	100
Total investments in credit institutions				**43 140 000**	**431 400**	**100**

	Assets	Liabilities	Total income	Total expenses	Result	Book value 31.12
Safe Deposit Bank of Norway AS	56 964 365	3 948 742	-46 415	12 457 956	-12 504 371	120 500 000
Total investments in credit institutions	**56 964 365**	**3 948 742**	**-46 415**	**12 457 956**	**-12 504 371**	**120 500 000**

Transactions with group companies and other related parties

In 2020 Safe Deposit Bank of Norway AS has purchased services from entities related to Board members of Safe Deposit Bank of Norway AS or Safe Deposit Holding ASA amounting to NOK 722 675. At the balance sheet date the amount owed related to the purchased services is 391 545. These transactions are made on terms equivalent with market practice for similar transactions with non-related parties.

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Note 17 – Share capital

NOK Share capital	Number of shares	Book value
Ordinary shares 1 January 2019	84 667	16 933 400
Issue new shares	9 333	1 866 600
Ordinary shares 31 December 2019	94 000	18 800 000
Issue new shares	5 000	1 000 000
Ordinary shares 31 December 2020	**99 000**	**19 800 000**

Largest shareholders	Solstice	Number of shares	Ownership in percent
UBS SWITZERLAND AG	Board Member, CEO	12 482	12,61%
JOH JOHANNSON EIENDOM AS		8 458	8,54%
RUFFEN INVESTOR AS		8 458	8,54%
CREDIT SUISSE (SWITZERLAND) LTD.		7 701	7,78%
SUNDT AS		7 401	7,48%
CLEARSTREAM BANKING S.A.		6 000	6,06%
J.P. MORGAN BANK LUXEMBOURG S.A.		5 600	5,66%
CITIBANK, N.A.	Board Member	5 000	5,05%
ZPE INVESTOR AS		4 444	4,49%
BNP PARIBAS SECURITIES SERVICES		4 229	4,27%
BANQUE INTERNATIONALE À LUXEMBOURG		4 229	4,27%
BEETLE INVEST AS		3 334	3,37%
NERGAARD INVESTMENT PARTNERS AS		3 333	3,37%
HÅKON WÆRSTAD		1 967	1,99%
HARALD ARNE LOTHE		2 050	2,07%
NSV INVEST AS		1 667	1,68%
RINGNES HOLDING AS		1 667	1,68%
HATHON HOLDING AS		1 554	1,57%
HAUGANS HUS MARKEDSINVEST AS	Board Member	1 485	1,50%
BACHELOR AS		1 333	1,35%
FERMIN AS		1 100	1,11%
CHRISTIAN ALEXANDER HORNEMAN WIST	Board Member	200	0,20%
HARRY KONTERUD	Board Member	95	0,10%
Others less than 1 %		5 213	5,27%
Total		**99 000**	**100,0 %**

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Note 18 – Subsequent events

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


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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 Holding ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Safe Deposit Holding ASA, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the balance sheets as at 31 December 2020, income statements, statements of other 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 and the Group as at 31 December 2020 and their 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 and the Group 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;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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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.

Oslo, 26 March 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan-Herman Stene
State Authorized Public Accountant (Norway)

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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 and the Group as at 31 December 2020 and their 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

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Auditor’s responsibilities for the audit of the financial statements

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- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
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Opinion on registration and documentation

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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.

Oslo, 26 March 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan-Herman Stene
State Authorized Public Accountant (Norway)

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

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

Johan-Herman Stene
Statsautorisert revisor
Serienummer: 9578-5993-4-2411909
IP: 81.166.xxx.xxx
2021-03-26 13:51:18Z

bank ID

Penneo Dokumentnøkkel: LSU60-PENOB-1Y48D-XNEEJ-VYEA8-ED1JE

Skattedirektoratet

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

SAFE DEPOSIT BANK OF NORWAY AS
POSTBOKS 1667 VIKA
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 Finanstillsynet 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	Org.nr: 996250318	Telefaks
	E-post: skatteetaten.no/sendepost	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