



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Morten F. Meland
Dato for fastsettelse av årsregnskapet: 11.04.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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

Brønnøysundregistrene, 04.06.2021



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Renter og lignende inntekter av utlån til og fordringer på kredittinstitusjoner		259 304	310 476
Sum renteinntekter og lignende inntekter		259 304	310 476
Rentekostnader og lignende kostnader			
Andre rentekostnader og lignende kostnader		101 251	117 003
Sum rentekostnader og lignende kostnader		101 251	117 003
Netto rente- og kredittprovisjonsinntekter		158 053	193 473
Utbytte og andre inntekter av verdipapirer med variabel avkastning			
Sum utbytte og andre inntekter av verdipapirer med variabel avkastning		0	0
Provisjonsinntekter og inntekter fra banktjenester			
Andre gebyrer og provisjonsinntekter		265 384	217 694
Sum provisjonsinntekter og inntekter fra banktjenester		265 384	217 694
Provisjonskostnader og kostnader ved banktjenester			
Andre gebyrer og provisjonskostnader		259 978	304 150
Sum provisjonskostnader og kostnader ved banktjenester		259 978	304 150
Netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler			
Sum netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler		0	0
Andre driftsinntekter			
Sum andre driftsinntekter		0	0
Lønn og generelle administrasjonskostnader			
Lønn	9	3 142 446	3 670 280
Pensjoner	9	62 302	123 912
Sosiale kostnader	9	391 242	688 014



Resultatregnskap

Beløp i: NOK	Note	2018	2017
Lønn m.v.	9	3 595 990	4 482 206
Administrasjonskostnader		4 050 585	3 287 605
Sum lønn og generelle administrasjonskostnader		7 646 575	7 769 811
Avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler			
Ordinære avskrivninger	10	2 161 974	2 161 974
Sum avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler		2 161 974	2 161 974
Andre driftskostnader			
Andre driftskostnader	10	1 948 248	2 629 892
Sum andre driftskostnader		1 948 248	2 629 892
Tap på utlån, garantier m.v.			
Sum tap på utlån, garantier m.v.		0	0
Nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler			
Sum nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler		0	0
Resultat av ordinær drift		-11 593 338	-12 454 660
Skatt på ordinært resultat	11	0	0
Resultat av ordinær drift etter skatt		-11 593 338	-12 454 660
Resultat av ekstraordinære poster		0	0
Resultat for regnskapsåret		-11 593 338	-12 454 660
Overføringer og disponeringer			
Overført fra annen egenkapital		11 593 338	12 454 660
Sum disponeringer og overføringer		-11 593 338	-12 454 660



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Kontanter og fordringer på sentralbanker	6,7,12	31 526 936	53 106 197
Utlån til og fordringer på kredittinstitusjoner			
Utlån til og fordringer på kredittinstitusjoner uten avtalt løpetid eller oppsigelsesfrist	6,7,12	9 553 966	796 566
Sum netto utlån og fordringer på kredittinstitusjoner		9 553 966	796 566
Utlån til og fordringer på kunder			
Factoring		0	0
Sum netto utlån og fordringer på kunder		0	0
Sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning			
Utstedt av det offentlige		0	0
Utstedt av andre		0	0
Sum sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning		0	0
Aksjer, andeler og andre verdipapirer med variabel avkastning			
Sum aksjer, andeler og andre verdipapirer med variabel avkastning		0	0
Eierinteresser i tilknyttede selskaper			
Sum eierinteresser i tilknyttede selskaper		0	0
Eierinteresser i konsernselskaper			
Sum eierinteresser i konsernselskaper		0	0
Immaterielle eiendeler			
Andre immaterielle eiendeler	13, 15	4 376 115	2 149 794
Sum immaterielle eiendeler		4 376 115	2 149 794
Varige driftsmidler			
Maskiner, inventar og transportmidler		20 287	32 468



Balanse

Beløp i: NOK	Note	2018	2017
Sum varige driftsmidler		20 287	32 468
Andre eiendeler			
Sum andre eiendeler		0	0
Forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter			
Sum forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter		0	0
SUM EIENDELER	1,2,3,4	45 477 304	56 085 025
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Gjeld til kredittinstitusjoner			
Sum gjeld til kredittinstitusjoner		0	0
Innskudd fra og gjeld til kunder			
Innskudd fra og gjeld til kunder uten avtalt løpetid	8	326 558	593 416
Sum innskudd fra og gjeld til kunder		326 558	593 416
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		0	0
Annen gjeld			
Annen gjeld		1 030 752	8 778 277
Sum annen gjeld		1 030 752	8 778 277
Avsetninger for påløpte kostnader og forpliktelser			
Sum avsetninger for påløpte kostnader og forpliktelser		0	0
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		0	0
Sum gjeld		1 357 310	9 371 693



