



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: 27.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 14.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Renteinntekter beregnet etter effektivrentemetoden av utlån til og fordringer på kredittinstitusjone		0	225
Sum renteinntekter og lignende inntekter		0	225
Rentekostnader og lignende kostnader			
Sum rentekostnader og lignende kostnader		0	0
Netto renteinntekter		0	225
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	328 200	329 444
Andre driftskostnader	10	435 820	482 480
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		-764 020	-811 699
Resultat etter skatt fra videreført virksomhet		-764 020	-811 699
Resultat før andre inntekter og kostnader		-764 020	-811 699
Andre inntekter og kostnader			



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum andre inntekter og kostnader		0	0
Totalresultat for regnskapsåret		-764 020	-811 699



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Utlån til og fordringer på kredittinstitusjoner og finansieringsforetak			
Utlån og fordringer på kredittinstitusjoner og finansieringsforetak til amortisert kost	6,7,12	735 291	235 331
Sum utlån og fordringer på kredittinstitusjoner og finansieringsforetak	6,7,12	735 291	235 331
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	144 600 000	133 000 000
Varige driftsmidler			
Andre varige driftsmidler		76 667	66 000
Sum varige driftsmidler		76 667	66 000
Andre eiendeler			
Sum andre eiendeler		0	0
Anleggsmidler og avhendingsgrupper holdt for salg			
SUM EIENDELER		145 411 958	133 301 331
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	2021	2020
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		0	0
Finansielle derivater			
Annen gjeld			
Annen gjeld	8,15	8 281 573	266 926
Avsetninger			
Sum avsetninger		0	0
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		0	0
Fondsobligasjonskapital			
Sum fondsobligasjonskapital		0	0
Sum gjeld		8 281 573	266 926
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/eierandelskapital	17	20 160 000	19 800 000
Overkursfond		122 677 053	118 177 053
Annen innskutt egenkapital		-5 706 668	-4 942 648
Sum innskutt egenkapital		137 130 385	133 034 405
Opptjent egenkapital			
Sum opptjent egenkapital		0	0
Sum egenkapital		137 130 385	133 034 405
SUM GJELD OG EGENKAPITAL	18	145 411 958	133 301 331



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Renteinntekter beregnet etter effektivrentemetoden av utlån til og fordringer på kredittinstitusjone		39 144	183 384
Sum renteinntekter og lignende inntekter		39 144	183 384
Rentekostnader og lignende kostnader			
Øvrige rentekostnader		100 008	132 097
Sum rentekostnader og lignende kostnader		100 008	132 097
Netto renteinntekter		-60 864	51 287
Provisjonsinntekter og inntekter fra banktjenester		1 775 964	3 286 890
Provisjonskostnader og kostnader ved banktjenester		973 556	1 500 039
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	6 570 589	6 045 867
Andre driftskostnader	10	6 283 448	5 649 360
Av-/nedskrivninger, verdiendringer og gevinst/tap på ikke-finansielle eiendeler			
Avskrivninger	10	1 611 849	1 815 761
Sum av-/nedskrivninger, verdiendringer og gevinst tap på ikke-finansielle eiendeler		-1 611 849	-1 815 761
Kredittap på utlån, garantier mv. og rentebærende verdipapirer			
Sum kredittap på utlån, garantier og rentebærende verdipapirer		0	0



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Resultat før skatt fra videreført virksomhet		-13 724 342	-11 672 850
Resultat etter skatt fra videreført virksomhet		-13 724 342	-11 672 850
Resultat før andre inntekter og kostnader		-13 724 342	-11 672 850
Andre inntekter og kostnader			
Sum andre inntekter og kostnader		0	0
Totalresultat for regnskapsåret		-13 724 342	-11 672 850



