

Signet Bank AS

Public Financial Report

4th quarter 2023





Table of contents

II General Information	3
1. Shareholders of the Bank	3
2. Supervisory Council of the Bank	3
3. Management Board of the Bank	3
4. Strategy and Goals of the Group	4
5. Consolidation Group	5
6. Structure of the Group	6
III Financial position and performance	7
1. Statement of Financial Position as at 31 December 2023 and 31 December 2022	7
2. Statement of profit or loss and other comprehensive income for the 12 Month Period, ended December 31, 2023 and 2022	8
3. Performance Indicators	9
4. Analysis of Concentration of the Group's Securities Portfolio	9
5. Analysis of Group's expected credit losses	9
IV Risk and Capital Management	10
1. Risk Management	10
2. Capital Adequacy	11



II General Information

1. Shareholders of the Bank

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

The paid-up share capital of the Bank was EUR 12 644 006.60 as of 31 December 2023 and it consisted of 890 423 registered shares with voting rights. The nominal value of each share is EUR 14.20. All shares of the Bank are dematerialized registered shares.

Shareholder	31 December 2023		
	Number of shares	Paid share capital (EUR)	Share capital ownership %
Signet Acquisition III, LLC	218 154	3 097 786.80	24.500 %
AS RIT GROUP	173 686	2 466 341.20	19.506 %
SIA "Reglink"	141 832	2 014 014.40	15.929 %
Natālija Petkeviča	87 767	1 246 291.40	9.857 %
Solrut Holding Company LLC	85 828	1 218 757.60	9.639 %
Leonīds Kaplans	71 234	1 011 522.80	8.000 %
SIA "Slink"	56 733	805 608.60	6.371 %
ID Family Foundation SIA *	46 285	657 247.00	5.198 %
Michael A.L. Balboni	8 904	126 436.80	1.000 %
Kopā	890 423	12 644 006.60	100.00 %

2. Supervisory Council of the Bank

The Supervisory Council of the Bank as of 31 December 2023 were as follows:

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

The Management Board of the Bank as of 31 December 2023 were as follows:

Position	Name, surname
Chairman of the Management Board	Robert Idelsons
Member of the Management Board	Tatjana Drošina
Member of the Management Board	Sergejs Zaicevs
Member of the Management Board	Arnīs Praudiņš

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



4. Strategy and Goals 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

During the reporting period there were changes in the consolidation Group.

