

# Signet Bank AS

## Public Financial Report

1st quarter 2022



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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 March 2022 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 2022		
	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 %
<b>Total</b>	<b>459 582</b>	<b>16 544 952</b>	<b>100 %</b>

### 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
AS Expobank, 40003043232	LV, Antonijas Str. 3, Riga, LV 1010, Latvia	Credit institution	Subsidiary company	100 %	100 %
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 % *
Primero SV1 OÜ, 12085251	EE, Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 5, 10117, Estonia	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 %

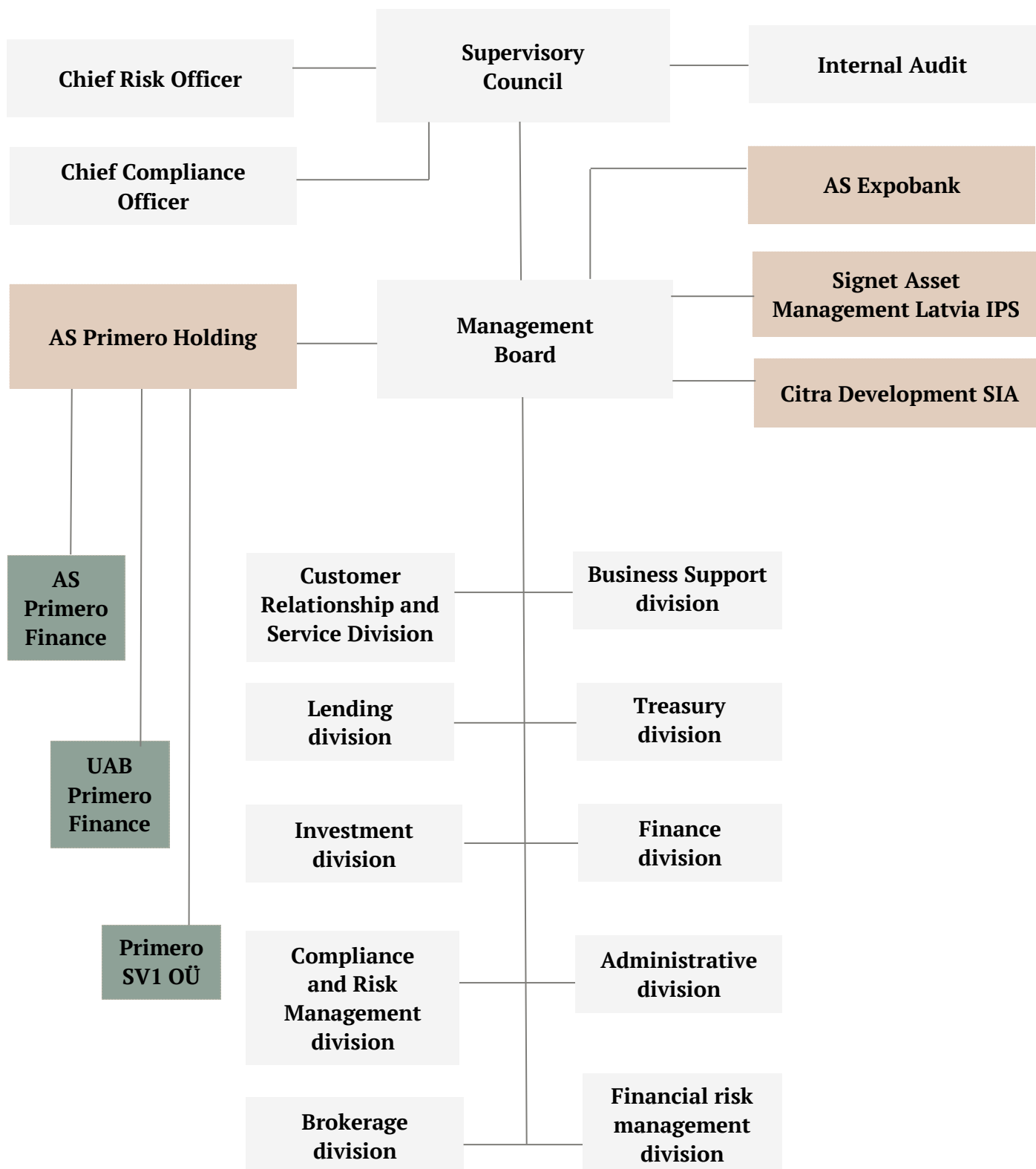
\*Direct shareholding of the Bank 51%.

During the reporting period there were changes in the consolidation Group. On January 26, 2022 the Bank acquired 100% of the voting shares of AS Expobank. The purpose of the acquisition is the expansion of the business volume, as well as the acquisition of additional infrastructure for further development.

Meanwhile the Bank's subsidiary AS "Primero Holding" founded a new company Primero SV1 OÜ in Estonia.



