Signet Bank AS

Interim condensed financial statements

for six-month period ended
30 June 2025

Content

Signet Bank AS
Antonijas street 3,
Riga, Latvia, LV-1010

Unified registration number: 40003043232

Phone: +371 67 080 000
Fax: +371 67 080 001
E-mail: info@signetbank.com
www.signetbank.com

Management report on the Group's and Bank's performance in H1 2025

The first half of 2025 was another successful phase in the Group's development, as the Group continued to implement its business development strategy based on servicing corporate clients, arranging capital market transactions, providing investment services and offering *Banking-as-a-Service* products to *fintech* companies through Magnetiq Bank.

The Latvian economy showed moderate growth in the first half of 2025, with the gross domestic product (GDP) growing by 0.7%, while inflation increased slightly, reaching 3.8% by the end of the first half of 2025. The Group and the Bank's management see good opportunities to continue growing the loan portfolio and attracting new corporate clients in need of financing.

In the first half of 2025, EUR interest rates stabilised, six-month EURIBOR reaching 1.9%. The Group does not expect a significant change in EURIBOR rates in the coming quarters. The decline in EURIBOR rates from 3.7% in mid-2024 to the current level had a negative impact on the Group's interest income, at the same time, it was compensated by an increase in the size of the loan portfolio.

The Group's main priority remains to provide financing to its customers in the form of loans and bond issues - new loans worth EUR 79 million were granted in the first half of the year. The Group's loan portfolio increased by 22% at the end of the first six months of this year compared to December 31, 2024, reaching EUR 254.5 million. It is important to note that thanks to the rapid growth of its loan portfolio, Signet Bank managed to qualify for a 100% discount on the solidarity contribution introduced in Latvia for banks as of January 1, 2025.

For several years, the most important areas of activity for the Group have been the organisation of bond issues and initial public offerings (IPOs) for Baltic companies, as well as the provision of financing to local companies in the form of loans. The Group will continue to focus on these products, making an important contribution to the development of the Latvian capital market.

During the first half of 2025, the Bank arranged bond placements totalling EUR 198 million. This represents an increase of 169% compared to the first half of 2024. The capital market becomes increasingly popular as a financing instrument among domestic companies, as also reflected in the six-month results. Transaction activity will remain stable in the second half of 2025.

We believe that a well-developed capital market is one of the key factors for the dynamic development of Latvia’s economy. We are committed to continuing to support issuers and investors in capital market transactions and to promote financial literacy among both investors and Latvian entrepreneurs.

We will continue to support initiatives to promote financial literacy, both individually and in cooperation with the Finance Latvia association and the Bank of Latvia. In addition to initiatives related to promoting financial literacy among entrepreneurs (the most important of which is the Capital Market Academy organised by Signet Bank), we continued to support projects related to improving financial literacy among investors - the most important of which is the already acclaimed Investors Club.

Another important direction for the Group is providing investment solutions to clients with free financial resources. The amount of client funds under management and administration by the Group at the end of the first half of 2025 amounts to EUR 1.6 billion. Our investment solutions include deposits, brokerage services providing access to financial instruments on both domestic and international financial markets, investment advisory, individual portfolio management and also investment funds managed by Signet Asset Management. All these investment products have demonstrated positive results in the first half of 2025 thanks to the experience and professionalism of the team and the favourable situation on the global financial markets.

An important event in the development of the Group's investment products was the launch of the Signet Baltic Bond Fund in May 2025. Signet Baltic Bond Fund is a unique investment product that provides investors with an opportunity to place financial resources in a diversified portfolio of Baltic corporate bonds (bonds of more than 40 issuers) with a single investment, while retaining the possibility to both top up and draw down the investment at any time thanks to the daily liquidity provided to the fund's investors. This is currently the only product of its kind in the Baltic region. At the time the report was signed, the fund had raised almost EUR 5 million, demonstrating the growing interest and confidence of investors.

In the first half of 2025, the Group's subsidiary Magnetiq Bank completed the management restructuring. Jakub Wieclaw has been the Chairman of the Management Board since January and Deniss Filipovs has been appointed a Member of the Management Board responsible for Information Technologies. These additions to the management team brought a new perspective to the Bank's strategic development and strengthened it with international financial sector experience as well as competences in *fintech* and innovation management.

Already in 2024, Magnetiq Bank took the strategic decision to discontinue retail services, and the closure of retail accounts and services was actively implemented in the first half of 2025 and will continue in the second half of 2025. These changes reaffirmed the Bank's targeted specialisation in dealing with *fintech* clients, including electronic money institutions (EMIs), payment institutions (PIs), peer-to-peer (P2P) payment platforms, crypto asset service providers (CSPs) and e-merchants.

