



Signet Bank AS

Public Financial Report

4th quarter 2020



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I General Information

1. Shareholders of the Bank

The paid-up share capital of the Bank was EUR 16 544 952 as of 31 December 2020 and it consisted of 459 582 registered shares with voting rights. The nominal value of each share is EUR 36. All shares of the Bank are dematerialized registered shares. There were no changes in the Shareholders of the Bank during the reporting period.

Shareholder	31 December 2020		
	Number of shares	Paid share capital (EUR)	Share capital ownership %
Signet Acquisition III, LLC	114 896	4 136 256	25.00 %
SIA "Hansalink"	102 487	3 689 532	22.30 %
Soloman Rutenberg	45 514	1 638 504	9.90 %
Natalija Petkevicha	45 300	1 630 800	9,86 %
SIA "Fin.lv" *	40 360	1 452 960	8.78 %
Leonid Kaplan	38 085	1 371 060	8.29 %
Igor Rapoport *	27 622	994 392	6,01 %
ID Family Foundation SIA	22 571	812 556	4.91 %
Tatjana Rapoport *	21 664	779 904	4.71 %
Rahmiel Deich	1 083	38 988	0.24 %
Total	459 582	16 544 952	100 %

* Joint control with a shareholding of 19.50%

2. Supervisory Council of the Bank

Position	Name, surname
Chairman of the Supervisory Council	Michael A.L. Balboni
Deputy Chairman of the Supervisory Council	Irīna Pīgozne
Member of the Supervisory Council	Thomas Roland Evert Neckmar
Member of the Supervisory Council	Sergejs Medvedevs

There were changes in the Supervisory Council of the Bank during the reporting period.

3. Management Board of the Bank

Position	Name, surname
Chairman of the Management Board	Robert Idelsons
Member of the Management Board	Tatjana Drobina
Member of the Management Board	Sergejs Zaicevs
Member of the Management Board	Jānis Solovjakovs

There were no changes in the Management Board of the Bank during the reporting period.



4. Strategy and Vision of the Group

Mission of the Group

The mission of the Group is to be a financial institution that renders a full range of services aimed at management of capital of HNWI and Affluent clients, service of their everyday private and business operations, and which ensures to the shareholders the return on investment that exceeds 10%.

The main goals of the Group:

- to be a leading bank in the Baltic states servicing HNWI clients;
- to provide a range of high quality sustainable financial solutions and services for the target clients – HNWI and Affluent individuals residing in Latvia, EU, EEA and OECD countries and businesses owned by them;
- to ensure stable growth by facilitating long-term relationship with clients and creating a base of loyal clients;
- to increase business volumes through expanding existing business as well as developing new business opportunities;
- to ensure regulatory compliance and sustainable governance and development of the Group;
- to achieve the objectives set in the Strategy.

5. Consolidation Group

The Consolidation Group of Signet Bank includes:

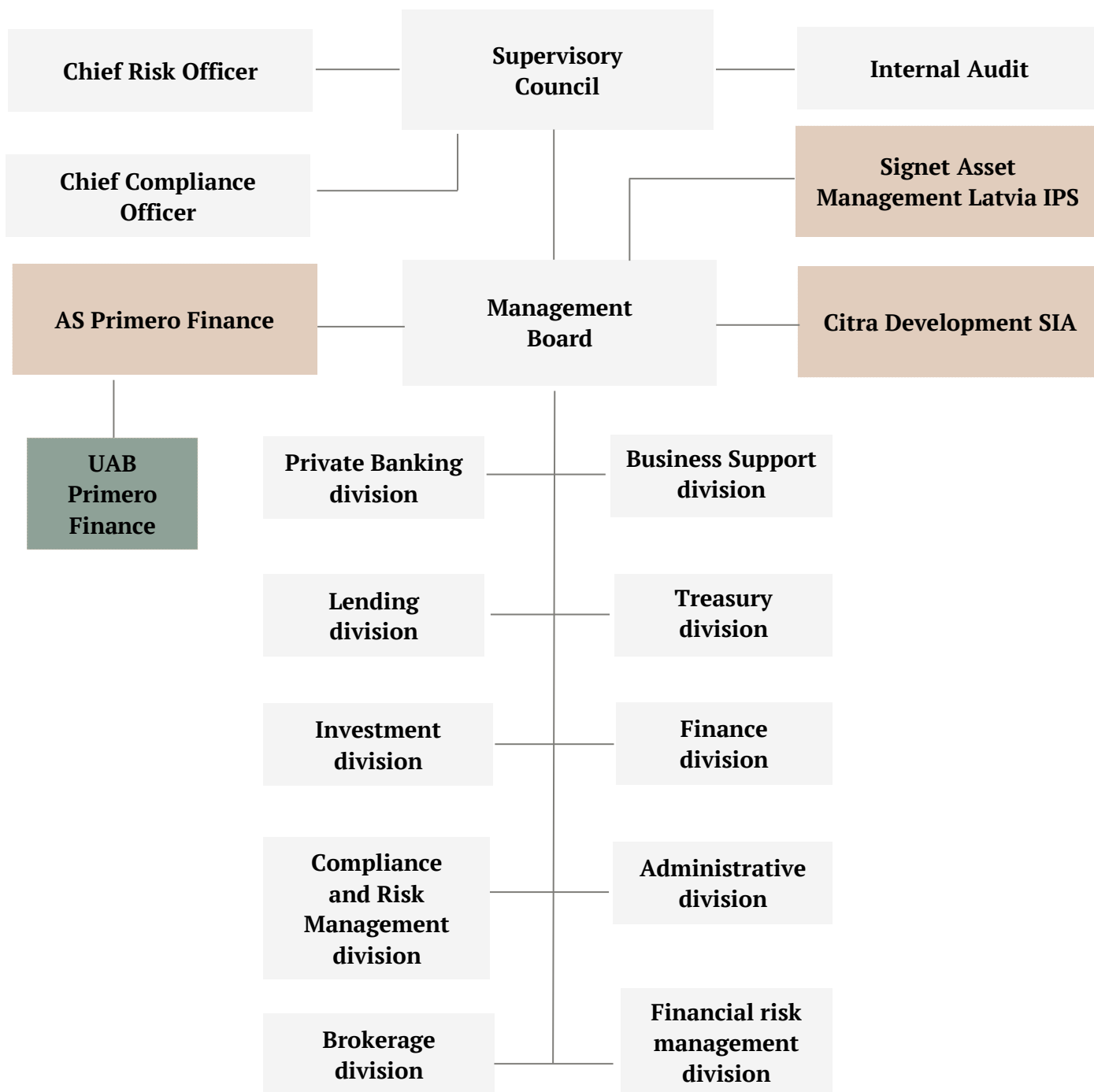
Name of company, Registration number	Registration location code and address	Type of activities	Basis for inclusion in the Group	% of total paid in share capital	% of total voting rights
Signet Asset Management Latvia IPS, 40103362872	LV, Antonijas Str. 3-1, Riga, LV 1010, Latvia	Asset management company	Subsidiary company	100 %	100 %
AS "Primero Finance", 40203148375	LV, Antonijas Str. 3, Riga, LV-1010, Latvia	Other financial institution	Subsidiary company	51 %	51%
UAB Primero Finance, 305600347	LT, Perkūnkiemio Str. 6-1, Vilnius, LT-12130, Lithuania	Other financial institution	Subsidiary of the subsidiary company	100 % *	100 % *
Citra Development SIA, 45403058722	LV, Antonijas Str. 3-5, Riga, LV-1010, Latvia	Real estate rental and management	Subsidiary company	100 %	100 %

*Direct shareholding of the Bank 51%.

During the reporting period, there were no changes in the consolidation group.