## 6. Structure of the Group



- Subsidiary of the Bank
- Subsidiary of a Subsidiary



## II Financial position and performance

### 1. Statement of Financial Position as at 31 March 2022 and 31 December 2021

EUR '000

Title of entry	31.03.2022 Bank (Unaudited)	31.03.2022 Group (Unaudited)	31.12.2021 Bank (Audited)*	31.12.2021 Group (Audited)*
<b>Assets</b>				
Cash and demand deposits with central banks	114 167	151 106	107 102	107 102
Demand deposits with credit institutions	12 214	12 346	11 396	11 399
Financial assets designated at fair value through profit or loss	11 027	11 027	6 419	6 419
Financial assets measured at fair value with other comprehensive income	21 611	26 812	13 715	13 715
Financial assets measured at amortized cost	157 555	183 891	202 570	208 061
<i>Loans to financial institutions, companies and private individuals</i>	67 508	93 659	88 082	93 573
<i>Short term deposits with credit institutions</i>	10 434	10 435	20 967	20 967
<i>Other deposits with financial institutions</i>	3 380	3 564	10 065	10 065
<i>Debt securities</i>	76 233	76 233	83 456	83 456
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	33 211	1 829	4 442	1 831
Tangible assets	2 080	2 487	2 122	2 188
Intangible assets	543	1 131	541	582
Tax assets	91	95	93	96
Other assets	3 933	4 723	2 361	2 878
Non-current assets and disposal groups classified as held for sale	3 970	4 041	3 970	4 006
<b>Total assets</b>	<b>360 402</b>	<b>399 488</b>	<b>354 731</b>	<b>358 277</b>
<b>Liabilities and shareholders' equity</b>				
Liabilities due to central banks	3 900	3 900	3 900	3 900
Demand liabilities from credit institutions	-	-	2	2
Financial liabilities designated at fair value through profit or loss	314	314	288	288
Financial liabilities measured at the amortized cost	330 997	364 962	323 032	325 320
Derivative financial instruments - hedge accounting	-	-	-	-
Change in the fair value of the portfolio hedged against interest rate risk	-	-	-	-
Provisions	3	167	3 505	3 505
Tax liabilities	6	183	20	70
Other liabilities	8 453	9 234	6 824	7 380
Liabilities included in disposals groups classified as held for sale	-	-	-	-
<b>Total liabilities</b>	<b>343 673</b>	<b>378 760</b>	<b>337 570</b>	<b>340 464</b>
Total shareholders' equity	16 729	20 728	17 161	17 813
<b>Total liabilities and shareholders' equity</b>	<b>360 402</b>	<b>399 488</b>	<b>354 731</b>	<b>358 277</b>
<b>Memorandum items</b>				
Contingent liabilities	2 333	2 333	2 198	2 198
Financial commitments	6 687	12 328	11 017	11 017
<b>Assets under management and in custody</b>	<b>598 752</b>	<b>678 990</b>	<b>792 897</b>	<b>861 783</b>

\*Auditor: SIA "BDO Assurance"

Explanation of changes in the Group's audited annual report 2021

Comparing the Group's 4th quarter, 2021 public report unaudited balance sheet data as of 31.12.2021. with the audited annual report of Year 2021 balance sheet data, there were differences of more than five percent. There were differences over 5% in the audited Statement of Financial Position items as at December 31, 2021 comparing with data disclosed in the Group unaudited public report for 4th quarter. The item "Other assets" differs by 278 thousand EUR, whereas the item "Other liabilities" by 2.5 million EUR. The differences are primarily due to adjustments in the "Money in transit" item. The item "Provisions" differs by 3,5 million EUR as the Group accrued provisions for contingent liabilities for pending litigations, which also affected the item "Shareholders' Equity" accordingly.