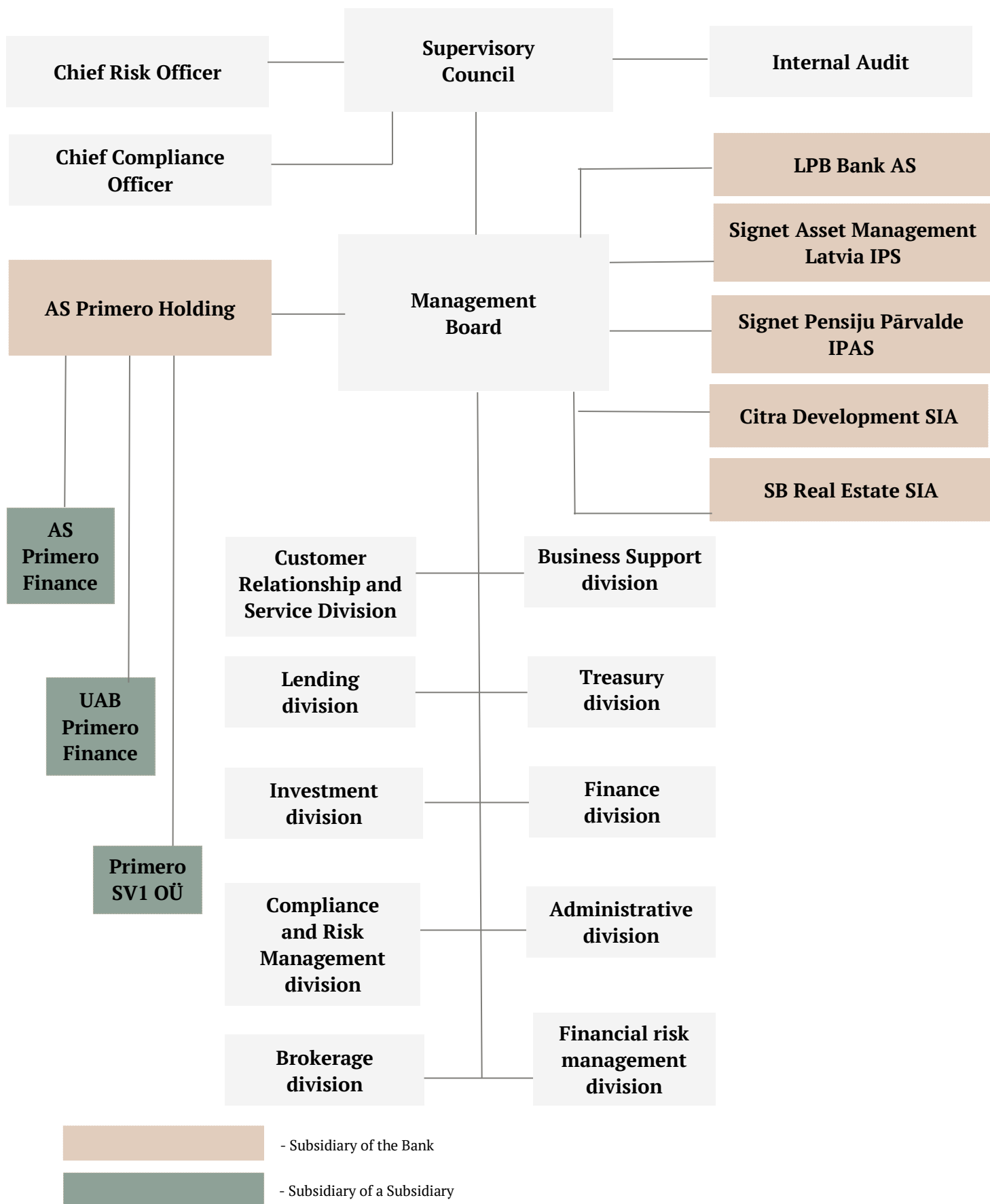
The Consolidation Group of Signet Bank includes:

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 "LPB Bank", 50103189561	LV, Brīvības str. 54, Rīga, LV- 1011, Latvia	Credit institution	Subsidiary company	100 %	100 %
Signet Asset Management Latvia IPS, 40103362872	LV, Antonijas Str. 3-1, Rīga, LV 1010, Latvia	Asset management company	Subsidiary company	100 %	100 %
AS "Primero Holding", 40203314794	LV, Antonijas Str. 3, Rīga, LV-1010, Latvia	Other financial institution	Subsidiary company	51 %	51%
AS "Primero Finance", 40203148375	LV, Antonijas Str. 3, Rīga, 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, Rīga, LV-1010, Latvia	Real estate rental and management	Subsidiary company	100 %	100 %
SB Real Estate SIA, 40203468124	LV, Antonijas Str. 3-5, Rīga, LV-1010, Latvia	Real estate management of subsidiaries	Subsidiary company	100 %	100 %
Signet Pensiju Pārvalde IPAS, 40003814724	LV, Antonijas Str. 3-7, Rīga, LV-1010, Latvia	Asset management company	Subsidiary company	90 %	100 %

*Direct shareholding of the Bank 51%.