6. Structure of the Group



- Subsidiary of the Bank
- Subsidiary of a Subsidiary



II Financial position and performance

1. Balance sheet Statement of Financial Position as at 31 December 2020 and 31 December 2019

EUR '000

Title of entry	31.12.2020. Bank (Unaudited)	31.12.2020. Group (Unaudited)	31.12.2019. Bank (Audited)*	31.12.2019. Group (Audited)*
Assets				
Cash and demand deposits with central banks	12 196	12 196	40 931	40 931
Demand deposits with credit institutions	8 415	8 418	11 411	11 484
Financial assets designated at fair value through profit or loss	5 235	5 235	1 097	1 097
Financial assets measured at fair value with other comprehensive income	15 743	15 949	20 237	20 442
Financial assets measured at amortized cost	149 869	150 553	107 987	108 084
<i>Loans to financial institutions, companies and private individuals</i>	76 597	77 281	58 004	58 101
<i>Other deposits with financial institutions</i>	6 185	6 185	7 095	7 095
<i>Short term deposits with credit institutions</i>	3 259	3 259	20 468	20 468
<i>Debt securities</i>	63 828	63 828	22 420	22 420
Derivative financial instruments - hedge accounting	-	-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	-
Investments in subsidiaries, joint ventures and associates	3 774	1 808	3 559	1 895
Tangible assets	2 414	2 432	2 763	2 787
Intangible assets	468	523	142	210
Tax assets	55	55	26	26
Other assets	1 902	3 040	1 737	2 038
Non-current assets and disposal groups classified as held for sale	3 970	3 970	193	215
Total assets	204 041	204 179	190 083	189 209
Liabilities and shareholders' equity				
Liabilities due to central banks	-	-	-	-
Demand liabilities from credit institutions	604	604	-	-
Financial liabilities designated at fair value through profit or loss	244	244	549	549
Financial liabilities measured at the amortized cost	181 312	179 499	167 559	166 059
Derivative financial instruments - hedge accounting	-	-	-	-
Change in the fair value of the portfolio hedged against interest rate risk	-	-	-	-
Provisions	208	208	8	8
Tax liabilities	7	39	11	19
Other liabilities	3 963	5 036	5 343	5 503
Liabilities included in disposals groups classified as held for sale	-	-	-	-
Total liabilities	186 338	185 630	173 470	172 138
Total shareholders' equity	17 703	18 549	16 613	17 071
Total liabilities and shareholders' equity	204 041	204 179	190 083	189 209
Memorandum items	7 614	7 614	4 318	4 318
Contingent liabilities	3 147	3 147	26	26
Financial commitments	4 467	4 467	4 292	4 292
Assets under management and in custody	808 608	866 953	872 279	926 592

*Auditor: SIA "BDO Assurance"



2. Statement of profit or loss and other comprehensive income for the 12 Month Period, ended December 31, 2020 and 2019

EUR '000

Title of entry	31.12.2020. Bank (Unaudited)	31.12.2020. Group (Unaudited)	31.12.2019. Bank (Audited)*	31.12.2019. Group (Audited)*
Interest income	5 671	7 186	5 209	5 444
Interest expense (-)	(1 445)	(1 430)	(1 605)	(1 592)
Dividends received	6	6	195	195
Commission and fee income	5 814	6 088	5 121	5 339
Commission and fee expense (-)	(1 102)	(1 209)	(776)	(789)
Gains/ losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net (+/-)	63	63	(19)	(19)
Gains / losses on financial assets and liabilities designated at fair value through profit or loss, net (+/-)	448	448	(205)	(205)
Gains/ losses from hedge accounting, net (+/-)	-	-	-	-
Result from foreign exchange trading and revaluation, net (+/-)	664	623	(153)	(148)
Gains/ losses on derecognition of non-financial assets, net	-	-	-	-
Other operating income	55	140	142	148
Other operating expense (-)	(1 445)	(1 796)	(462)	(468)
Administrative expense (-)	(6 396)	(7 347)	(5 918)	(6 194)
Depreciation (-)	(560)	(580)	(530)	(535)
Gains / losses recognized in the contractual cash flows of a financial asset (+/-)	-	-	-	-
Provisions or reversal of provisions (+/-)	(208)	(208)	(8)	(8)
Impairment or reversal of impairment (+/-)	(328)	(346)	(271)	(203)
Negative goodwill recognised in profit or loss	-	-	-	-
Share of the profit/ loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method (+/-)	-	(3)	32	(12)
Gains/ loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (+/-)	-	-	-	-
Profit/(loss) before corporate income tax (+/-)	1 237	1 635	752	953
Corporate income tax	(8)	(10)	(8)	(8)
Net profit/(loss) for the period (+/-)	1 229	1 625	744	945
Other comprehensive income for the period (+/-)	(140)	(146)	183	192

*Auditor: SIA "BDO Assurance"

3. Performance Indicators

Title of entry	31.12.2020. Bank (Unaudited)	31.12.2020. Group (Unaudited)	31.12.2019. Bank (Audited)*	31.12.2019. Group (Audited)*
Return on equity (ROE) (%)	9.43%	9.06%	5.01%	5.81%
Return on assets (ROA) (%)	0.74%	0.80%	0.48%	0.60%

*Auditor: SIA "BDO Assurance"



4. Analysis of Concentration of the Group's Securities Portfolio

The Group's securities portfolio representation broken down by countries in which the total value of the securities exceeds 10% of the Group's own funds as at December 31, 2020. The geographical allocation is based on the credit risk of the registration countries of issuers.