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Kontanter og kontantekvivalenter	6,7,12	516 418	32 719 961
Utlån til og fordringer på kredittinstitusjoner og finansieringsforetak			
Utlån og fordringer på kredittinstitusjoner og finansieringsforetak til amortisert kost	6,7,12	34 381 574	20 018 133
Sum utlån og fordringer på kredittinstitusjoner og finansieringsforetak		34 381 574	20 018 133
Utlån til og fordringer på kunder			
Sum utlån og fordringer på kunder		0	0
Rentebærende verdipapirer			
Rentebærende verdipapirer til virkelig verdi		15 000 000	
Sum rentebærende verdipapirer	6,7	15 000 000	0
Immaterielle eiendeler			
Immaterielle eiendeler	13	5 807 487	6 442 210
Varige driftsmidler			
Eierbenyttet eiendom	14	1 278 827	1 966 553
Andre varige driftsmidler	14		0
Sum varige driftsmidler		1 278 827	1 966 553
Andre eiendeler			
Andre eiendeler		96 812	222 560
Sum andre eiendeler		96 812	222 560
SUM EIENDELER	1,2,3,4	57 081 118	61 369 417
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Innlån fra kredittinstitusjoner og finansieringsforetak			
Sum innlån fra kredittinstitusjoner og finansieringsforetak		0	0



Konsernets balanse

Beløp i: NOK	Note	2021	2020
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	11 256 582	6 680 540
Avsetninger			
Sum avsetninger		0	0
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		0	0
Fondsobligasjonskapital			
Sum fondsobligasjonskapital		0	0
Sum gjeld		11 256 582	6 680 540
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/eierandelskapital	17	20 160 000	19 800 000
Overkursfond		122 667 387	118 167 387
Annen innskutt egenkapital		-97 002 851	-83 278 510
Sum innskutt egenkapital		45 824 536	54 688 877
Opptjent egenkapital			
Sum opptjent egenkapital		0	0
Sum egenkapital		45 824 536	54 688 877
SUM GJELD OG EGENKAPITAL	18	57 081 118	61 369 417



SDH
Safe Deposit Holding ASA



Annual Report 2021

Dear Reader,

Covid health and economic risks have again played out in every part of the globe in 2021. We continued to prioritise the health and well-being of our employees in our day-to-day practices. Throughout the health crisis our operations proved resilient: there has not been a single glitch. Clients continued to be able to rely on our consistent, attentive service through uncertain times.

While our operating model proved resilient and reliable, external conditions had an adverse effect on the pace of new business development. Converting the significant pipeline of prospects into Clients was impeded by the extended demands of the pandemic on our prospective Clients, and restrictions on face-to-face and on-site meetings. The disruption to our business development proved challenging, but led us to take decisions and actions that we believe will make SDBN an even stronger, more dynamic bank.

The business model has evolved. In 2021, we pivoted the Bank fully towards the EUR, which is our growth product and has a significant addressable market. Our Norges Bank account was closed in August, and the associated resources were freed up to support EUR operations. To drive volumes to increase revenue, and leverage the low fixed and operating costs, the Bank has decided to pursue the opportunity in advice on and provision of liquidity solutions. We have also decided to add focus on a wider set of potential Clients, as well as a broader range of institutional regulated Clients. We have invested in communications and marketing to reach a larger audience. As part of this effort, we have revamped our website www.sdbn.com.

Looking forward, with our model proved and expanding, 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 in the EUR-product by further driving understanding and adoption of our offering.

Our operations continued to perform flawlessly: our systems' design, implementation and daily execution proved robust and effective. We are on course to meet the live implementation of the TARGET2 system updates in September 2022. This makes us confident that beyond the commercial value proposition that we offer our Clients, we continue to deliver consistent, reliable,

Christian A. Homeman Wist
Chairman

Olga Godinho
Board Member

Monica Amanda Haugan
Board Member

Harry Konterud
Board Member

Daniel Vock
Board Member

Morten Meland
CEO

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real-time liquidity. The operational excellence is made possible by our impressive 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 our Bank will establish its place as a differentiated solution for our Clients to manage and diversify liquid cash balances, enhancing their efficiency, competitiveness and resilience, and contributing to the stability of the financial eco-system in which we all operate.

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.

SDH's net result for 2021 shows a net loss of NOK 74.020, which is transferred to other equity. The 2021 net result for the Group shows a loss of NOK 13.724.342. Commensurate with our conservative approach, the Deferred Tax Asset of NOK 2.921.073 (SDH) and NOK 25.724.633 (Group) as of 31 December 2021 is not recognised on the balance sheet in line with our conservative approach.

There were no occupational incidents related to the management and the employees in 2021. Further, the Board and the CEO, also in SDBN, are covered by liability insurance.

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 funds are held at an AA-rated commercial bank, cash equivalent instruments and high-quality liquid government bond funds.