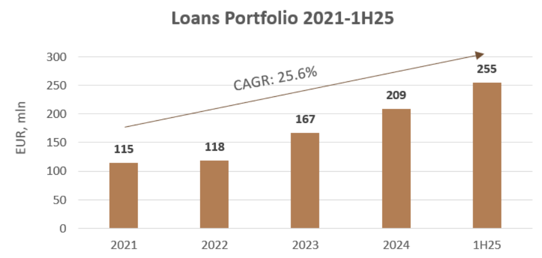
In the first half of 2025, Magnetiq Bank was actively working on the development of new financial products for e-commerce merchants - *Open Banking* payment solution, as well as loan products: Merchant Cash Advance and Purchase of Receivables. These products are planned to be in place by the end of 2025.

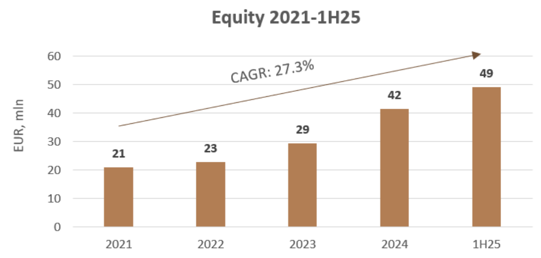
In order to strengthen the brand and raise awareness, Magnetiq Bank in the first half of 2025 participated in leading international conferences and exhibitions in the digital economy, startups, e-commerce and financial, including *Baltic FinTech Days 2025, Money 20/20, iFX Cyprus, Un:Block, #DeepTechAtelier2025, FinReg Summit* and other major events. This participation provided an opportunity to strengthen the network of partners and promote opportunities for cooperation with fintech and e-commerce companies internationally.

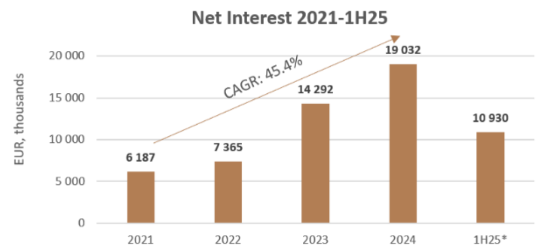
In order to facilitate further growth in business volumes (and in particular - in the size of the loan portfolio), the Group issued new shares in the first half of 2025, raising additional share capital worth EUR 3 million. The new issue brings the total number of shareholders of the Group to 24. The Group intends to continue to strengthen its capital and as a next step, on August 29, 2025, it issued an additional Tier 1 AT1 Notes worth EUR 2 million.

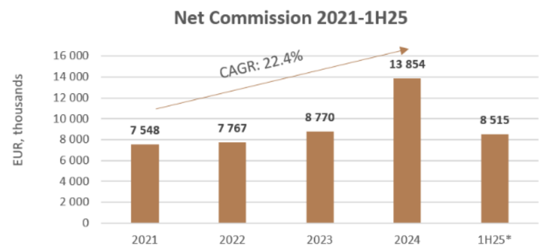
In the first half of 2025, the Group also managed to significantly improve other business volume indicators, by increasing the number of customers and deposits, as well as expanding its loan portfolio. The Group continues to maintain a conservative balance sheet structure. As at June 30, 2025, the Group's and the Bank's capital adequacy ratios were 19.36% and 19.97%, and the Liquidity Coverage Ratios were 145.63% and 143.67%, respectively. The Return on Equity (ROE) ratios were 20.02% and 18.89% and the Return on Assets (ROA) ratios were 1.42% and 1.52%, respectively.

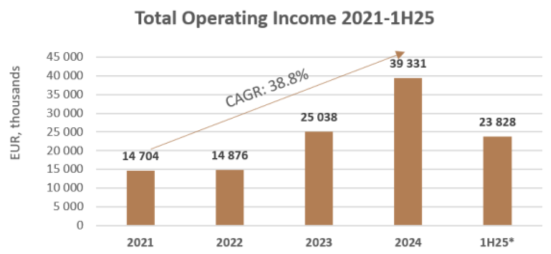
Dynamics of the Group's main indicators:

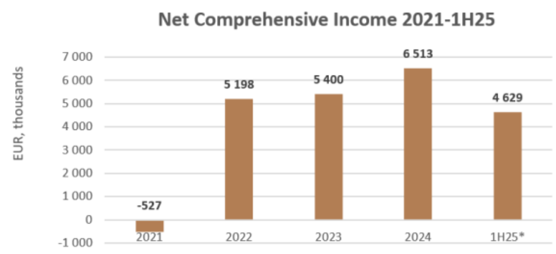












** CAGR (Compound annual growth rate) calculated for 3 years of growth (for Profit&Loss data), since the 1H25 results are for the first half of 2025; Net comprehensive Income attributable to holders of the Bank.*
***Magnetiq's assets fully consolidated into Signet Bank Group Balance Sheet in 2023 (but not Profit&Loss).*
**** 2022 data is a composite of 1H22 results for Signet before Expobank acquisition; and 2H22 results of Signet as a new legal entity (reg. No. of Expobank after 2H25).*

