



# Signet Bank AS

# Public Financial Report

1st quarter 2021



## Table of contents

<b>I General Information .....</b>	<b>3</b>
1. Shareholders of the Bank.....	3
2. Supervisory Council of the Bank.....	3
3. Management Board of the Bank.....	3
4. Strategy and Vision of the Group .....	4
5. Consolidation Group .....	4
6. Structure of the Group .....	5
<b>II Financial position and performance .....</b>	<b>6</b>
1. Balance sheet Statement of Financial Position as at 31 March 2021 and 31 December 2020 .....	6
2. Statement of profit or loss and other comprehensive income for the 3 Month Period, ended March 31, 2021 and 2020 .....	7
3. Performance Indicators .....	7
4. Analysis of Concentration of the Group's Securities Portfolio .....	8
5. Analysis of the Group's expected credit losses.....	8
<b>III Risk and Capital Management .....</b>	<b>8</b>
1. Risk Management.....	8
2. Capital Adequacy.....	9



## I General Information

### 1. Shareholders of the Bank

The paid-up share capital of the Bank was EUR 16 544 952 as of 31 March 2021 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 March 2021		
	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 %
<b>Total</b>	<b>459 582</b>	<b>16 544 952</b>	<b>100 %</b>

\* 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 no 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:

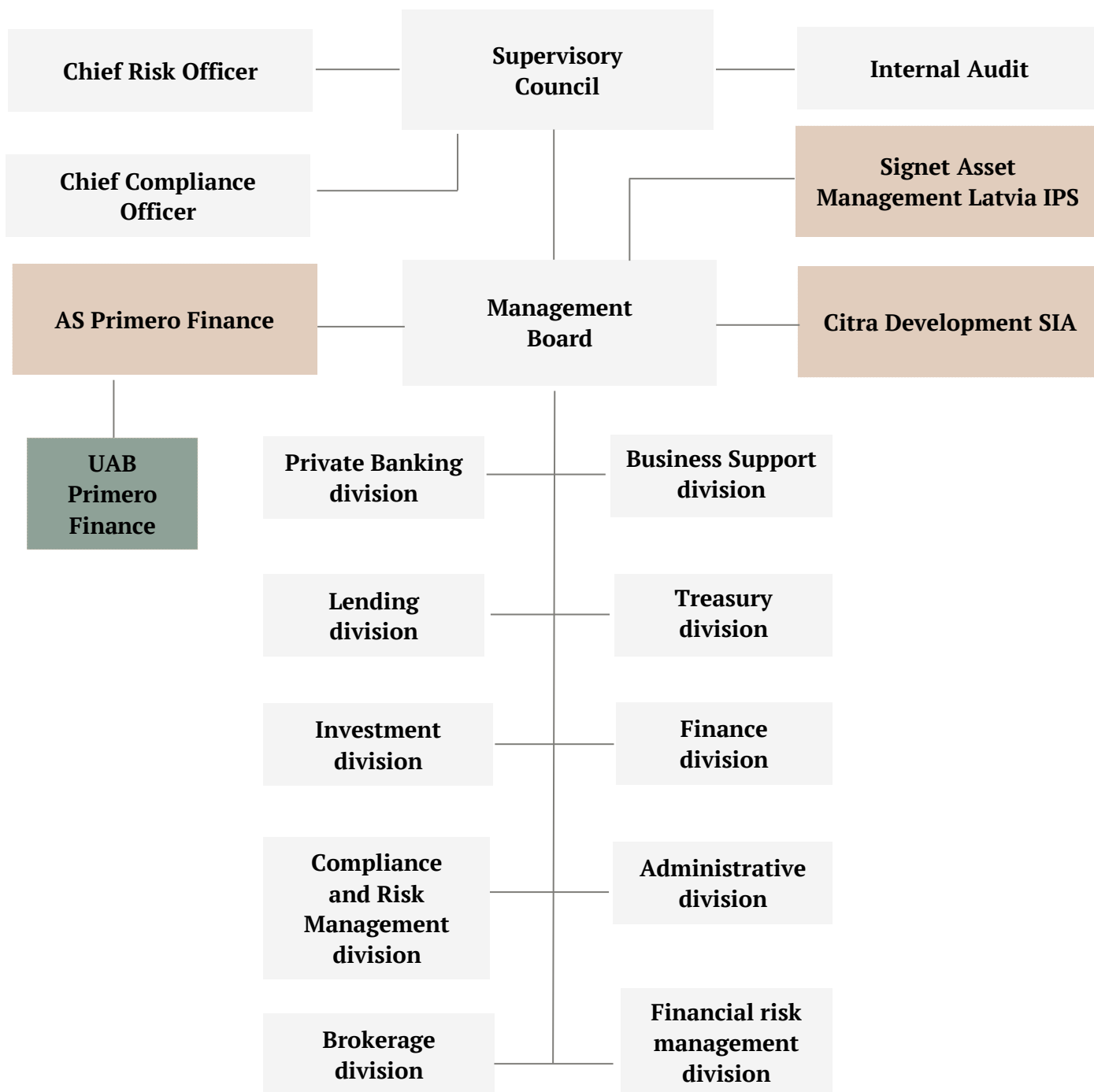
Name of company, Registration number	Registration location code and address	Type of activities	Basis for inclusion in the Group	% of total paid in share capital	% of total voting rights
Signet Asset Management Latvia IPS, 40103362872	LV, Antonijas Str. 3-1, Riga, LV 1010, Latvia	Asset management company	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 March 2021 and 31 December 2020