Oslo,
March 24, 2022



Income Statement

NOK	Parent 2020	2021	Notes	Group 2021	2020
	225	0		39 144	183 384
	0	0		100 008	132 097
	225	0		-60 864	51 287
	0	0		1 775 964	3 286 890
	0	0		973 556	1 500 039
	0	0		802 408	1 786 852
	225	0		741 545	1 838 139
	329 444	328 200		6 570 589	6 045 867
	482 479	435 820		7 895 297	7 465 122
	811 924	764 020		14 465 886	13 510 989
	-811 699	-764 020		-13 724 342	-11 672 850
	-811 699	-764 020		-13 724 342	-11 672 850
	0	0		0	0
	-811 699	-764 020		-13 724 342	-11 672 850

¹ Includes cost of sales and fees for clearing systems, regulators and Bank Guarantee Fund

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Other Comprehensive Income

NOK	Parent		Group	
	2020	2021	2021	2020
	-811 699	-764 020	-13 724 342	-11 672 850
	0	0	0	0
	0	0	0	0
	-811 699	-764 020	-13 724 342	-11 672 850

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Statement of Changes in Equity – Parent

NOK	Share capital	Share premium	Other equity	Total equity
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
Equity as at 1 January 2021	19 800 000	118 177 053	-4 942 648	133 034 405
Profit for the period			-764 020	-764 020
Total comprehensive income	0	0	-764 020	-764 020
Issue of share capital and premium	360 000	4 500 000		4 860 000
Equity as at 31 December 2021	20 160 000	122 677 053	-5 706 668	137 130 385

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Statement of Changes in Equity – Group

NOK	Share capital	Share premium	Other equity	Total equity
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
Equity as at 1 January 2021	19 800 000	118 167 387	-83 278 510	54 688 877
Profit for the period			-13 724 342	-13 724 342
Total comprehensive income	0	0	-13 724 342	-13 724 342
Issue of share capital and premium	360 000	4 500 000		4 860 000
Equity as at 31 December 2021	20 160 000	122 667 387	-97 002 852	45 824 536

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Statement of Cash Flows

NOK	Parent		Notes	Group	
	2020	2021		2020	2021
-811 699	-764 020		Profit before income tax	-13 724 342	-11 672 850
0	0		+ Depreciation and write-downs	1 611 849	1 815 761
-811 699	-764 020		Net cash increase from ordinary operations	-12 112 492	-9 857 089
-6 000	-10 667		Decrease/(increase) other receivables	125 749	-162 561
27 713	8 014 647		Increase/(decrease) short term debt	4 576 042	2 492 585
-789 986	7 239 961		A) Net cash flow from operations	-7 410 701	-7 527 064
0	0		Increase in intangible and tangible fixed assets	-289 401	-3 317 020
-12 500 000	-11 600 000		Net investments in subsidiaries	0	0
-12 500 000	-11 600 000		B) Net cash flow from investment	-289 401	-3 317 020
12 500 000	4 860 000		Increase/(decrease) in equity - Issue of share capital and premium	4 860 000	12 500 000
12 500 000	4 860 000		C) Net cash flow from financial activities	4 860 000	12 500 000
-789 986	499 961		A) + B) + C) Net changes in cash and cash equivalents	-2 840 102	1 655 916
1 025 316	235 331		Cash and cash equivalents at 01.01	52 738 094	51 082 178
235 331	735 291		Cash and cash equivalents at 31.12	49 897 992	52 738 094
-789 986	499 961		Net changes in cash and cash equivalents	-2 840 102	1 655 916

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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 2021 were approved by the respective Boards of Directors on 24 March 2022.

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 to 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.

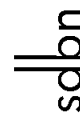
Deposits are regarded as Client funds

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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Note 2 – Accounting policies

Basis for preparing the annual accounts

The accounts for 2021 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 2021.

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. This does not apply to investments in cash equivalent instruments and high-quality liquid government bond funds. Investments in these funds are classified at fair value through profit and loss and measured at fair value. 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.

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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 fact of 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 investment grade counterparties or Central Banks. 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.