The Group continues to pay significant attention to AML/CTF and sanctions compliance, continuously improving internal controls in line with regulatory changes and international practices. We invest in information systems and human resources to maintain risk management and internal control systems at a level consistent with the Group's chosen business model.

The Group is committed to building its business based on sustainability principles and integrating environmental, social and corporate governance considerations into the activities of Signet Bank AS and the Group companies. In 2025, we continue to implement the Group's sustainability strategy by effectively mainstreaming sustainability at all levels of the organisation and promoting the availability of sustainable financial solutions.

As a socially responsible company, the Group continues to provide financial support in the first half of 2025 and is actively involved in projects of national scope and importance - promoting the preservation and development of culture and arts, strengthening sports initiatives to support the development of local talent, and contributing to the well-being of society. We also support sustainability projects that promote environmentally friendly solutions and education of the society.

In the first half of 2025, we implemented 15 community support projects, of which the most significant were:

- we became a major supporter of the year-long initiative Cesis - Latvian Capital of Culture 2025;
- we became a supporter of the concert tour First Day Tour of the band Brainstorm;
- we continued to be a major sponsor of the new season of the Latvian National Theatre - we supported the 106th season and especially the premiere of Dumpiga Riga (Rebellious Riga);
- we became a supporter of the first Riga Art Week;
- we supported the exhibition Female Monsters by the new generation Latvian artist Sabine Vernere;
- we became a supporter of the first Baltic street art and music festival ROW Baltics;
- we became a sponsor of the Liepaja Basketball Club's 2025 season;
- we became a supporter of the youth educational initiative Junior Achievement Latvia and the leaders' programme, actively contributing our knowledge and sharing our experience;
- we continued to support Latvian beach volleyball players, two-time European champions Anastasija Samoilova and Tina Graudina, etc.

In the first half of 2025, we successfully continued the Capital Market Academy, a long-term public education project launched by Signet Bank in 2023 - giving local entrepreneurs and business leaders the opportunity to increase their knowledge about raising financing in the capital markets and encourage them to take advantage of the opportunities offered by the capital markets. In the first half of 2025, we held our tenth academy since 2023 and in the first six months, two free-of-charge academies were held, attracting a total of 110 participants.

For the first time, Signet Banka participated in Latvia's largest discussion event LAMPA, as speakers in two financial literacy educational discussions: "How much does one Trump word costs?", which the Bank implemented together with the Cesis local government, and in the discussion of the Finance Latvia association "From vision to growth: how to wake up Latvia's economy?"

This is the fourth year of Russia's war against Ukraine, and it continues to shatter assumptions about the principles established in previous years that provided security and allowed to predict the future. The Group strongly condemns Russia's war against Ukraine, which is undermining the foundations of the international order. We support the Ukrainian people in their struggle against the aggressor and for the right to build their future in a family of democratic and civilised countries.

Despite the challenging global environment and geopolitical situation, the Group's management sees ample opportunities for growth given the relatively low lending volumes in the domestic market. In addition to lending and arranging bond and equity issues, the Group has clear growth opportunities in servicing corporate clients, providing investment services and developing digital and BaaS products through its subsidiary Magnetiq Bank. We will continue the dynamic development of the Group so that it will eventually become a real competitor to the foreign-owned banks dominating the Latvian market.

The Group's management would like to thank our customers for their trust, our shareholders for their support and our colleagues for their significant contribution to the Group's development. We are confident that our achievements to date provide a solid foundation for even faster growth in the future.

On behalf of the management:

Roberts Idelsons
Chairman of the Board

Tatjana Drobina
Member of the Board

12 September 2025

The Council and Management of the Bank

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.

Management Board of the Bank

Position	Name, surname
Chairman of the Management Board	Roberts Idelsons
Member of the Management Board	Tatjana Drobina
Member of the Management Board	Ineta Done
Member of the Management Board	Sergejs Zaicevs
Member of the Management Board	Arnis Praudiņš

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

Statement of Management Responsibility

The management of Signet Bank AS (the Bank) is responsible for the preparation of an interim condensed consolidated and separate financial statements of the Bank and the subsidiaries and subsidiaries of the subsidiaries (all together - the Group), which clearly and truthfully reflects the financial position of the Group at the end of the reporting period, as well as the financial results and the movement of funds during the reporting period.

