

Signet Bank AS Public Financial Report

1st quarter, 2024



**SIGNET
BANK**



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I 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 March 2024 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 March 2024		
	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 %
Total	890 423	12 644 006.60	100.00 %

2. Supervisory Council of the Bank

The Supervisory Council of the Bank as of 31 March 2024 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 March 2024 were as follows:

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	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 no changes in the consolidation Group.

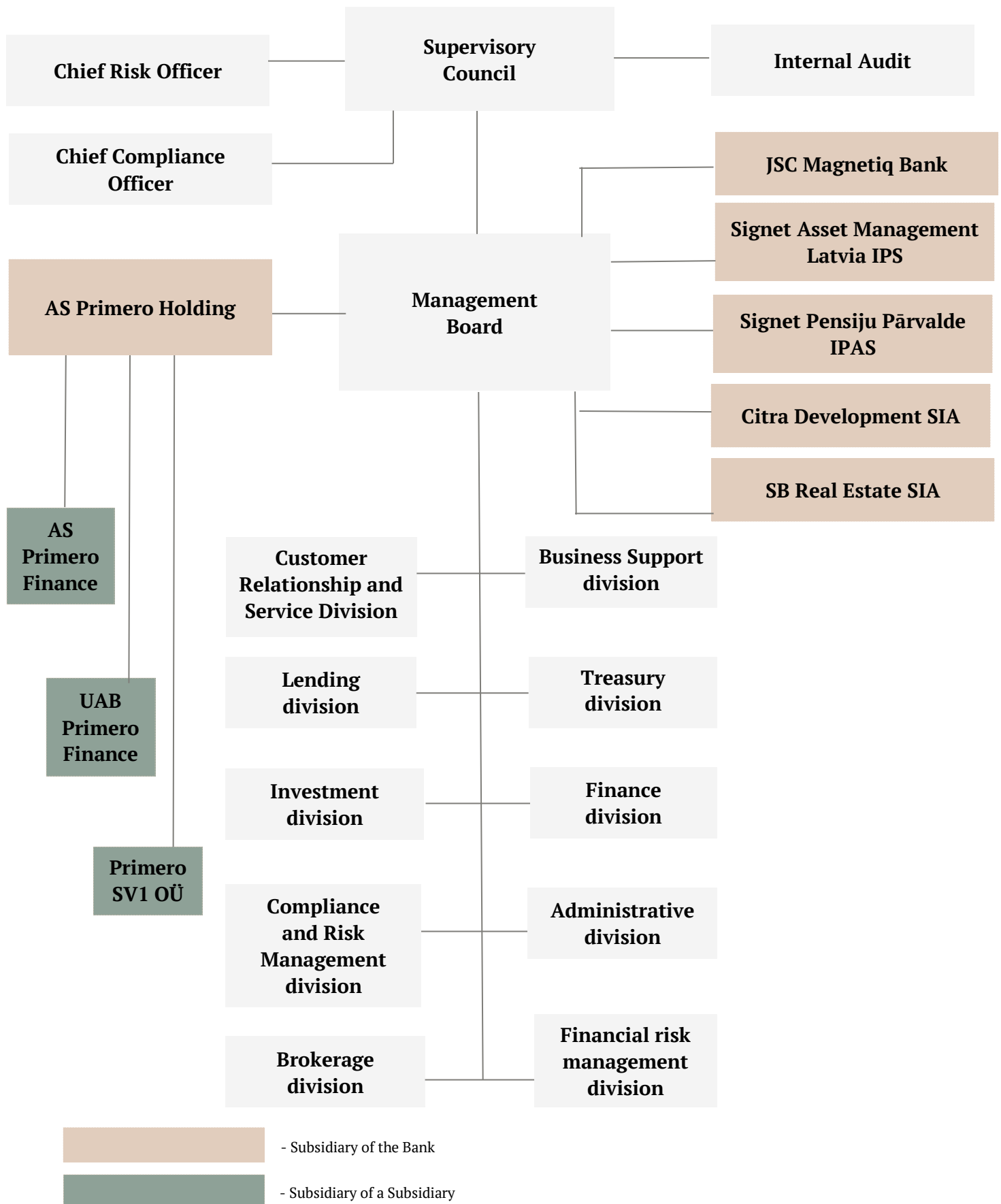
The Consolidation Group of Signet Bank includes:

