



Signet Bank AS

Public Financial Report

4th quarter 2021



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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 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 December 2021		
	Number of shares	Paid share capital (EUR)	Share capital ownership %
Signet Acquisition III, LLC	114 896	4 136 256	25.00 %
AS RIT GROUP	89 646	3 227 256	19.50 %
SIA "Reglink"	73 205	2 635 380	15.93 %
Soloman Rutenberg	45 514	1 638 504	9.90 %
Natalija Petkevicha	45 300	1 630 800	9.86 %
Leonid Kaplan	38 085	1 371 060	8.29 %
SIA "Slink"	29 282	1 054 152	6.37 %
ID Family Foundation SIA	22 571	812 556	4.91 %
Rahmiel Deich	1 083	38 988	0.24 %
Total	459 582	16 544 952	100 %

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 to entrepreneurs and their businesses, 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 entrepreneurs and their businesses, with focus on providing investment management, financing and investment banking solutions;
- 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 sustainable governance and development of the Group.

5. Consolidation Group

The Consolidation Group of Signet Bank includes:

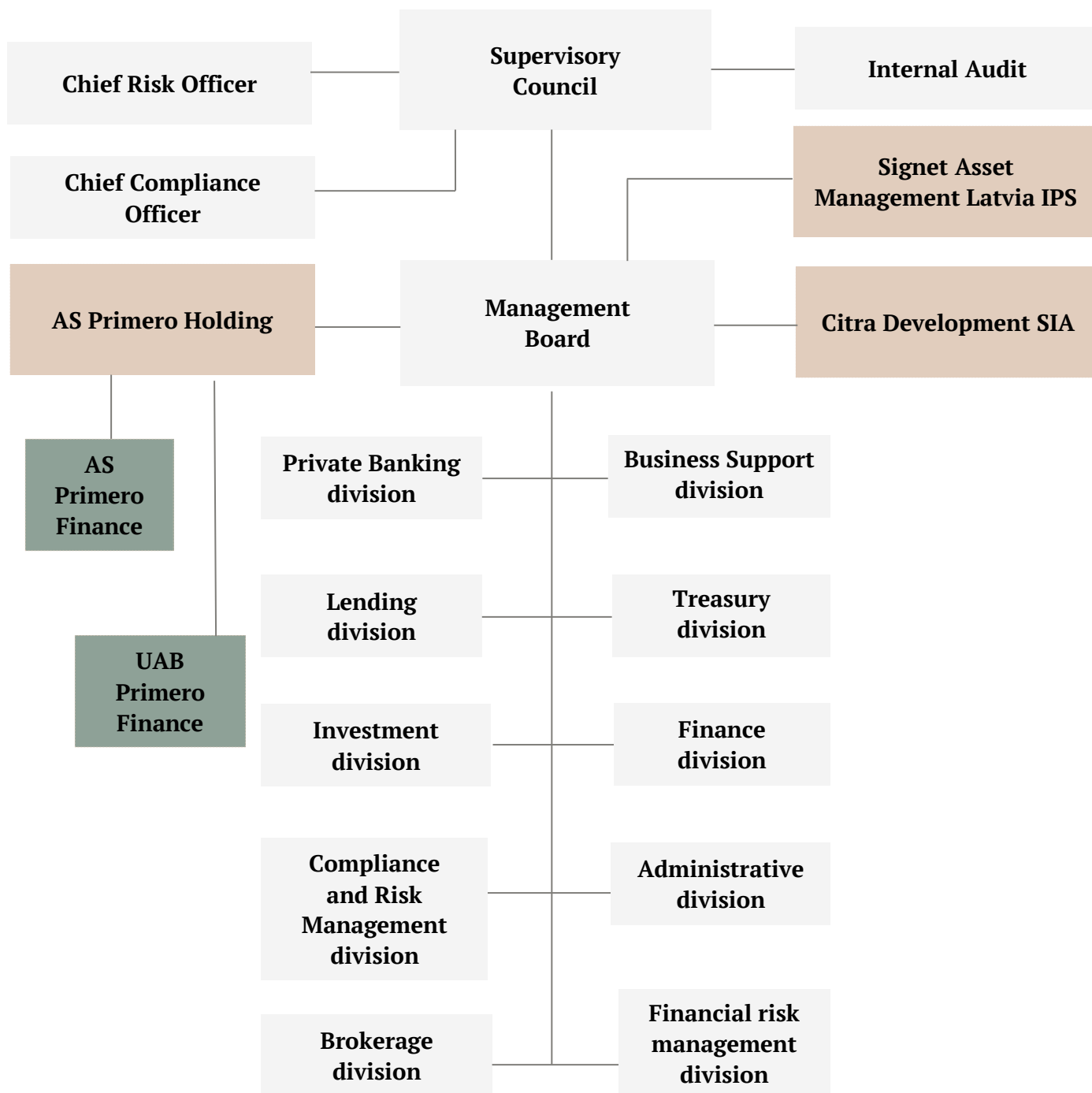
Name of company, Registration number	Registration location code and address	Type of activities	Basis for inclusion in the Group	% of total paid in share capital	% of total voting rights
Signet Asset Management Latvia IPS, 40103362872	LV, Antonijas Str. 3-1, Riga, LV 1010, Latvia	Asset management company	Subsidiary company	100 %	100 %
AS Primero Holding, 40203314794	LV, Antonijas Str. 3, Riga, LV-1010, Latvia	Other financial institution	Subsidiary company	51 %	51%
AS Primero Finance, 40203148375	LV, Antonijas Str. 3, Riga, LV-1010, Latvia	Other financial institution	Subsidiary of the subsidiary company	100 % *	100 % *
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 2021 and 31 December 2020