6. Structure of the Group





III Financial position and performance

1. Statement of Financial Position as at 31 December 2023 and 31 December 2022

EUR '000

Title of entry	31 Dec 2023 Bank (Unaudited)	31 Dec 2023 Group (Unaudited)	31 Dec 2022 Bank (Audited)*	31 Dec 2022 Group (Audited)*
Cash and demand deposits with central banks	8 141	72 807	2 988	2 988
Demand deposits with credit institutions	9 672	9 939	8 065	8 068
Financial assets designated at fair value through profit or loss	10 150	10 953	11 657	11 657
Financial assets measured at fair value through other comprehensive income	1 786	18 791	18 080	18 080
Financial assets measured at amortized cost	324 138	399 101	340 680	342 834
<i>Debt securities</i>	145 107	180 349	143 420	143 420
<i>Loans and advances due from non-banks</i>	128 527	167 162	116 180	118 334
<i>Term deposits with central bank</i>	48 736	48 736	77 709	77 709
<i>Other deposits with credit institutions</i>	1 768	2 854	3 371	3 371
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	39 827	1 598	3 442	1 829
Tangible assets	1 866	8 365	2 059	2 218
Intangible assets	1 077	1 772	1 028	1 055
Tax assets	67	94	-	5
Other assets	7 070	9 427	2 530	3 227
Non-current assets and disposal groups classified as held for sale	2 324	2 401	3 778	3 845
Total assets	406 118	535 248	394 307	395 806
Liabilities due to central banks	3 855	3 855	3 859	3 859
Demand liabilities from credit institutions	-	-	183	183
Financial liabilities designated at fair value through profit or loss	74	74	278	278
Financial liabilities measured at the amortized cost	362 197	486 062	364 033	362 732
Derivative financial instruments - hedge accounting	-	-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	-
Provisions	25	29	47	47
Tax liabilities	1 472	1 773	10	41
Other liabilities	10 159	14 061	4 234	5 832
Liabilities included in disposals groups classified as held for sale	-	-	-	-
Total liabilities	377 782	505 854	372 644	372 972
Total Equity Attributable to shareholders	28 336	28 946	21 663	22 546
Non-controlling Interest	-	448	-	288
Total Shareholders' Equity	28 336	29 394	21 663	22 834
Total liabilities and shareholders' equity	406 118	535 248	394 307	395 806
Memorandum items	14 889	15 701	18 063	18 063
Contingent liabilities	3 778	4 082	1 595	1 595
Financial commitments	11 111	11 619	16 468	16 468
Assets under management and in custody	741 111	926 351	604 924	680 097

*Auditor: SIA "BDO Assurance"



2. Statement of profit or loss and other comprehensive income for the 12 Month Period, ended December 31, 2023 and 2022

EUR '000

Title of entry	31 Dec 2023 Bank (Unaudited)	31 Dec 2023 Group (Unaudited)	31 Dec 2022 Bank (Audited)*	31 Dec 2022 Group (Audited)*
Interest income	16 560	18 390	5 363	5 541
Interest expense (-)	(4 034)	(4 098)	(724)	(762)
Dividends received	12	12	2	2
Commission and fee income	10 772	11 696	5 957	6 083
Commission and fee expense (-)	(2 916)	(2 926)	(1 564)	(1 572)
Gains/ losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net (+/-)	(18)	(18)	(466)	(466)
Gains / losses on financial assets and liabilities designated at fair value through profit or loss, net (+/-)	1 290	1 290	(230)	(230)
Gains/ losses from hedge accounting, net (+/-)	-	-	-	-
Result from foreign exchange trading and revaluation, net (+/-)	181	179	79	79
Gains/ losses on derecognition of non-financial assets, net	-	-	-	-
Other operating income	315	1 006	194	888
Other operating expense (-)	(1 020)	(1 737)	(937)	(979)
Administrative expense (-)	(11 630)	(14 156)	(6 482)	(7 167)
Depreciation (-)	(861)	(887)	(618)	(629)
Gains / losses recognized as a result of changes in the contractual cash flows of a financial asset (+/-)	-	-	-	-
Provisions or reversal of provisions (+/-)	(11)	(11)	(6)	(6)
Impairment or reversal of impairment (+/-)	(1 511)	(2 494)	(20)	190
Profit from acquisition of subsidiary	-	-	-	-
Share of the profit/ loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method (+/-)	-	(3)	-	1
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 (+/-)	7 129	6 243	548	973
Corporate income tax	(1 463)	(1 474)	(32)	(37)
Net profit/(loss) for the period (+/-)	5 666	4 769	516	936
Other comprehensive income for the period (+/-)	7	7	197	197

*Auditor: SIA "BDO Assurance"

Considering that on July 11, 2022, Signet Bank AS (reg. No. 40003076407) and AS Expobank (reg. No. 40003043232) merged into one credit institution - Signet Bank AS (reg. No. 40003043232), the information referring to the date 31.12.2022 is presented by combining the performance indicators of AS Expobank (reg. No. 40003043232) until July 10, 2022 and the performance indicators of Signet Bank AS (reg. No. 40003043232) starting from July 11, 2022.