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
JSC Magnetiq 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





II Financial position and performance

1. Statement of Financial Position as at 31 March 2024 and 31 December 2023

EUR '000

Title of entry	31 Mar 2024 Bank (Unaudited)	31 Mar 2024 Group (Unaudited)	31 Dec 2023 Bank (Audited)*	31 Dec 2023 Group (Audited)*
Cash and demand deposits with central banks	8 003	61 044	8 141	72 807
Demand deposits with credit institutions	11 772	12 699	9 672	9 939
Financial assets designated at fair value through profit or loss	15 542	16 422	10 150	10 953
Financial assets measured at fair value through other comprehensive income	1 992	15 145	1 786	18 791
Financial assets measured at amortized cost	392 554	463 712	324 138	399 101
<i>Debt securities</i>	157 972	191 207	145 107	180 349
<i>Loans and advances due from non-banks</i>	132 964	170 887	128 527	167 162
<i>Term deposits with central bank</i>	92 327	92 327	48 736	48 736
<i>Other deposits with credit institutions</i>	9 291	9 291	1 768	2 854
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	1 595	39 827	1 598
Tangible assets	1 756	8 590	1 866	8 365
Intangible assets	1 062	1 724	1 077	1 772
Tax assets	35	57	67	94
Other assets	7 859	10 970	7 070	9 427
Non-current assets and disposal groups classified as held for sale	2 324	2 404	2 324	2 401
Total assets	482 726	594 362	406 118	535 248
Liabilities due to central banks	4 008	4 008	3 855	3 855
Demand liabilities from credit institutions	2	2	-	-
Financial liabilities designated at fair value through profit or loss	118	118	74	74
Financial liabilities measured at the amortized cost	434 080	540 763	362 197	486 062
Derivative financial instruments - hedge accounting	-	-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	-
Provisions	19	25	25	29
Tax liabilities	1 470	1 654	1 472	1 773
Other liabilities	14 198	17 518	10 159	14 061
Liabilities included in disposals groups classified as held for sale	-	-	-	-
Total liabilities	453 895	564 088	377 782	505 854
Total Equity Attributable to shareholders	28 831	30 014	28 336	28 946
Non-controlling Interest	-	260	-	448
Total Shareholders' Equity	28 831	30 274	28 336	29 394
Total liabilities and shareholders' equity	482 726	594 362	406 118	535 248
Memorandum items	21 603	22 371	14 889	15 701
Contingent liabilities	6 268	6 572	3 778	4 082
Financial commitments	15 335	15 799	11 111	11 619
Assets under management and in custody	755 753	934 908	741 111	926 351

*Auditor: SIA "BDO Assurance"



2. Statement of profit or loss and other comprehensive income for the 3 Month Period, ended March 31, 2024 and 2023

EUR '000

Title of entry	31 Mar 2024 Bank (Unaudited)	31 Mar 2024 Group (Unaudited)	31 Mar 2023 Bank (Unaudited)	31 Mar 2023 Group (Unaudited)
Interest income	4 688	6 592	3 407	3 784
Interest expense (-)	(2 058)	(2 427)	(509)	(526)
Dividends received	3	6	2	2
Commission and fee income	2 039	5 908	1 888	1 956
Commission and fee expense (-)	(522)	(2 515)	(743)	(744)
Gains/ losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net (+/-)	-	-	2	2
Gains / losses on financial assets and liabilities designated at fair value through profit or loss, net (+/-)	182	272	199	199
Gains/ losses from hedge accounting, net (+/-)	-	-	-	-
Result from foreign exchange trading and revaluation, net (+/-)	60	765	20	20
Gains/ losses on derecognition of non-financial assets, net	-	-	-	-
Other operating income	31	336	10	253
Other operating expense (-)	(318)	(708)	(280)	(553)
Administrative expense (-)	(3 061)	(6 471)	(2 441)	(2 830)
Depreciation (-)	(260)	(401)	(188)	(193)
Gains / losses recognized as a result of changes in the contractual cash flows of a financial asset (+/-)	-	-	-	-
Provisions or reversal of provisions (+/-)	-	-	(10)	(10)
Impairment or reversal of impairment (+/-)	(155)	(430)	(425)	(484)
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 (+/-)	629	924	932	875
Corporate income tax	(129)	(133)	(13)	(15)
Net profit/(loss) for the period (+/-)	500	791	919	860
Other comprehensive income for the period (+/-)	(6)	89	55	55