The management of the Group and the Bank confirms that throughout the preparation of the Group's interim condensed consolidated and separate financial statements for the period ending on June, 30, 2025, represented from page 11 to page 46, appropriate accounting methods and the Group's management decisions have been used consistently, assessments during the preparation of the financial statement were sufficient, well-considered and weighed in all aspects.

These financial statements are prepared on a going concern basis in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" (IAS) as adopted by the European Union. In the course of the preparation of these financial statements, the decisions taken by the management of the Group and the Bank, and the assessments made have been prudent and justified.

The Bank's management is responsible for the maintenance of proper accounting records, the safeguarding of the Group's assets, and the prevention and detection of fraud or any other irregularities in the Group.

The Bank's management is also responsible for operating the Group and the Bank in compliance with the Law on Credit Institutions of the Republic of Latvia, Regulations of the Bank of Latvia and the Financial and Capital Market Commission of the Republic of Latvia, and other laws of the Republic of Latvia as well as European Union Regulations applicable to credit institutions.

On behalf of the management:

Roberts Idelsons
Chairman of the Board

Tatjana Drobina
Member of the Board

12 September 2025

Group`s Consolidated and Bank's Separate Statement of Income for the six-month period ended 30 June 2025

'000 EUR	Note	6m 2025 Group	6m 2025 Bank	6m 2024 Group	6m 2024 Bank
Interest income		15 178	10 423	13 776	9 832
Interest expense		(4 489)	(3 319)	(5 278)	(4 453)
Net interest income	5	**10 689**	**7 104**	**8 498**	**5 379**
Fee and commission income	6	13 480	6 588	12 261	4 827
Fee and commission expense	7	(4 965)	(1 268)	(5 492)	(1 213)
Net fee and commission income		**8 515**	**5 320**	**6 769**	**3 614**
Dividend income		35	32	13	6
Net profit / (loss) on discontinuing recognition of financial assets and financial liabilities at fair value through profit or loss		12	12	(58)	-
Net profit / (loss) from financial assets and financial liabilities measured at fair value through profit or loss		900	855	737	623
Net foreign exchange profit / (loss)		1 560	801	1 505	151
Net other income		1 876	127	602	94
Total operating income		**23 587**	**14 251**	**18 066**	**9 867**
General administrative expenses	8	(16 582)	(8 976)	(14 907)	(7 123)
Share of loss of equity-accounted investee, net of tax		(2)	-	(1)	-
Provisions		(1)	(1)	(1)	(1)
Impairment recovery / (loss)	9	(1 775)	(847)	(809)	40
Profit before income tax		**5 227**	**4 427**	**2 348**	**2 783**
Income tax expense		(895)	(891)	(565)	(558)
Profit for the period		**4 332**	**3 536**	**1 783**	**2 225**
Profit Attributable to non-controlling interest		(118)	-	(406)	-
Profit Attributable to Equity holders of the Bank		4 450	3 536	2 189	2 225

The accompanying notes on pages 19 to 46 are an integral part of the Group Interim condensed consolidated and separate financial statements.

The Group Interim condensed consolidated and separate financial statements as set out on pages 11 to 46 were approved by management of the Bank on 12 September 2025.

On behalf of the management:

Roberts Idelsons
Chairman of the Board

Tatjana Drobina
Member of the Board

Group`s Consolidated and Group's Separate Statement of Comprehensive Income for the six-month period ended 30 June 2025

'000 EUR	Note	6m 2025 Group	6m 2025 Bank	6m 2024 Group	6m 2024 Bank
Profit before income tax		**4 332**	**3 536**	**1 783**	**2 225**
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Changes in revaluation reserve of debt securities at fair value through other comprehensive income		156	16	64	(118)
Change to income statement as a result of sale of financial assets at fair value through other comprehensive income (debt securities)		24	32	115	58
Other comprehensive income/(expense) for the period		**180**	**48**	**179**	**(60)**
Total comprehensive income for the period		**4 512**	**3 584**	**1 962**	**2 165**
Profit Attributable to non-controlling interest		(118)	-	(406)	-
Profit Attributable to Equity holders of the Bank		4 630	3 584	2 368	2 165

The accompanying notes on pages 19 to 46 are an integral part of the Group Interim condensed consolidated and separate financial statements.

The Group Interim condensed consolidated and separate financial statements as set out on pages 11 to 46 were approved by management of the Bank on 12 September 2025.