EUR '000

Title of entry	31.12.2021 Bank (Unaudited)	31.12.2021 Group (Unaudited)	31.12.2020 Bank (Audited)*	31.12.2020 Group (Audited)*
Assets				
Cash and demand deposits with central banks	109 147	109 147	12 196	12 196
Demand deposits with credit institutions	11 396	11 399	8 415	8 418
Financial assets designated at fair value through profit or loss	6 419	6 419	5 235	5 235
Financial assets measured at fair value with other comprehensive income	13 715	13 715	15 743	15 949
Financial assets measured at amortized cost	202 284	207 775	149 900	150 496
<i>Loans to financial institutions, companies and private individuals</i>	102 796	108 287	76 626	77 222
<i>Short term deposits with credit institutions</i>	9 778	9 778	3 261	3 261
<i>Other deposits with financial institutions</i>	6 253	6 253	6 185	6 185
<i>Debt securities</i>	83 457	83 457	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	4 442	1 826	3 724	1 758
Tangible assets	2 122	2 188	2 414	2 432
Intangible assets	541	582	468	523
Tax assets	94	96	55	55
Other assets	2 639	3 156	1 902	2 305
Non-current assets and disposal groups classified as held for sale	3 970	4 007	3 970	3 996
Total assets	356 769	360 310	204 022	203 363
Liabilities and shareholders' equity				
Liabilities due to central banks	3 900	3 900	-	-
Demand liabilities from credit institutions	87	87	604	604
Financial liabilities designated at fair value through profit or loss	288	288	244	244
Financial liabilities measured at the amortized cost	322 659	324 947	181 312	179 499
Derivative financial instruments - hedge accounting	-	-	-	-
Change in the fair value of the portfolio hedged against interest rate risk	-	-	-	-
Provisions	6	6	438	438
Tax liabilities	20	69	7	39
Other liabilities	9 390	9 942	3 963	4 219
Liabilities included in disposals groups classified as held for sale	-	-	-	-
Total liabilities	336 350	339 239	186 568	185 043
Total shareholders' equity	20 419	21 071	17 454	18 320
Total liabilities and shareholders' equity	356 769	360 310	204 022	203 363
Memorandum items	13 216	13 216	7 614	7 614
Contingent liabilities	2 198	2 198	3 147	3 147
Financial commitments	11 018	11 018	4 467	4 467
Assets under management and in custody	792 897	861 805	808 608	866 953

*Auditor: SIA "BDO Assurance"