Balanse

Beløp i: NOK	Note	2018	2017
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/grunnfondsbeviskapital	16	41 000 000	40 100 000
Beholdning av egne aksjer/grunnfondsbevis		58 090 334	49 990 334
Selskapskapital		99 090 334	90 090 334
Annen innskutt egenkapital		-54 970 340	-43 377 002
Sum innskutt egenkapital		44 119 994	46 713 332
Opptjent egenkapital			
Sum opptjent egenkapital		0	0
Sum egenkapital		44 119 994	46 713 332
SUM GJELD OG EGENKAPITAL	17	45 477 304	56 085 025



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Safe Deposit Bank of Norway AS, which comprise the balance sheet as at 31 December 2018, income statement, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

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

Other information

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

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

Responsibilities of management for the financial statements

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

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



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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



Opinion on registration and documentation

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

Oslo, 21 March 2019

ERNST & YOUNG AS

Einar Hersvik
State Authorised Public Accountant (Norway)



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."

Postadresse
Postboks 9200 Grønland
0134 Oslo

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

Sentralbord
800 80 000
Telefaks
22 17 08 60



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

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

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

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

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

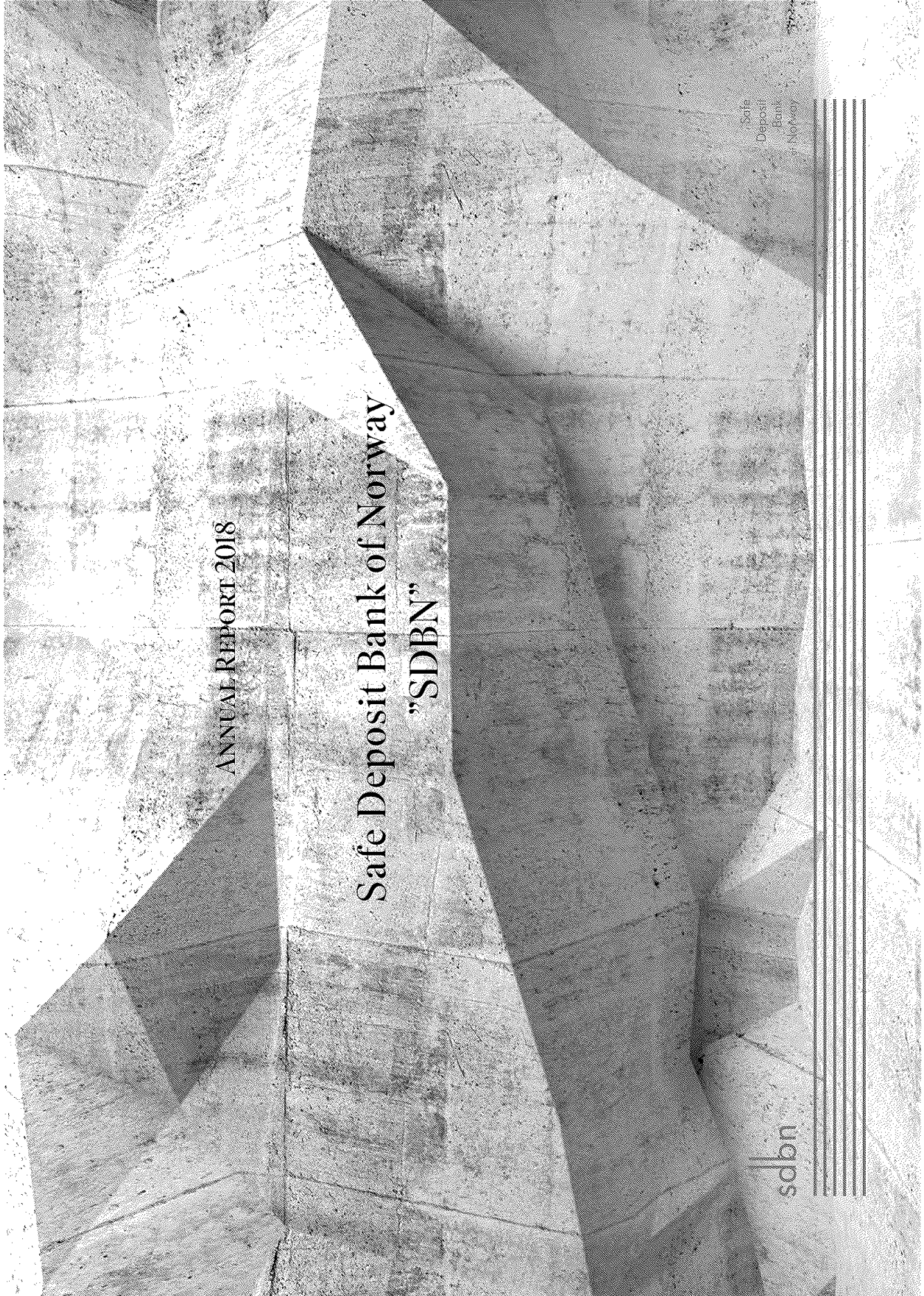
Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer





Annual Report 2018

The Safe Deposit Bank of Norway AS ("SDBN") is licensed by the Norwegian Ministry of Finance as a narrow bank with the sole purpose of placing cash deposits with Central Banks. This in turn provides unsurpassed deposit safety and liquidity for the cash asset allocations in our Clients' portfolios. Our Clients benefit from cash diversification, predictable and transparent pricing as well as a unique capital preservation tool. It is important for our Clients to know exactly where their cash is, which with SDBN can only be at the Central Banks of Germany and Norway. SDBN is a wholly owned subsidiary of Safe Deposit Holding ASA ("SDH"), jointly the Group.

Our core banking operations are purposefully focused and include hard coded safety features to minimize financial, operational and reputational risk. We work with best-in-class firms, whose respective partners and their teams provide SDBN with solid, distinguished support. We actively pursue our commitment to always operate at the lowest level of aggregate risk.

Our company's operating results for 2018 show a loss of NOK 11,593,338 reflecting the operating and salary costs incurred in the preparation and implementation of the addition of the EUR deposit product. The net result for the period is transferred to other equity. Future income from operations is expected to cover total start-up costs of NOK 54,970,340 (including losses carried forward from 2013-2017) within a few years. Commensurate with our conservative approach, the Deferred Tax Asset of NOK 13,735,693 as of 31 December 2018 is not recognized in the balance sheet.

Øystein Gjerdhø
Chairman of the Board

Christian A. Homeman Wist
Board Member



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

SDBN continues to develop its team for business operations ending 2018 with five core employees. Being a niche bank, and reliant on a powerful technology platform, our employees, three male and two female, are extensively supported by outsourced expertise and active Board of Directors, which are diverse in terms of both gender and nationality. Our small size means that the bank expects exceptional commitment, adaptation and breadth of execution skills from each member of our core team, as well as very active and frequent input from individual Members of our Board. SDBN benefits from the continuity of the uninterrupted involvement of many of the same individuals with our service providers, which are key to our growing business. It has been the dedication, thoughtfulness, perseverance and enthusiasm of our employees, service providers and Board that made the expansion into Europe possible. We are fortunate to have the engaged support and solid backing of our Shareholders. We are hopeful that even in this exceedingly difficult low interest rate environment, SDBN will steadily grow to establish its place as the ultimate cash preservation option of choice for its Clients.

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

Oslo,
March 20, 2019

Knut Berge
Board Member

Morten Frode Meland
CEO

Safe
Deposit
Bank
of Norway



Income Statement

NOK	Notes	2018	2017
Interest income (amortised cost)		259 304	310 476
Interest expenses (amortised cost)		101 251	117 003
Net interest income		158 053	193 473
Commission income		265 384	217 694
Commission expenses		259 978	304 150
Net fee and commission income		5 406	-86 455
Change in value of financial investments		0	0
Total income		163 459	107 018
Employee Remuneration	9	3 595 990	4 482 206
Other operating expenses	10	8 160 806	8 079 471
Total operating expenses		11 756 797	12 561 677
Profit before impairment on loans and taxes		-11 593 338	-12 454 660
Profit before income tax		-11 593 338	-12 454 660
Income tax	11	0	0
Profit for the period		-11 593 338	-12 454 660