On behalf of the management:

Roberts Idelsons
Chairman of the Board

Tatjana Drobina
Member of the Board

Group's Consolidated and Bank's Separate Statement of Financial Position as at 30 June 2025

'000 EUR	Note	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Assets					
Cash and due from Bank of Latvia	10	148 483	39 867	169 820	76 784
Cash		*333*	*333*	*270*	*270*
Demand due from Bank of Latvia		*9 996*	*7 707*	*6 639*	*1 118*
Term due from Bank of Latvia		*138 154*	*31 827*	*162 911*	*75 396*
Demand deposits with credit institutions	12	16 139	12 522	18 021	15 022
Financial instruments carried at fair value through profit or loss	11	20 423	19 925	22 829	22 315
Debt securities measured at fair value through other comprehensive income	14	15 178	7 468	9 763	479
Financial assets measured at amortized cost		388 964	334 886	394 242	331 102
Loans and advances due from non-banks	*13*	*254 507*	*220 408*	*208 621*	*169 180*
Debt securities	*15*	*133 604*	*114 478*	*184 465*	*161 922*
Term deposits with credit institutions	*12*	*853*	*-*	*1 156*	*-*
Investment in subsidiaries		-	40 327	-	40 327
Investment in associates		1 621	1 781	1 623	1 781
Property and equipment	16	6 124	1 574	8 398	1 587
Intangible assets		1 563	966	1 577	917
Non-current assets held for sale	17	1 760	1 728	1 835	1 824
Other assets		9 211	6 969	8 610	6 806
Total Assets		**609 466**	**468 013**	**636 718**	**498 944**

The accompanying notes on pages 19 to 46 are an integral part of the Group Interim condensed consolidated and separate financial statements.

The Group Interim condensed consolidated and separate financial statements as set out on pages 11 to 46 were approved by management of the Bank on 12 September 2025.

On behalf of the management:

Roberts Idelsons
Chairman of the Board

Tatjana Drobina
Member of the Board

Group's Consolidated and Bank's Separate Statement of Financial Position as at 30 June 2025

'000 EUR	Note	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Liabilities and shareholders' equity					
Demand deposits to credit institutions		3	35	172	172
Financial liabilities at fair value through profit or loss	11	2 093	2 093	477	477
Financial liabilities measured at amortized cost		528 930	391 939	577 113	444 954
Deposits	*18*	*506 156*	*372 615*	*555 093*	*428 482*
Subordinated liabilities	*19*	*10 570*	*10 570*	*10 530*	*10 530*
Debt securities issued	*20*	*7 000*	*7 000*	*5 942*	*5 942*
Term liabilities to credit institution		*-*	*1 754*	*-*	*-*
Other liabilities		*5 204*	*-*	*5 548*	*-*
Provisions		56	51	42	42
Other liabilities	21	29 336	29 611	17 378	15 599
Total Liabilities		**560 418**	**423 729**	**595 182**	**461 244**
Share capital		13 978	13 978	13 440	13 440
Share premium		11 976	11 976	9 514	9 514
Other reserves		25	25	25	25
Fair value reserve		704	49	524	1
Accumulated profit		20 356	18 256	15 906	14 720
Total Equity Attributable to Equity Holders of the Bank		**47 039**	**44 284**	**39 409**	**37 700**
Non-controlling Interest		2 009	-	2 127	-
Total Shareholders' Equity		**49 048**	**44 284**	**41 536**	**37 700**
Total Liabilities and Shareholders' Equity		**609 466**	**468 013**	**636 718**	**498 944**
Assets under management and administration		**1 036 288**	**898 980**	**1 033 620**	**867 609**

The accompanying notes on pages 19 to 46 are an integral part of the Group Interim condensed consolidated and separate financial statements.

The Group Interim condensed consolidated and separate financial statements as set out on pages 11 to 46 were approved by management of the Bank on 12 September 2025.

On behalf of the management:

Roberts Idelsons
Chairman of the Board

Tatjana Drobina
Member of the Board

Group's Consolidated and Bank's Separate Statement of Cash Flows for the six-month period ended 30 June 2025