2. Statement of profit or loss and other comprehensive income for the 12 Month Period, ended December 31, 2021 and 2020

EUR '000

Title of entry	31.12.2021 Bank (Unaudited)	31.12.2021 Group (Unaudited)	31.12.2020 Bank (Audited)*	31.12.2020 Group (Audited)*
Interest income	5 743	7 606	5 671	6 873
Interest expense (-)	(1 307)	(1 410)	(1 445)	(1 430)
Dividends received	7	7	6	6
Commission and fee income	10 164	10 452	5 814	6 032
Commission and fee expense (-)	(3 007)	(3 016)	(1 102)	(1 102)
Gains/ losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net (+/-)	89	89	63	63
Gains / losses on financial assets and liabilities designated at fair value through profit or loss, net (+/-)	274	274	448	448
Gains/ losses from hedge accounting, net (+/-)	-	-	-	-
Result from foreign exchange trading and revaluation, net (+/-)	254	289	664	623
Gains/ losses on derecognition of non-financial assets, net	-	-	-	-
Other operating income	158	384	55	140
Other operating expense (-)	(640)	(679)	(1 445)	(1 534)
Administrative expense (-)	(8 033)	(9 681)	(6 395)	(7 347)
Depreciation (-)	(541)	(562)	(560)	(580)
Gains / losses recognized in the contractual cash flows of a financial asset (+/-)	-	-	-	-
Provisions or reversal of provisions (+/-)	(448)	(448)	(438)	(438)
Impairment or reversal of impairment (+/-)	263	(510)	(347)	(345)
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 (+/-)	-	(26)	-	(3)
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 (+/-)	2 976	2 769	989	1 406
Corporate income tax	(34)	(41)	(8)	(11)
Net profit/(loss) for the period (+/-)	2 942	2 728	981	1 395
Other comprehensive income for the period (+/-)	23	20	(140)	(146)

* Auditor: SIA "BDO Assurance"

3. Performance Indicators

Title of entry	31.12.2021 Bank (Unaudited)	31.12.2021 Group (Unaudited)	31.12.2020 Bank (Audited)*	31.12.2020 Group (Audited)*
Return on equity (ROE) (%)	15.67 %	14.50 %	5.70 %	7.79 %
Return on assets (ROA) (%)	1.05 %	0.98 %	0.45 %	0.68 %

* 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, 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
USA	33 784	-	33 784	168 %
Lithuania	19 370	-	19 370	96 %
Latvia	13 299	4 716	18 015	89 %
Netherlands	-	7 761	7 761	39 %
France	4 786	1 771	6 557	33 %
Sweden	5 341	-	5 341	27 %
Poland	4 432	-	4 432	22 %
Slovakia	2 691	-	2 691	13 %
Other countries	2 823	2 722	5 545	X
Total securities portfolio	86 526	16 970	103 496	X

5. Analysis of the Group's expected credit losses

The amount of expected credit losses of the Group on 31 December 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:	(562)	(134)	(626)	(1 322)
<i>Loans and advances</i>	(517)	(134)	(626)	(1 277)
<i>Debt securities</i>	(45)	-	-	(45)
Expected credit losses, total	(562)	(134)	(626)	(1 322)

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	31.12.2021 Bank (Unaudited)	31.12.2021 Group (Unaudited)	31.12.2020 Bank (Audited)*	31.12.2020 Group (Audited)*
Liquidity buffer	194 922	194 922	81 502	81 502
Net liquidity outflow	90 889	89 632	36 610	35 281
Liquidity coverage ratio (%)	214 %	217 %	223 %	231%

*Auditor: SIA "BDO Assurance"



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	31.12.2021 Bank (Unaudited)	31.12.2021 Group (Unaudited)
1.	Own funds (1.1.+1.2.)*	19 599	20 155
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	16 566	17 122
1.1.1.	Common Equity Tier (CET) 1 capital	16 566	17 122
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	3 033	3 033
2.	Total Risk exposure value	117 777	120 289
2.1.	Risk weighted exposure value for credit, counterparty credit and dilution risk and free deliveries	101 484	102 636
2.2.	Total risk exposure value for settlements/delivery	-	-
2.3.	Total risk exposure value for position risk, foreign exchange and commodity risks	143	143
2.4.	Total risk exposure value for operational risk	15 999	17 359
2.5.	Total risk exposure value for credit valuation adjustment	151	151
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)	14.07 %	14.23 %
3.2.	Surplus (+) / deficit (-) of CET 1 capital (1.1.1.-2.*4.5%)	11 266	11 709
3.3.	Tier 1 capital ratio (1.1./2.*100)	14.07 %	14.23 %
3.4.	Surplus (+) / deficit (-) of Tier 1 capital (1.1.-2.*6%)	9 499	9 905
3.5.	Total capital ratio (1./2.*100)	16.64 %	16.76 %
3.6.	Surplus (+) / deficit (-) of total capital (1.-2.*8%)	10 177	10 532
4.	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	2 948	3 011
4.1.	Capital conservation buffer	2 944	3 007
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	-	-
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.	14.07 %	14.23 %
5.3.	Tier 1 capital ratio, including adjustments in row 5.1.	14.07 %	14.23 %
5.4.	Total capital ratio, including adjustments in row 5.1.	16.64 %	16.76 %

* 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. The Bank chooses not to apply the temporary regime provided for in Article 468 of the Regulation (EU) No 575/2013.



III
SIGNET

PRIVATE
BANK

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