3

sbln

Safe
Deposit
Bank
of Norway



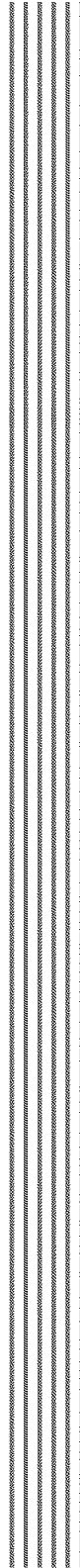
Other Comprehensive Income

NOK	2018	2017
Profit for the period	-11 593 338	-12 454 660
Items that will not be reclassified to profit/loss		
Total	0	0
Items that will be reclassified to profit/loss		
Total	0	0
Total comprehensive income	-11 593 338	-12 454 660

4

salon

Safe
Deposit
Bank
of Norway



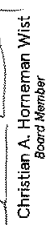


Balance Sheet

	NOK	Notes	31.12.18	31.12.17
ASSETS				
Cash and balances with Central Banks		6,7,12	31 526 936	53 106 197
Loans to and receivables from credit institutions		6,7,12	9 553 966	796 566
Loans to and receivables from group company		12,15	0	0
Property, plant and equipment			20 288	32 468
Intangible assets		13,15	4 376 115	2 149 794
Other assets			0	0
Total assets		1,2,3,4	45 477 304	56 085 025
LIABILITIES AND EQUITY				
Deposits from and debt to Clients		8	326 558	593 416
Debt to group companies		8,12,15	0	7 620 689
Other liabilities		8,14	1 030 752	1 157 589
Total liabilities			1 357 310	9 371 693
Share capital ¹		16	41 000 000	40 100 000
Share premium ¹			58 090 334	49 990 334
Other paid-in capital			0	0
Other equity			-54 970 340	-43 377 002
Total equity			44 119 994	46 713 332
Total liabilities and equity		17	45 477 304	56 085 025

The issue of share capital and premium was completed in December 2018 and registered in the Register of Business Enterprises on 4 January 2019.

Oslo, March 20, 2019


Christian A. Horneman Wist
Board Member


Knut Berge
Board Member


Morten Frode Meland
CEO

Safe
Deposit
Bank
of Norway





Statement of Changes in Equity

NOK	Issued equity			Total equity
	Share capital	Share premium	Other paid in capital	
Equity as at 1 January 2017	40 100 000	49 970 334	0	59 167 972
Profit for the period				-12 454 660
Other comprehensive income				0
Total comprehensive income	0	0	0	-12 454 660
Transfer	0	0	0	0
Equity as at 31 December 2017	40 100 000	49 970 334	0	46 713 332
Equity as at 1 January 2018	40 100 000	49 970 334	0	46 713 332
Profit for the period				-11 593 338
Other comprehensive income				0
Total comprehensive income	0	0	0	-11 593 338
Issue of share capital and premium	9 000 000	8 100 000		9 000 000
Equity as at 31 December 2018	41 000 000	58 070 334	0	44 119 994

6

slbn

Safe
Deposit
Bank
of Norway



Statement of Cash Flows

NOK	Notes	2018	2017
Profit before income tax		-11 593 338	-12 454 660
+ Depreciation and write-downs		2 161 974	2 161 974
Net cash increase from ordinary operations		-9 431 364	-10 292 686
Decrease/(increase) other receivables		0	0
Increase/(decrease) short term debt		-126 837	-101 690
Increase/(decrease) deposits and debt to Clients	8	-266 858	-219 560 218
A) Net cash flow from operations		-9 825 058	-229 954 593
Increase in intangible and tangible fixed assets		-4 376 115	0
B) Net cash flow from investment		-4 376 115	0
Increase/(decrease) in equity - Capital increase		9 000 000	0
Increase/(decrease) in equity - Repayment of SDH loan		-7 620 689	0
C) Net cash flow from financial activities		1 379 311	0
A) + B) + C) Net changes in cash and cash equivalents		-12 821 862	-229 954 593
Cash and cash equivalents at 01.01		53 902 764	283 857 356
Cash and cash equivalents at 31.12	6.7.12	41 080 902	53 902 764
Net changes in cash and cash equivalents		-12 821 862	-229 954 593

7

slbn

Safe
Deposit
Bank
of Norway



Note 1 – General information

Description of the business

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

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

The Financial statements for 2018 were approved by the Board of Directors on 20 March 2019.