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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:

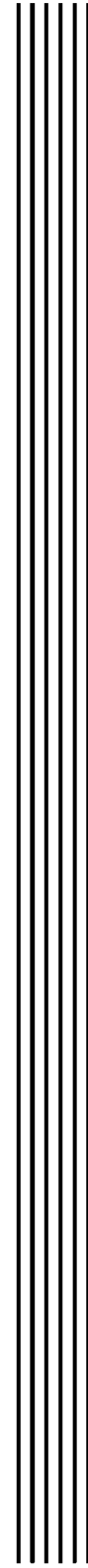
- Payment transaction processing
- Operational stability / deposit liquidity
- Integrity and confidentiality of Client data
- Reliance on key personnel

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 invested in cash equivalent instruments and high-quality liquid government bond funds or held at the house bank (Handelsbanken). The Group's credit risk is therefore limited to the funds held with these counterparties.

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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 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 2022 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.

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Note 5 – Capital adequacy

As of 31 December 2021 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 40 017 049,- and risk weighted assets were NOK 11 224 834,- reflecting a CET1 capital ratio of 356.50 %.



Note 6 – Loans and advances

NOK	Parent		Loans and advances to Central Banks, cash equivalent instruments, high-quality liquid government bonds and house bank		Group	
	2020	2021	2020	2021	2020	2021
	0	0	Cash and balances with Central Banks	516 418	32 719 961	
	0	0	Cash equivalent instruments	5 000 000	0	
	0	0	High-quality liquid government bonds	10 000 000	0	
	235 331	735 291	Loans and receivables from house bank without agreed maturity or notice of withdrawal, AA rating	34 381 574	20 018 133	
	235 331	735 291	Total	49 897 992	52 738 094	

Loans and advances to house bank are floating rate. Cash equivalent instruments and government bond funds include instruments that qualify as high-quality liquid assets in LCR, in other words assets with low credit risk which are liquid in markets during stress times, for instance sovereign bonds. The investments in cash equivalent instruments and high-quality liquid government bond funds are measured at fair value and are classified to level 2 in the fair value hierarchy. The investments in debt funds are investments in an open-ended government bond fund investing in Norwegian government bonds. The portfolio duration is three to seven years.

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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, cash equivalent instruments, high-quality liquid government bond funds, loans and claims on Norwegian house bank are considered as lowest risk assets.

NOK	Parent	Neither defaulted nor written down			Total
		Lowest risk	Defaulted or written down	Total	
2021					
	Cash and balances with Central Banks	0	-	0	0
	Cash equivalent instruments	0	-	0	0
	High-quality liquid government bonds	0	-	0	0
	Loans to and receivables from house bank	735 291	-	735 291	735 291
	Total	735 291	0	735 291	735 291
2020					
	Cash and balances with Central Banks	0	-	0	0
	Cash equivalent instruments	0	-	0	0
	High-quality liquid government bonds	0	-	0	0
	Loans to and receivables from house bank	235 331	-	235 331	235 331
	Total	235 331	0	235 331	235 331

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Note 7 – continued

NOK	Group	Neither defaulted nor written down	Lowest risk	Defaulted or written down	Total
2021					
	Cash and balances with Central Banks	516 418	-		516 418
	Cash equivalent instruments	5 000 000	-		5 000 000
	High-quality liquid government bonds	10 000 000	-		10 000 000
	Loans to and receivables from house bank	34 381 574	-		34 381 574
	Total	49 897 992	0		49 897 992
2020					
	Cash and balances with Central Banks	32 719 961	-		32 719 961
	Cash equivalent instruments	0	-		0
	High-quality liquid government bonds	0	-		0
	Loans to and receivables from house bank	20 018 133	-		20 018 133
	Total	52 738 094	0		52 738 094

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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	On demand	Below 3 months	3-12 months	1-5 yrs	Above 5 yrs	Total
At 31 December 2021						
Cash flows related to liabilities						
Other commitments	3 256 582		8 000 000			11 256 582
Total cash flow liabilities	3 256 582	0	8 000 000	0	0	11 256 582
NOK Group						
At 31 December 2020						
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

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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	Parent		Group	
	2020	2021	2021	2020
	100 000	100 000	4 697 512	4 252 834
	228 198	228 198	839 553	839 553
	0	0	208 423	163 736
	1 246	2	751 457	757 976
	0	0	73 644	31 768
	329 444	328 200	6 570 589	6 045 867

The Group had 5 employees as of 31 December 2021 (5 employees as of 31 December 2020), which implies FTE of 4,8 (FTE of 4,8 as of 31 December 2020)

CEO	2021	2020
Morten Meland	1 544 392	1 552 470

Compensation to Board Members for SDBN & SDH

	2021	2020
Olga Godinho	550 000	550 000
Christian A. Horneman Wist	200 000	200 000
Knut Bergho	100 000	100 000
Dominique Levy	100 000	0
Monica Haugen	50 000	50 000
Harry Korterud	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 remuneration for management in 2021 is in accordance with the SDBN Remuneration Policy.