'000 EUR	Note	6m 2025 Group	6m 2025 Bank	6m 2024 Group	6m 2024 Bank
Cash flows from operating activities					
Profit before income tax		5 227	4 427	2 348	2 783
Amortisation and depreciation		782	541	783	522
Profit from sale of fixed assets		(703)	-	-	-
Investments in associated companies		2	-	1	-
Impairment loss	9	1 775	847	2 371	2 960
Net interest income		(10 689)	(7 104)	(8 498)	(5 379)
Increase of provisions		(1)	(1)	(1)	(1)
Decrease in cash and cash equivalents before changes in assets and liabilities, as a result of ordinary operations		**(3 607)**	**(1 290)**	**(4 558)**	**(2 115)**
(Increase)/decrease in financial assets at fair value through profit or loss		4 022	4 006	(2 800)	(2 754)
(Increase)/decrease in balances due from financial institutions		1 141	2 690	(11 678)	(11 444)
Increase in loans and advances due from customers		(46 051)	(59 068)	(10 436)	(15 138)
Decrease in non-current assets held for sale		75	96	35	-
Increase in other assets		(2 758)	(163)	(469)	(1 088)
Increase/(decrease) in deposits and balances due from customers		(47 910)	(53 801)	61 270	61 774
Increase/(decrease) in other liabilities		16 176	13 212	(884)	441
Corporate income tax paid		(8)	(4)	(12)	(5)
(Increase)/decrease in cash and cash equivalents from changes in assets and liabilities, as a result of ordinary operations		**(78 920)**	**(94 322)**	**31 764**	**31 531**
Interest received		13 590	10 193	12 603	10 074
Interest paid		(6 295)	(5 820)	(3 337)	(4 045)
Net cash flow from operating activities		**(71 625)**	**(89 949)**	**41 030**	**37 560**
Cash flow from investing activities					
Purchase of property and equipment		(634)	(577)	(841)	(328)
Investments in financial instruments designated at fair value through profit or loss		(5 421)	(5 528)	4 470	(471)
Sale of financial instruments designated at fair value through profit or loss		158	(1 448)	1 747	1 726
Investments in financial assets measured at amortized cost		(184 686)	(188 142)	(76 657)	(80 657)
Sale of financial assets measured at amortized cost		235 547	242 844	81 940	81 934
Net cash flow from investing activities		**44 964**	**47 149**	**10 659**	**2 204**

Group's Consolidated Statement of Cash Flows for the six-month period ended 30 June 2025

'000 EUR	Note	6m 2025 Group	6m 2025 Bank	6m 2024 Group	6m 2024 Bank
Cash flow from financing activities					
Increase in share capital		538	538	-	-
Increase in share issue premium		2 462	2 462	-	-
(Decrease) / proceeds from Subordinated liabilities		40	40	(1 006)	(1 006)
Proceeds in Debt securities issued		1 500	1 500	1 500	1 500
Repayment of lease liabilities		(97)	(84)	(86)	(85)
Net cash flow from financing activities		**4 443**	**4 456**	**408**	**409**
Net in cash and cash equivalents		**(22 218)**	**(38 344)**	**52 097**	**40 173**
Cash and cash equivalents at the beginning of the year		187 841	91 806	131 482	66 549
Currency translation of cash and cash equivalents at the year		(1 001)	(1 073)	(54)	(148)
Cash and cash equivalents at the end of the year	10	**164 622**	**52 389**	**183 525**	**106 574**

The accompanying notes on pages 19 to 46 are an integral part of the Group Interim condensed consolidated and separate financial statements.

The Group Interim condensed consolidated and separate financial statements as set out on pages 11 to 46 were approved by management of the Bank on 12 September 2025.

On behalf of the management:

Roberts Idelsons
Chairman of the Board

Tatjana Drobina
Member of the Board

Group's Consolidated Statement of Changes in Shareholders' equity for the six-month period ended 30 June 2025

'000 EUR	Note	Share capital	Share premium	Fair value reserve	Other reserves	Accumulated profit	Non-controlling Interest	Total
Balance at 31 December 2023		**12 644**	**6 360**	**60**	**25**	**9 857**	**448**	**29 394**
Comprehensive income								
Profit / (loss) for the year		-	-	-	-	2 189	(406)	1 783
Other comprehensive expense		-	-	179	-	-	-	179
Total comprehensive income / (expense)		**-**	**-**	**179**	**-**	**2 189**	**(406)**	**1 962**
Balance at 30 June 2024		**12 644**	**6 360**	**239**	**25**	**12 046**	**42**	**31 356**
Issue of shares		796	3 154	-	-	-	1 175	5 125
Transfers between components of equity		-	-	-	-	-	1 101	1 101
Comprehensive income								
Profit / (loss) for the year		-	-	-	-	3 860	(191)	3 669
Other comprehensive income		-	-	285	-	-	-	285
Total comprehensive income / (expense)		**-**	**-**	**285**	**-**	**3 860**	**(191)**	**3 954**
Balance at 31 December 2024		**13 440**	**9 514**	**524**	**25**	**15 906**	**2 127**	**41 536**
Issue of shares		538	2 462	-	-	-	-	3 000
Comprehensive income								
Profit / (loss) for the year		-	-	-	-	4 450	(118)	4 332
Other comprehensive income		-	-	180	-	-	-	180
Total comprehensive income / (expense)		**-**	**-**	**180**	**-**	**4 450**	**(118)**	**4 512**
Balance at 30 June 2025		**13 978**	**11 976**	**704**	**25**	**20 356**	**2 009**	**49 048**

The accompanying notes on pages 19 to 46 are an integral part of the Group Interim condensed consolidated and separate financial statements.