Note 2 – Accounting policies

Basis for preparing the annual accounts

The accounts for 2018 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 2018.

New or revised accounting standards approved but not implemented in 2018

IFRS 16 – Leases The standard requires lessees to recognise a lease liability reflecting future lease payments and a right-of-use asset for most lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. The implementation of the new standard has

minimal impact on the accounts. The standard is endorsed by the EU and implementation date is 1 January 2019.

Presentation currency

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

Financial instruments

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

Classification and measurement

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

Safe
Deposit
Bank
of Norway

sdbn



Note 2 – continued

Impairment

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

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

Intangible assets

Software expenses recognised in the balance sheet are depreciated according to a straight line principle over their expected useful life and are subject to a depreciation 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 exists.

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 counterpart balance sheet item.

Income taxes

Tax recorded in the profit and loss account comprises tax in the period (payable tax) and deferred tax. Period tax is tax calculated on the taxable profit for the year. Deferred tax is accounted for by the liability method in keeping with IAS 12. The rate of tax in effect at all times is employed when calculating deferred tax. In the case of deferred tax, liabilities or assets are calculated on temporary differences i.e. the difference between balance sheet value and tax-related value of assets and liabilities. However,

Safe
Deposit
Bank
of Norway

sdobn



Note 2 – continued

liabilities or assets are not calculated in the case of deferred tax on goodwill for which there is no deduction for tax purposes, nor on first-time-recognised items which affect neither the accounting nor the taxable profit. In the case of deferred tax an asset is calculated on a tax loss carryforward. The Bank's deferred tax asset is not recognised in the balance sheet.

Implementation of IFRS 9

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

Deposits from Clients

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

Provisions, contingent assets and contingent liabilities

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

Defined contribution

Under a defined contribution pension scheme the Company does not provide a future pension of a given size; instead the Company pays an annual contribution to the employees' collective pension savings. The future pension will depend on the size of the contributions and annual return on the pension savings. The Company has no further obligations regarding the labour contribution after the annual contribution has been paid. There is no allocation for accrued pension obligations under such schemes. Defined contribution schemes are directly expensed.

Dividends

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

Events after the balance sheet date

The annual accounts are regarded as approved for publication once they have been considered by the Board of Directors. The Annual General Meeting and regulatory authorities can thereafter refuse to approve the accounts, but not to change them. Events up to the time at which the accounts are approved for publication, and which relate to circumstances already known on the

Safe
Deposit
Bank
of Norway

sd|bn

Note 2 – continued

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 principles

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

Intangible assets

Write-down 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 depreciated on a straight-line basis over expected lifetime from the date they are ready for use.

Note 4 – Risks

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

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

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

Operational risk

The Company's main risk is expected to be operational risk related to operational activities and compliance with regulatory requirements. Key operational risks are identified as:

- Ensuring the highest standard of KYC and AML
- Accuracy of deposits and withdrawal transactions
- Operational stability / deposit liquidity – Client deposits available at all times
- Integrity and confidentiality of Client data

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

Credit risk

The Company has no credit and counterparty risk related to loans or accounts receivable as SDBN receives their income as a fee of the Client's bank deposits in the Central Banks.

Credit and counterparty risk is therefore only relevant to the Company's own bank deposits. All own funds are deposited with Safe Deposit Bank of Norway

Note 4 – continued

the Company's main bank (Handelsbanken) or Central Banks. Credit risk is therefore limited to the funds held with these counterparties. The Company's risk appetite for credit risk is low. The Company has developed detailed guidelines for how to manage credit risk as part of the Risk Management Strategy.

Business and strategic risk

The Company is exposed to normal business and strategic risks.

Other risk categories

The Company is exposed to liquidity and financing risk. Risk exposure and risk tolerance is low as the Company's business model requires and ensures that Client deposits are highly liquid assets, as they are placed in overnight deposits with the Central Bank of Norway (Norges Bank). There is also an inherent risk that the Company does not have enough liquidity to fulfill its obligations with regards to operating expenses. SDH Group and SDBN have adequate capital for 2019 and beyond.

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

Note 5 – Capital adequacy

As of 31 December 2018 the capital conservation buffer requirement is 2.5 percent, the systemic risk requirement is 3 percent and countercyclical buffer has differentiated rates with 2 percent being maintained for exposures in Norway. For exposures in other countries the countercyclical capital buffer rate set by the authorities in the country concerned is used. If the country concerned has not established a rate, the same rate as for exposures in Norway is to be used unless the Ministry of Finance sets another rate. These requirements are additional to the requirement of 4.5 percent CET1 capital, so that the overall minimum requirement on CET1 capital is 12 percent.