EUR '000

Issuer's country	Securities of central Governments	Securities of other issuers	Total	% to the Group's shareholders' equity
Latvia	16 606	3 093	19 699	94%
Lithuania	19 529	-	19 529	93%
USA	9 716	26	9 742	46%
France	4 427	1 634	6 061	29%
Netherlands	-	4 797	4 797	23%
Sweden	4 499	285	4 784	23%
Poland	4 397	-	4 397	21%
Luxembourg	-	3 724	3 724	18%
Estonia	-	3 275	3 275	16%
Slovakia	2 553	-	2 553	12%
Other countries	2 787	3 146	5 933	X
Total securities portfolio	64 514	19 980	84 494	X

5. Analysis of the Group's expected credit losses

The amount of expected credit losses of the Group on 31 December 2020, the accumulated impairment amount in stages and accumulated changes in fair value in accordance with the International Financial Reporting Standard (IFRS) 9 "Financial Instruments".

EUR '000

Financial assets	Accumulated impairment			Accumulated negative changes in fair value due to credit risk (Stage 1)	Total
	Assets without significant increase in credit risk since initial recognition (Stage 1)	Assets with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Credit-impaired assets (Stage 3)		
Financial assets at amortised cost:	(377)	(69)	(462)	-	(908)
<i>Loans and advances</i>	(293)	(69)	(462)	-	(824)
<i>Debt securities</i>	(84)	-	-	-	(84)
Expected credit losses, total	(377)	(69)	(462)	-	(908)

III Risk and Capital Management

1. Risk Management

Information about Risk Management is available at Signet Bank AS corporate website links <https://www.signetbank.com/par-mums/signet-bank-finansu-informacija/>.

Liquidity Ratio Calculation

EUR '000

Title of entry	31.12.2020. Bank (Unaudited)	31.12.2020. Group (Unaudited)
Liquidity buffer	93 167	93 167
Net liquidity outflow	53 516	48 376
Liquidity coverage ratio (%)	174%	193%



2. Capital Adequacy

Information about Capital Management is available at Signet Bank AS corporate website <https://www.signetbank.com/par-mums/signet-bank-finansu-informacija/>.

The Bank's equity is higher than the total amount of capital, required for covering all the significant risks, inherent to the Bank's activity.

Own funds and capital adequacy ratios summary

EUR '000

Nº	Title of entry	31.12.2020. Bank (Unaudited)	31.12.2020. Group (Unaudited)
1.	Own funds (1.1.+1.2.)*	20 405	20 980
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	16 880	17 455
1.1.1.	Common Equity Tier (CET) 1 capital	16 880	17 455
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	3 525	3 525
2.	Total Risk exposure value	112 071	113 333
2.1.	Risk weighted exposure value for credit, counterparty credit and dilution risk and free deliveries	95 608	94 877
2.2.	Total risk exposure value for settlements/delivery	-	-
2.3.	Total risk exposure value for position risk, foreign exchange and commodity risks	346	815
2.4.	Total risk exposure value for operational risk	15 999	17 523
2.5.	Total risk exposure value for credit valuation adjustment	118	118
2.6.	Total risk exposure risk value related to large exposures in trading book	-	-
2.7.	Other risk exposure values	-	-
3.	Capital ratios and capital levels		
3.1.	CET 1 capital ratio (1.1.1./2.*100)	15.06%	15.40%
3.2.	Surplus (+) / deficit (-) of CET 1 capital (1.1.1.-2.*4.5%)	11 837	12 355
3.3.	Tier 1 capital ratio (1.1./2.*100)	15.06%	15.40%
3.4.	Surplus (+) / deficit (-) of Tier 1 capital (1.1.-2.*6%)	10 156	10 655
3.5.	Total capital ratio (1./2.*100)	18.21%	18.51%
3.6.	Surplus (+) / deficit (-) of total capital (1.-2.*8%)	11 439	11 913
4.	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	2 804	2 835
4.1.	Capital conservation buffer	2 802	2 833
4.2.	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State	-	-
4.3.	Institution specific countercyclical capital buffer	2	2
4.4.	Systemic risk buffer	-	-
4.5.	Other Systemically Important Institution buffer	-	-
5.	Capital adequacy ratios including adjustments		
5.1.	Adjustment for provisions or assets, applying special policy for the purpose of the own funds calculation	-	-
5.2.	Common equity tier 1 capital ratio, including adjustments in row 5.1.	15.06%	15.40%
5.3.	Tier 1 capital ratio, including adjustments in row 5.1.	15.06%	15.40%
5.4.	Total capital ratio, including adjustments in row 5.1.	18.21%	18.51%

* Equity includes a correction in the amount of excess of the estimated expected losses over the provisions calculated and made according to the accounting standards.

The Bank does not apply the transitional period for the implementation of the IFRS 9 set out in Article 473a of EU Regulation 575/2013.



SIGNET

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BANK

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