## 2. Statement of profit or loss and other comprehensive income for the 3 Month Period, ended March 31, 2022 and 2021

EUR '000

Title of entry	31.03.2022 Bank (Unaudited)	31.03.2022 Group (Unaudited)	31.03.2021 Bank (Unaudited)	31.03.2021 Group (Unaudited)
Interest income	1 326	2 190	1 421	1 832
Interest expense (-)	(274)	(434)	(284)	(280)
Dividends received	-	4	-	-
Commission and fee income	2 014	2 208	2 079	2 139
Commission and fee expense (-)	(545)	(572)	(376)	(378)
Gains/ losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net (+/-)	8	(464)	(10)	(10)
Gains / losses on financial assets and liabilities designated at fair value through profit or loss, net (+/-)	(198)	(416)	42	42
Gains/ losses from hedge accounting, net (+/-)	-	-	-	-
Result from foreign exchange trading and revaluation, net (+/-)	68	65	92	119
Gains/ losses on derecognition of non-financial assets, net	-	-	-	-
Other operating income	60	155	40	77
Other operating expense (-)	(465)	(696)	(140)	(147)
Administrative expense (-)	(1 904)	(3 156)	(1 715)	(2 035)
Depreciation (-)	(143)	(235)	(121)	(126)
Gains / losses recognized in the contractual cash flows of a financial asset (+/-)	-	-	-	-
Provisions or reversal of provisions (+/-)	-	-	(448)	(448)
Impairment or reversal of impairment (+/-)	(31)	628	(119)	(119)
Negative goodwill recognised in profit or loss	-	3 967	-	-
Share of the profit/ loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method (+/-)	-	33	-	(6)
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>(84)</b>	<b>3 277</b>	<b>462</b>	<b>660</b>
Corporate income tax	(25)	(26)	(5)	(7)
<b>Net profit/(loss) for the period (+/-)</b>	<b>(109)</b>	<b>3 251</b>	<b>457</b>	<b>653</b>
Other comprehensive income for the period (+/-)	(323)	(336)	23	20

## 3. Performance Indicators

Title of entry	31.03.2022 Bank (Unaudited)	31.03.2022 Group (Unaudited)	31.03.2021 Bank (Unaudited)	31.03.2021 Group (Unaudited)
Return on equity (ROE) (%)	(2.41) %	66.48 %	10.14 %	14.02 %
Return on assets (ROA) (%)	(0.12) %	3.38 %	0.79 %	1.23 %





#### 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, 2022. 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	43 392	-	43 392	223%
Latvia	16 483	2 406	18 889	97%
Lithuania	17 812	-	17 812	92%
Netherlands	-	7 476	7 476	38%
France	4 863	1 810	6 673	34%
Sweden	5 435	-	5 435	28%
Czech Republic	5 189	-	5 189	27%
Slovenia	2 857	-	2 857	15%
Slovakia	2 756	-	2 756	14%
Poland	1 966	-	1 966	10%
Other countries	1 070	456	1 526	X
<b>Total securities portfolio</b>	<b>101 823</b>	<b>12 148</b>	<b>113 971</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 2022, 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:	(647)	(143)	(613)	(1 403)
<i>Loans and advances</i>	(550)	(143)	(613)	(1 306)
<i>Debt securities</i>	(97)	-	-	(97)
<b>Expected credit losses, total</b>	<b>(647)</b>	<b>(143)</b>	<b>(613)</b>	<b>(1 403)</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	31.03.2022 Bank (Unaudited)	31.03.2022 Group (Unaudited)	31.03.2021 Bank (Unaudited)	31.03.2021 Group (Unaudited)
Liquidity buffer	208 740	250 702	80 102	80 102
Net liquidity outflow	155 942	156 840	50 112	49 257
<b>Liquidity coverage ratio (%)</b>	<b>134 %</b>	<b>160 %</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	
N <sup>o</sup>	Title of entry	31.03.2022 Bank (Unaudited)	31.03.2022 Group (Unaudited)
<b>1.</b>	<b>Own funds (1.1.+1.2.)*</b>	<b>19 522</b>	<b>19 420</b>
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	15 868	15 766
1.1.1.	Common Equity Tier (CET) 1 capital	15 868	15 766
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	3 654	3 654
<b>2.</b>	<b>Total Risk exposure value</b>	<b>127 106</b>	<b>123 430</b>
2.1.	Risk weighted exposure value for credit, counterparty credit and dilution risk and free deliveries	107 363	101 086
2.2.	Total risk exposure value for settlements/delivery	-	-
2.3.	Total risk exposure value for position risk, foreign exchange and commodity risks	425	420
2.4.	Total risk exposure value for operational risk	19 052	21 658
2.5.	Total risk exposure value for credit valuation adjustment	266	266
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)	12.48 %	12.77 %
3.2.	Surplus (+) / deficit (-) of CET 1 capital (1.1.1.-2.*4.5%)	10 148	10 212
3.3.	Tier 1 capital ratio (1.1./2.*100)	12.48 %	12.77 %
3.4.	Surplus (+) / deficit (-) of Tier 1 capital (1.1.-2.*6%)	8 242	8 360
3.5.	Total capital ratio (1./2.*100)	15.36 %	15.73 %
3.6.	Surplus (+) / deficit (-) of total capital (1.-2.*8%)	9 354	9 546
<b>4.</b>	<b>Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)</b>	<b>3 178</b>	<b>3 086</b>
4.1.	Capital conservation buffer	3 178	3 086
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.	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.	12.48 %	12.77 %
5.3.	Tier 1 capital ratio, including adjustments in row 5.1.	12.48 %	12.77 %
5.4.	Total capital ratio, including adjustments in row 5.1.	<b>15.36 %</b>	<b>15.73 %</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. The Bank chooses not to apply the temporary regime provided for in Article 468 of the Regulation (EU) No 575/2013.



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BANK

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