The Bank's common equity tier 1 capital at year end was NOK 39 743 879,- and risk weighted assets were NOK 2 584 368,-, which gives a CET1 capital ratio of 1537.86 %.

12

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

NOK	Loans and advances to credit institutions	2018	2017
	Cash and balances with Central Banks	31 526 936	53 106 197
	Loans and receivables without agreed maturity or notice of withdrawal, AA rating	9 553 966	796 566
	Total	41 080 902	53 902 764

Loans and advances to credit institutions are floating rate.

Safe
Deposit
Bank
of Norway



Note 7 – Credit quality per class of financial assets

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

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

13

NOK 2017	Neither defaulted nor written down		Defaulted or written down	Total
	Cash and balances with Central Banks	Loans to and receivables from credit institutions		
	53 106 197	796 566	-	53 106 197
			-	796 566
Total	53 902 764		0	53 902 764

salon

Safe
Deposit
Bank
of Norway



Note 8 - Liquidity risk

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

NOK	At 31 December 2018	On demand	Below 3 months	3-12 months	1-5 yrs	Above 5 yrs	Total
Cash flows related to liabilities							
Deposits from and debt to Clients		326 558					326 558
Loans to and receivables from group company		0					0
Other commitments		1 030 752					1 030 752
Total cash flow liabilities		1 357 310	0	0	0	0	1 357 310
NOK							
At 31 December 2017							
Cash flows related to liabilities							
Deposits from and debt to Clients		593 416					593 416
Loans to and receivables from group company		7 620 689					7 620 689
Other commitments		1 157 589					1 157 589
Total cash flow liabilities		9 371 693	0	0	0	0	9 371 693

14

slbn

Safe
Deposit
Bank
of Norway



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	2018	2017
Wages	2 753 511	3 281 345
Accrued wages	388 935	388 935
Pension costs	62 302	123 912
Employer's contribution	357 928	639 224
Social costs	33 314	48 791
Total personnel	3 595 990	4 482 206

SDBN had 5 employees as of December 31 2018 which implies FTE of 4.6.

CEO	2018	2017
Morten Meland	1 616 326	1 610 248

Compensation to Board Members	2018	2017
Olga Godinho	300 000	200 000
Christian A. Horneman Wist	100 000	100 000
Knut Berge	0	0
Gudrun Bugge Andvord	100 000	100 000

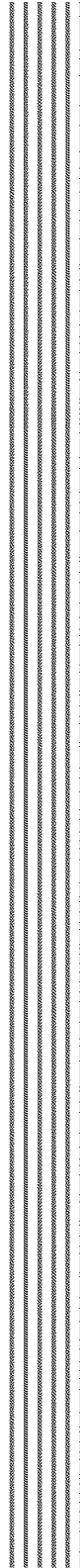
No additional bonus or variable remunerations were paid to Board Members or management. There are no loans or guarantees to Board Members or management.

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

It is the opinion of the SDBN Board that the SDBN Remuneration for management in 2018 is in accordance with the SDBN Remuneration Policy.

sdbn

Safe
Deposit
Bank
of Norway





Note 10 - Other operating expenses

NOK	2018	2017
Ordinary depreciation	2 161 974	2 161 974
Operating expenses, real properties	934 097	929 300
Purchased services	991 338	1 667 093
Other operating expenses	4 073 398	3 321 105
Other operating expenses	8 160 806	8 079 471
Audit fees		
Statutory audit services	120 449	187 779
Other attestation services	114 305	127 356
Tax-related services	59 750	57 500
Other non-audit services	0	0
Total incl value added tax	294 504	372 635

16

Safe
Deposit
Bank
of Norway

slbn



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	2018	2017
Profit before tax	-11 593 338	-12 454 660
+/- permanent differences	9 733	2 001
+/- change in temporary differences as per specification	6 724	5 361
Income subject to tax	-11 576 880	-12 447 298
Payable tax	0	0
Net change in deferred tax	0	0
Income tax	0	0

17

NOK	Deferred tax in balance sheet	
	2018	2017
Composition of deferred tax carried in the balance sheet and deferred tax recognised in the income statement		
Temporary differences:		
Property, plant and equipment	-1 535	5 190
Total tax-increasing temporary differences	-1 535	5 190
Deferred tax	-384	1 297
Temporary differences:		
Deficit carried forward	-54 942 772	-43 365 891
Total tax-decreasing temporary differences	-54 942 772	-43 365 891
Deferred tax asset	-13 735 693	-10 841 473
Net	-13 736 077	-10 840 175

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

Deferred tax asset is not recognised in the balance sheet at year end 2017 or 2018.