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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 2020	2021	Group 2021	2020
	-811 699	-764 020	-13 724 342	-11 672 850
	0	0	15 428	21 757
	0	0	-2 793	4 616
	-811 699	-764 020	-13 711 707	-11 646 476
	0	0	0	0
	0	0	0	0
	0	0	0	0

NOK	Parent 2020	2021	Group 2021	2020
	-	-	-11 173	-13 966
	0	0	-11 173	-13 966
	0	0	-2 793	-3 492
	-10 920 270	-11 684 290	-102 898 533	-89 186 826
	-10 920 270	-11 684 290	-102 898 533	-89 186 826
	-2 730 068	-2 921 073	-25 724 633	-22 296 707
	-2 730 068	-2 921 073	-25 727 427	-22 300 198

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 2020 or 2021.

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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) is a reasonable approximation of fair value among else due short-term nature and low credit risk.

NOK	Parent	2021	2020
		Book value	Book value
Assets			
	Loans to and receivables from house bank	735 291	235 331
	Total financial assets	735 291	235 331

Liabilities

Total financial liabilities	0
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NOK Group

	2021	2020
	Book value	Book value
Assets		
	Cash and balances with Central Banks	516 418
	Loans to and receivables from house bank	34 381 574
	Total financial assets	34 897 992

Liabilities

Total financial liabilities	0
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Note 13 - Intangible assets

NOK	2021	2020
Intangible assets		
Cost as at 1 January	8 052 762	4 304 899
Acquisitions/disposals	255 831	3 747 863
Cost as at 31 December	8 308 593	8 052 762
Accumulated depreciation as at 1 January	1 610 553	478 322
Depreciation	890 553	1 132 230
Total depreciation as at 31 December	2 501 106	1 610 553
Carrying amount as at 31 December	5 807 487	6 442 210

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 2020 or 2021.

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Note 14 – Property, plant and equipment

NOK	2021		2020	
	Right-of-use asset	Total	Right-of-use asset	Total
Cost as at 1 January	3 273 674	3 273 674	3 226 195	3 287 083
Acquisitions/disposals	33 570	33 570	47 479	47 479
Cost as at 31 December	3 307 244	3 307 244	3 273 674	3 334 562
Accumulated depreciation as at 1 January	1 307 121	1 307 121	631 698	684 478
Depreciation	721 296	721 296	675 423	683 531
Total depreciation as at 31 December	2 028 417	2 028 417	1 307 121	1 368 009
Carrying amount as at 31 December	1 278 827	1 278 827	1 966 553	1 966 553

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 Group's leased assets is 2-3 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	2021	2020
As at 1 January	1 966 553	2 594 497
Additions	33 570	47 479
Accretion of interest	100 008	132 097
Payments	-821 304	-807 520
As at 31 December	1 278 827	1 966 553

The Group had total cash outflows for leases of NOK 821 304 in 2021.

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Note 15 – Other debt and liabilities

NOK	Parent		Other debt and recognised liabilities	Group	
	2020	2021		2021	2020
	38 728	53 375	Creditors	194 173	1 001 988
	228 198	8 228 198	Other	11 062 410	5 678 552
	266 926	8 281 573	Total other debt and recognised liabilities	11 256 582	6 680 540
	266 926	8 281 573	Total commitments	11 256 582	6 680 540

There are no securities pledged at year end 2020 or 2021.

The category "other" includes a bridge loan of NOK 8 000 000, which the parent company entered into on 13 October 2021 to finance an equity injection of NOK 7 600 000 into Safe Deposit Bank of Norway AS and general corporate purposes. The Company may at any time wholly or partly prepay the Loan prior the final repayment date of 13 October 2022. The loan carries an interest corresponding to 12-month NIBOR plus a margin of 2 per cent. p.a. The loan is unsecured and ranks pari passu with claims of all other unsecured and subordinated creditors. The lenders are members of the Board of Directors (or entities related to such members) of Safe Deposit Holding ASA or Safe Deposit Bank of Norway AS and the CEO.