The Group Interim condensed consolidated and separate financial statements as set out on pages 11 to 46 were approved by management of the Bank on 12 September 2025.

On behalf of the management:

Roberts Idelsons
Chairman of the Board

Tatjana Drobina
Member of the Board

Bank's Separate Statement of Changes in Shareholders' equity for the six-month period ended 30 June 2025

'000 EUR	Note	Share capital	Share premium	Fair value reserve	Other reserves	Accumulated profit / (losses)	Total
Balance at 31 December 2023		**12 644**	**6 360**	**60**	**25**	**9 247**	**28 336**
Comprehensive income							
Profit for the year		-	-	-	-	2 225	2 225
Other comprehensive expense		-	-	(60)	-	-	(60)
Total comprehensive income/(expense)		**-**	**-**	**(60)**	**-**	**2 225**	**2 165**
Balance at 30 June 2024		**12 644**	**6 360**	**-**	**25**	**11 472**	**30 501**
Issue of shares		796	3 154	-	-	-	3 950
Comprehensive income							
Profit for the year		-	-	-	-	3 248	3 248
Other comprehensive income		-	-	1	-	-	1
Total comprehensive income		**-**	**-**	**1**	**-**	**3 248**	**3 249**
Balance at 31 December 2024		**13 440**	**9 514**	**1**	**25**	**14 720**	**37 700**
Issue of shares		538	2 462	-	-	-	3 000
Comprehensive income							
Profil for the year		-	-	-	-	3 536	3 536
Other comprehensive income		-	-	48	-	-	48
Total comprehensive income		**-**	**-**	**48**	**-**	**3 536**	**3 584**
Balance at 30 June 2025		**13 978**	**11 976**	**49**	**25**	**18 256**	**44 284**

The accompanying notes on pages 19 to 46 are an integral part of the Group Interim condensed consolidated and separate financial statements.

The Group Interim condensed consolidated and separate financial statements as set out on pages 11 to 46 were approved by management of the Bank on 12 September 2025.

On behalf of the management:

Roberts Idelsons
Chairman of the Board

Tatjana Drobina
Member of the Board

Group's Consolidated and Bank's Separate Notes to the Interim Condensed Financial Statements

1. Background

Signet Bank AS (Bank) was established on December 6, 1991, in the Republic of Latvia as a closed joint stock company.

The Bank operates in accordance with Latvian law, as well as the license that was issued to it by the Bank of Latvia (LB), which has made it possible to offer all of the financial services that are listed in the Law on Lending Institutions. The Bank's operations are supervised by the Bank of Latvia. The Bank's legal address is at Antonijas Street 3, Rīga LV-1010, Latvia.

The Bank's leading shareholders are financially powerful investors, including Signet Acquisition III LLC (18.84% of capital shares), AS RIT GROUP (15%), and SIA Reglink (12.25%). A diversified shareholder structure ensures not just financial stability, but also a foundation for rational and considered strategic decisions at the shareholder level – ones which make use of the mutually supplementary broad and diverse experience of each and every shareholder.

The Bank offers high-quality financial services to local entrepreneurs and their companies, doing so at the highest level of professionalism and trustworthiness. The Bank's primary products and services include corporate and private loans, placement of bonds, organisation of IPOs for shares, club-type financing transactions, capital management, including brokerage, securities storage and portfolio management services, consultations on investments, deposits, services related to the everyday banking transactions of individuals and legal entities, as well as payment cards.

In the long term, the Bank is seeking to become the most convenient and trustworthy bank in the provision of services and sustainable financial solutions in the Baltic region.

Placement of bonds, organisation of IPOs and provision of financing for companies in Latvia – these are the most important operations for the Bank.

The Bank, taking into account its participation in the holding company "Primero Holding" AS, owns 51% of the consumer finance company "Primero Finance" AS, which uses the Bank's financing to lend to local clients. The Bank's subsidiary bank AS "Magnetiq Bank" (registration number 50103189561) provides Signet Bank Group (hereinafter – the Group) with the opportunity to increase business volumes in the fintech sector, strengthen digital solutions, as well as significantly increase and diversify the range of financial services and products offered to customers.

The Bank's subsidiary SIA AgroCredit Latvia (registration number 40103479757) ensures access to financing for local entrepreneurs and companies in the agricultural sector, diversifying the Group's financing product portfolio. SIA AgroCredit Latvia has been operating for 13 years and, as a non-bank lender, offers lending services tailored to the specifics of farmers – to Latvian farmers.