Safe
Deposit
Bank
of Norway

sabon



Note 12 – Financial instruments

Fair value of financial instruments at amortised cost

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

NOK	Classification	2018		2017	
		Book value	Book value	Book value	Book value
Assets					
	Cash and balances with central banks	31 526 936		53 106 197	
	Loans to and receivables from credit institutions	9 553 966		796 566	
	Total financial assets	41 080 902		53 902 764	
Liabilities					
	Debt to group companies		0	7 620 689	
	Deposits from and debt to Clients		326 558	593 416	
	Total financial liabilities		326 558	8 214 104	



Note 13 - Intangible assets

NOK	2018	2017
Intangible assets		
Cost as at 1 January	7 762 768	7 762 768
Intragroup acquisitions/disposals	0	0
Acquisitions/disposals	4 376 115	0
Cost as at 31 December	12 138 883	7 762 768
Total depreciation and impairment as at 1 January	5 612 973	3 463 179
Depreciation	2 149 794	2 149 794
Total depreciation and impairment as at 31 December	7 762 767	5 612 973
Carrying amount as at 31 December	4 376 115	2 149 794

Intangible assets concerns IT systems and licenses. The IT systems are amortised on a straight-line basis in accordance with the rest period of the agreement. Amounts recorded above are reviewed on the balance sheet date for any indications of value impairment. No write-downs has been made in 2017 or 2018.

Note 14 - Other debt and liabilities

NOK	2018	2017
Other debt and recognised liabilities		
Creditors	215 524	269 993
Other	815 228	887 595
Total other debt and recognised liabilities	1 030 752	1 157 589
Guarantee commitments	-	-
Total guarantee commitments	-	-
Other commitments, not recognised	-	-
Total other commitments	-	-
Total commitments	1 030 752	1 157 589

There are no securities pledged at year end 2017 or 2018.



Note 15 – Transactions with related parties

Note 17 – Subsequent events

Significant transactions with group companies

NOK	2018	2017
Loan (Safe Deposit Holding ASA)	0	7 516 213
Interest income/expense	101 251	104 475
Intragroup acquisition/disposal of intangible assets	0	0
Sum transactions with group companies	101 251	7 620 689

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

20

Note 16 – Share capital

NOK	Number of shares	Nominal value	Book value
Share capital			
Ordinary shares 1 January 2017	401 000	100	40 100 000
Issue new shares	0		0
Ordinary shares 31 December 2017	401 000	100	40 100 000
Issue new shares	9 000	100	900 000
Ordinary shares 31 December 2018	410 000	100	41 000 000
Shareholders	Number of shares	Value	Ownership in percent
Safe Deposit Holding ASA	410 000	41 000 000	100 %

Safe
Deposit
Bank
of Norway

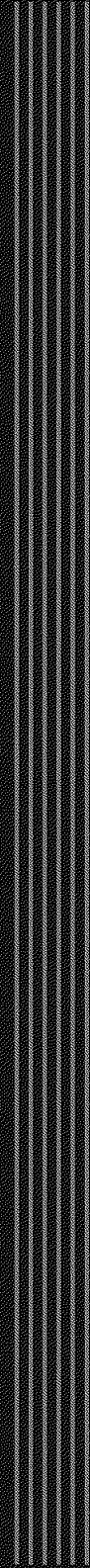
sdbn



Safe Deposit Bank
of Norway AS
Haakon VIIs gate 1
P.O. Box 1657 Vifva
NO-0120 Oslo
Norway
T: +47 22 07 69 50
post@sdbn.com
01616 499 443 92

Safe
Deposit
Bank
of Norway

sdbn





Building a better
working world

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Safe Deposit Bank of Norway AS, which comprise the balance sheet as at 31 December 2018, income statement, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

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

Other information

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

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

Responsibilities of management for the financial statements

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

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



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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



Opinion on registration and documentation

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

Oslo, 21 March 2019

ERNST & YOUNG AS

Einar Hersvik
State Authorised Public Accountant (Norway)