3. Performance Indicators

Title of entry	31 Dec 2023 Bank (Unaudited)	31 Dec 2023 Group (Unaudited)	31 Dec 2022 Bank (Audited)*	31 Dec 2022 Group (Audited)*
Return on equity (ROE) (%)	22.33%	20.19%	2.38%	3.58%
Return on assets (ROA) (%)	1.36%	1.20%	0.18%	0.46%

*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 of December 31, 2023. 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	31 967	19 184	51 151	128%
USA	18 151	8 120	26 271	66%
Lithuania	19 117	4 952	24 069	60%
France	16 638	4 966	21 604	54%
Germany	12 046	98	12 144	30%
Finland	9 935	-	9 935	25%
Estonia	3 916	4 231	8 147	20%
Netherlands	-	7 919	7 919	20%
Poland	4 012	2 032	6 044	15%
Belgium	5 112	16	5 128	13%
United Kingdom	2 824	2 036	4 860	12%
Luxembourg	-	4 759	4 759	12%
Ireland	4 127	-	4 127	10%
Other countries	7 996	15 034	23 030	X
Total securities portfolio	135 841	73 347	209 188	X

5. Analysis of Group's expected credit losses

The amount of expected credit losses of the Group on 31 December 2023, 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:	(869)	(334)	(1 210)	(2 413)
Loans and advances	(690)	(334)	(1 210)	(2 234)
Debt securities	(179)	-	-	(179)
Expected credit losses, total	(869)	(334)	(1 210)	(2 413)



IV Risk and Capital Management

1. Risk Management

Information about risk management is available at the Bank's website <https://signetbank.com/parums/signet-bank-finansu-informacija/>.

Liquidity Ratio Calculation

EUR '000

Title of entry	31 Dec 2023 Bank (Unaudited)	31 Dec 2023 Group (Unaudited)
Liquidity buffer	190 986	286 003
Net liquidity outflow	149 327	199 827
Liquidity coverage ratio (%)	128%	143%



2. Capital Adequacy

Information about capital management is available at the Bank's 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 Dec 2023 Bank (Unaudited)	31 Dec 2023 Group (Unaudited)
1.	Own funds (1.1.+1.2.)*	37 559	37 750
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	28 527	28 718
1.1.1.	Common Equity Tier (CET) 1 capital	24 527	24 718
1.1.2.	Additional Tier 1 capital	4 000	4 000
1.2.	Tier 2 capital	9 032	9 032
2.	Total Risk exposure value	191 739	219 021
2.1.	Risk weighted exposure value for credit, counterparty credit and dilution risk and free deliveries	164 997	187 870
2.2.	Total risk exposure value for settlements/delivery	-	-
2.3.	Total risk exposure value for position risk, foreign exchange and commodity risks	95	502
2.4.	Total risk exposure value for operational risk	26 563	30 565
2.5.	Total risk exposure value for credit valuation adjustment	84	84
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)	12.79%	11.29%
3.2.	Surplus (+) / deficit (-) of CET 1 capital (1.1.1.-2.*4.5%)	15 898	14 862
3.3.	Tier 1 capital ratio (1.1./2.*100)	14.88%	13.11%
3.4.	Surplus (+) / deficit (-) of Tier 1 capital (1.1.-2.*6%)	17 022	15 577
3.5.	Total capital ratio (1./2.*100)	19.59%	17.24%
3.6.	Surplus (+) / deficit (-) of total capital (1.-2.*8%)	22 220	20 228
4.	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	4 928	5 766
4.1.	Capital conservation buffer	4 793	5 476
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	135	290
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.	12.79%	11.29%
5.3.	Tier 1 capital ratio, including adjustments in row 5.1.	14.88%	13.11%
5.4.	Total capital ratio, including adjustments in row 5.1.	19.59%	17.24%

* 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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