EUR '000

Title of entry	31.03.2021 Bank (Unaudited)	31.03.2021 Group (Unaudited)	31.12.2020 Bank (Audited)*	31.12.2020 Group (Audited)*
<b>Assets</b>				
Cash and demand deposits with central banks	17 107	17 107	12 196	12 196
Demand deposits with credit institutions	8 977	8 981	8 415	8 418
Financial assets designated at fair value through profit or loss	5 595	5 595	5 235	5 235
Financial assets measured at fair value with other comprehensive income	7 816	8 016	15 743	15 949
Financial assets measured at amortized cost	164 079	164 550	149 900	150 496
<i>Loans to financial institutions, companies and private individuals</i>	84 669	85 140	76 626	77 222
<i>Other deposits with financial institutions</i>	12 469	12 469	6 185	6 185
<i>Short term deposits with credit institutions</i>	2 472	2 472	3 261	3 261
<i>Debt securities</i>	64 469	64 469	63 828	63 828
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	3 724	1 752	3 724	1 758
Tangible assets	2 323	2 343	2 414	2 432
Intangible assets	465	517	468	523
Tax assets	95	95	55	55
Other assets	7 812	8 552	1 902	2 305
Non-current assets and disposal groups classified as held for sale	3 971	3 985	3 970	3 996
<b>Total assets</b>	<b>221 964</b>	<b>221 493</b>	<b>204 022</b>	<b>203 363</b>
<b>Liabilities and shareholders' equity</b>				
Liabilities due to central banks	-	-	-	-
Demand liabilities from credit institutions	68	68	604	604
Financial liabilities designated at fair value through profit or loss	196	196	244	244
Financial liabilities measured at the amortized cost	183 557	181 551	181 312	179 499
Derivative financial instruments - hedge accounting	-	-	-	-
Change in the fair value of the portfolio hedged against interest rate risk	-	-	-	-
Provisions	883	883	438	438
Tax liabilities	6	37	7	39
Other liabilities	19 320	19 762	3 963	4 219
Liabilities included in disposals groups classified as held for sale	-	-	-	-
<b>Total liabilities</b>	<b>204 030</b>	<b>202 497</b>	<b>186 568</b>	<b>185 043</b>
Total shareholders' equity	17 934	18 996	17 454	18 320
<b>Total liabilities and shareholders' equity</b>	<b>221 964</b>	<b>221 493</b>	<b>204 022</b>	<b>203 363</b>
<b>Memorandum items</b>				
Contingent liabilities	2 750	2 750	3 147	3 147
Financial commitments	5 844	5 844	4 467	4 467
<b>Assets under management and in custody</b>	<b>847 323</b>	<b>911 696</b>	<b>808 608</b>	<b>866 953</b>

\*Auditor: SIA "BDO Assurance"

Notes on differences with the Group's 2020 annual report data

There were two items "Other assets" and "Other liabilities" where balance amount was different for more than 5% comparing the Group's published unaudited statement of Financial position as at 31.12.2020 with 2020 annual report data. The difference was below EUR 1 million, and was due to the changes in classification of the subsidiary's balance sheet items in accordance with requirements of IFRS 9.



## 2. Statement of profit or loss and other comprehensive income for the 3 Month Period, ended March 31, 2021 and 2020

EUR '000

Title of entry	31.03.2021 Bank (Unaudited)	31.03.2021 Group (Unaudited)	31.03.2020 Bank (Unaudited)	31.03.2020 Group (Unaudited)
Interest income	1 421	1 832	1 423	1 656
Interest expense (-)	(284)	(280)	(364)	(361)
Dividends received	-	-	2	2
Commission and fee income	2 079	2 139	1 310	1 368
Commission and fee expense (-)	(376)	(378)	(234)	(250)
Gains/ losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net (+/-)	(10)	(10)	5	5
Gains / losses on financial assets and liabilities designated at fair value through profit or loss, net (+/-)	42	42	(23)	(23)
Gains/ losses from hedge accounting, net (+/-)	-	-	-	-
Result from foreign exchange trading and revaluation, net (+/-)	92	119	346	357
Gains/ losses on derecognition of non-financial assets, net	-	-	-	-
Other operating income	40	77	13	27
Other operating expense (-)	(140)	(147)	(156)	(158)
Administrative expense (-)	(1 715)	(2 035)	(1 525)	(1 691)
Depreciation (-)	(121)	(126)	(127)	(132)
Gains / losses recognized in the contractual cash flows of a financial asset (+/-)	-	-	-	-
Provisions or reversal of provisions (+/-)	(448)	(448)	-	-
Impairment or reversal of impairment (+/-)	(119)	(119)	(82)	(82)
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 (+/-)	-	(6)	-	(20)
Gains/ loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (+/-)	-	-	-	-
<b>Profit/(loss) before corporate income tax (+/-)</b>	<b>462</b>	<b>660</b>	<b>588</b>	<b>698</b>
Corporate income tax	(5)	(7)	(12)	(12)
<b>Net profit/(loss) for the period (+/-)</b>	<b>457</b>	<b>653</b>	<b>576</b>	<b>686</b>
Other comprehensive income for the period (+/-)	23	20	(61)	(62)