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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 2021	Company number	Reg. office	Stake in percent	Share capital	No of shares	Nominal value
	999644392	Oslo	100	45 550 000	455 500	100
Total investments in credit institutions				45 550 000	455 500	100

	Assets	Liabilities	Total income	Total expenses	Result	Book value 31.12
Safe Deposit Bank of Norway AS	56 269 160	2 975 009	741 545	13 701 866	-12 960 322	144 600 000
Total investments in credit institutions	56 269 160	2 975 009	741 545	13 701 866	-12 960 322	144 600 000

NOK 2020	Company number	Reg. office	Stake in percent	Share capital	No of shares	Nominal value
	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

Transactions with group companies and other related parties

In 2021, 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 471 942. At the balance sheet date, the amount owed related to the purchased services is NOK 13 600. 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	Number of shares	Book value
Share capital		
Ordinary shares 1 January 2020	94 000	18 800 000
Issue new shares	5 000	1 000 000
Ordinary shares 31 December 2020	99 000	19 800 000
Issue new shares	1 800	360 000
Ordinary shares 31 December 2021	100 800	20 160 000
Largest shareholders		
	Nominee	Shares held by the Board / CEO
UBS SWITZERLAND AG	Yes	Board Member, CEO
CLEARSTREAM BANKING S.A.	Yes	
CREDIT SUISSE (SWITZERLAND) LTD.	No	Board member
JOH JOHANSSON EIENDOM AS	No	
RUFFEN INVESTOR AS	No	
SUNDT AS	No	
J.P. MORGAN BANK LUXEMBOURG S.A.	Yes	Board Member
CITIBANK, N.A.	Yes	
ZPE INVESTOR AS	No	
BNP PARIBAS SECURITIES SERVICES	Yes	
BEEBLE INVEST AS	No	
NERGAARD INVESTMENT PARTNERS AS	No	
HARALD ARNE LOTHE	No	
HÅKON WÆRSTAD	No	
NSV INVEST AS	No	
RINGNES HOLDING AS	No	
HATHON HOLDING AS	No	
HAUGANS HUS MARKEDSINVEST AS	No	Board Member
NYE BACHELOR AS	No	
FERMIN AS	No	
CHRISTIAN ALEXANDER HORNEMAN WIST	No	Board Member
HARRY KONTERUD	No	Board Member
Others less than 1 %	No	
Total	5 213	100 800
		Ownership in percent
		12,98 %
		10,15 %
		8,83 %
		8,39 %
		8,39 %
		7,34 %
		5,56 %
		4,96 %
		4,41 %
		4,20 %
		3,31 %
		3,31 %
		2,03 %
		1,95 %
		1,65 %
		1,65 %
		1,54 %
		1,47 %
		1,32 %
		1,09 %
		0,20 %
		0,09 %
		5,17 %
		100,0 %

The register of shareholders is based on the Norwegian Central Securities Depository's (VPS) shareholder register as of 31 December 2021.

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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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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Safe Deposit Holding ASA

Opinion

We have audited the financial statements of Safe Deposit Holding ASA (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2021, the income statement, other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities 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 annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is 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 board of directors' report contains the information required by applicable legal requirements and 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 or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

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.



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In preparing the financial statements, management is responsible for assessing the Company's and the Group'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 the Group, or to cease operations, or has no realistic alternative but to do so.

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 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 and the Group'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 and the Group'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 and the Group 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.

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We communicate with the board of directors 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.

Oslo, 31 March 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan-Herman Stene
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: E527K-Y8M4W-WDFTQ-BS0WU-KIGLC-F8EON



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Johan-Herman Stene

Statsautorisert revisor

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Statsautoriserte revisorer
Ernst & Young AS

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Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Safe Deposit Holding ASA

Opinion

We have audited the financial statements of Safe Deposit Holding ASA (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2021, the income statement, other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities 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 annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is 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 board of directors' report contains the information required by applicable legal requirements and 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 or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

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.



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In preparing the financial statements, management is responsible for assessing the Company's and the Group'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 the Group, or to cease operations, or has no realistic alternative but to do so.

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 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.
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Oslo, 31 March 2022
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The auditor's report is signed electronically

Johan-Herman Stene
State Authorised Public Accountant (Norway)

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Johan-Herman Stene

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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

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