3. Performance Indicators

Title of entry	31 Mar 2024 Bank (Unaudited)	31 Mar 2024 Group (Unaudited)	31 Mar 2023 Bank (Unaudited)	31 Mar 2023 Group (Unaudited)
Return on equity (ROE) (%)	6.99 %	13.13 %	16.37 %	16.17 %
Return on assets (ROA) (%)	0.42 %	0.69 %	0.89 %	0.91 %

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 March 31, 2024. 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	43 934	10 610	54 544	132.62 %
USA	24 518	6 987	31 505	76.60 %
Lithuania	23 255	2 107	25 362	61.67 %
France	16 389	4 063	20 452	49.73 %
Germany	16 971	98	17 069	41.50 %
Finland	13 134	-	13 134	31.94 %
Estonia	3 953	4 669	8 622	20.96 %
Netherlands	-	7 643	7 643	18.58 %
Poland	5 976	-	5 976	14.53 %
United Kingdom	3 817	2 014	5 831	14.18 %
Luxembourg	-	5 209	5 209	12.67 %
Belgium	5 121	16	5 137	12.49 %
Other countries	12 931	9 295	22 226	X
Total securities portfolio	169 999	52 711	222 710	X

5. Analysis of Group's expected credit losses

The amount of expected credit losses of the Group on 31 March 2024, 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:	(788)	(362)	(1 357)	(2 507)
Loans and advances	(593)	(362)	(1 357)	(2 312)
Debt securities	(195)	-	-	(195)
Financial assets measured at fair value through other comprehensive income	(71)	-	-	(71)
Debt securities	(71)	-	-	(71)
Expected credit losses, total	(859)	(362)	(1 357)	(2 578)



III 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 Mar 2024 Bank (Unaudited)	31 Mar 2024 Group (Unaudited)
Liquidity buffer	29 825	32 259
Net liquidity outflow	15 022	14 490
Liquidity coverage ratio (%)	199 %	223 %



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 Mar 2024 Bank (Unaudited)	31 Mar 2024 Group (Unaudited)
1.	Own funds (1.1.+1.2.)*	41 172	41 128
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	32 511	32 467
1.1.1.	Common Equity Tier (CET) 1 capital	27 011	26 967
1.1.2.	Additional Tier 1 capital	5 500	5 500
1.2.	Tier 2 capital	8 661	8 661
2.	Total Risk exposure value	211 496	238 349
2.1.	Risk weighted exposure value for credit, counterparty credit and dilution risk and free deliveries	178 881	200 480
2.2.	Total risk exposure value for settlements/delivery	-	-
2.3.	Total risk exposure value for position risk, foreign exchange and commodity risks	273	345
2.4.	Total risk exposure value for operational risk	32 248	37 430
2.5.	Total risk exposure value for credit valuation adjustment	94	94
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)	12.77 %	11.31 %
3.2.	Surplus (+) / deficit (-) of CET 1 capital (1.1.1.-2.*4.5%)	17 494	16 241
3.3.	Tier 1 capital ratio (1.1./2.*100)	15.37 %	13.62 %
3.4.	Surplus (+) / deficit (-) of Tier 1 capital (1.1.-2.*6%)	19 821	18 166
3.5.	Total capital ratio (1./2.*100)	19.47 %	17.26 %
3.6.	Surplus (+) / deficit (-) of total capital (1.-2.*8%)	24 252	22 060
4.	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	5 453	6 263
4.1.	Capital conservation buffer	5 287	5 959
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	166	304
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.	12.77 %	11.31 %
5.3.	Tier 1 capital ratio, including adjustments in row 5.1.	15.37 %	13.62 %
5.4.	Total capital ratio, including adjustments in row 5.1.	19.47 %	17.26 %

* 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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