## 3. Performance Indicators

Title of entry	31.03.2021 Bank (Unaudited)	31.03.2021 Group (Unaudited)	31.03.2020 Bank (Unaudited)	31.03.2020 Group (Unaudited)
Return on equity (ROE) (%)	10.14 %	14.02 %	13.52 %	15.74 %
Return on assets (ROA) (%)	0.79 %	1.23 %	1.15 %	1.45 %



#### 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 March 31, 2021. 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	16 776	3 901	20 677	101%
Lithuania	19 542	-	19 542	95%
Netherlands	-	7 975	7 975	39%
France	4 614	1 713	6 327	31%
Sweden	4 693	280	4 973	24%
Poland	4 384	-	4 384	21%
USA	3 047	27	3 074	15%
Slovakia	2 682	-	2 682	13%
Estonia	-	2 077	2 077	10%
Other countries	2 868	3 443	6 311	X
<b>Total securities portfolio</b>	<b>58 606</b>	<b>19 416</b>	<b>78 022</b>	<b>X</b>

#### 5. Analysis of the Group's expected credit losses

The amount of expected credit losses of the Group on 31 March 2021, 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			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:	(408)	(56)	(476)	(940)
Loans and advances	(322)	(56)	(476)	(854)
Debt securities	(86)	-	-	(86)
<b>Expected credit losses, total</b>	<b>(408)</b>	<b>(56)</b>	<b>(476)</b>	<b>(940)</b>

### 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	31.03.2021 Bank (Unaudited)	31.03.2021 Group (Unaudited)
Liquidity buffer	80 102	80 102
Net liquidity outflow	50 112	49 257
<b>Liquidity coverage ratio (%)</b>	<b>160 %</b>	<b>163 %</b>





## 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	31.03.2021 Bank (Unaudited)	31.03.2021 Group (Unaudited)
<b>1.</b>	<b>Own funds (1.1.+1.2.)*</b>	<b>19 987</b>	<b>20 531</b>
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	16 641	17 185
1.1.1.	Common Equity Tier (CET) 1 capital	16 641	17 185
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	3 346	3 346
<b>2.</b>	<b>Total Risk exposure value</b>	<b>118 806</b>	<b>118 948</b>
2.1.	Risk weighted exposure value for credit, counterparty credit and dilution risk and free deliveries	102 604	100 957
2.2.	Total risk exposure value for settlements/delivery	-	-
2.3.	Total risk exposure value for position risk, foreign exchange and commodity risks	165	594
2.4.	Total risk exposure value for operational risk	15 999	17 359
2.5.	Total risk exposure value for credit valuation adjustment	38	38
2.6.	Total risk exposure risk value related to large exposures in trading book	-	-
2.7.	Other risk exposure values	-	-
<b>3.</b>	<b>Capital ratios and capital levels</b>		
3.1.	CET 1 capital ratio (1.1.1./2.*100)	14.01 %	14.45 %
3.2.	Surplus (+) / deficit (-) of CET 1 capital (1.1.1.-2.*4.5%)	11 295	11 832
3.3.	Tier 1 capital ratio (1.1./2.*100)	14.01 %	14.45 %
3.4.	Surplus (+) / deficit (-) of Tier 1 capital (1.1.-2.*6%)	9 513	10 048
3.5.	Total capital ratio (1./2.*100)	16.82 %	17.26 %
3.6.	Surplus (+) / deficit (-) of total capital (1.-2.*8%)	10 483	11 015
<b>4.</b>	<b>Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)</b>	<b>2 974</b>	<b>2 978</b>
4.1.	Capital conservation buffer	2 970	2 974
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	4	4
4.4.	Systemic risk buffer	-	-
4.5.	Other Systemically Important Institution buffer	-	-
<b>5.</b>	<b>Capital adequacy ratios including adjustments</b>		
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.	14.01 %	14.45 %
5.3.	Tier 1 capital ratio, including adjustments in row 5.1.	14.01 %	14.45 %
5.4.	Total capital ratio, including adjustments in row 5.1.	<b>16.82 %</b>	<b>17.26 %</b>

\* 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.



III  
SIGNET

PRIVATE  
BANK

Signet Bank AS  
3 Antonijas, Rīga  
LV-1010, Latvia  
Unified Reg. No: 40003076407  
[signetbank.com](http://signetbank.com)