The Bank's subsidiaries Signet Asset Management Latvia IPAS (registration number 40103362872) and Signet Pensiju Pārvalde IPAS (registration number 40003814724) are licensed investment management companies. The subsidiary Signet Asset Management Latvia IPAS provides investment fund and individual investment portfolio management services.

On 25 February 2025, the subsidiary Signet Pensiju Pārvalde IPAS concluded an agreement on the transfer of the management rights of the 2nd pillar pension investment plan "Signet Aktīvais plāns" to IPAS "CBL Asset Managemnet". The transfer of the plan's assets was completed on 26 June 2025 and since 27 June 2025, the plan's assets have been managed by the new asset manager - PAS "CBL Asset Managemnet", while the custodian bank from 27 June 2025 is AS "Citadele banka.

2. Authorisation of the financial statements

These Interim Condensed Group's Consolidated and Bank's Separate financial statements have been authorised for issuance by the Management of the Bank on 12 September 2025 and they comprise the financial information of Signet Bank AS (hereinafter – the Bank) and its subsidiaries - AS Magnetiq Bank, Signet Asset Management Latvia IPS, Signet Pensiju Pārvalde IPAS, SIA AgroCredit Latvia, AS Primero Holding, Citra Development SIA, SB Real Estate SIA and subsidiaries of a subsidiary - AS "Primero Finance", UAB Primero Finance and Primero SV1 OU (together referred to as the "Group"). The shareholders have the right to approve these financial statements, as well as have the right to make changes to these financial statements.

Subsidiaries of the Group is as follows:

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, Riga, LV-1011, 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 %
Signet Pensiju Pārvalde IPAS, 40003814724	LV, Antonijas Str. 3-7, Riga, LV-1010, Latvia	Asset management company	Subsidiary company	100 %	100 %
SIA AgroCredit Latvia, 40103479757	Mārupes county., Mārupe, Ziedleju Str. 6, LV-2167, Latvia	Other financial institution	Subsidiary company	51 %	51%
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 %
SB Real Estate SIA, 40203468124	LV, Antonijas Str. 3-5, Riga, LV-1010, Latvia	Real estate management of subsidiaries	Subsidiary company	100 %	100 %

*Bank's direct shareholding in AS Primero Holding is 51%; AS Primero Holding owns 100% of shares.

3. Basis of preparation

The accompanying Group and Bank interim condensed consolidated and separate financial statements for the period ending on June 30, 2025, have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS) as adopted by the European Union (“EU IFRS and in accordance with a going concern basis. Having reassessed the main risks, the Management considers it appropriate to adopt going concern basis of accounting in preparing these financial statements, there are no material uncertainties with regard to applying going concern basis of accounting.

The interim condensed consolidated and separate financial statement does not include all the information and annexes required in the annual financial statements and should be read together with Signet Bank AS annual report for Year 2024. The accounting policies have not changed from those used in the preparation of the financial statements for the year ended 31 December 2024.

4. Capital management

The Bank of Latvia sets and monitors capital requirements for the Group. The Group defines as capital those items defined by statutory regulation as capital. The Group's capital position is calculated in accordance with the requirements of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012. As at 30 June 2025, the individual minimum Capital adequacy ratio level for the Bank is set at 17.20 % (31.12.2024: 16.78%). The Bank and all financial institutions within the Group complied with the individual capital ratios set by the Bank of Latvia for the periods ended on June 30, 2025 and December 31, 2024.
The Group's risk based capital adequacy ratio as at 30 June 2025 was 19.36 % (31.12.2024: 18.00 %).
The Bank's risk based capital adequacy ratio as at 30 June 2025 was 19.97 % (31.12.2024: 19.62 %).
As at 30 June 2025, the Tier 1 Capital adequacy ratio level for the Group and the Bank was 16.07 % and 16.48 % (31.12.2024: 14.97 % and 16.28 %). The Group monitors its capital adequacy levels calculated in accordance with the requirements of the regulations, commonly known as Basel III agreement and its implementing act in Europe, commonly known as CRD IV package.
For the purposes of calculating capital adequacy, the table summarises information on the Group's and the Bank's capital position as of 30 June 2025 and 31 December 2024:

'000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Tier 1 capital				
Share capital	13 440	13 440	13 128	13 128
Additional paid-in capital	9 514	9 514	8 276	8 276
Reserves	24	24	24	24
Accumulated profit / (losses)	20 357	18 256	15 906	14 720
Reductions of tier 1 capital	(1 746)	(1 181)	(1 756)	(1 126)
Additional deductions for Tier 1 capital according to Article 3 of the CRR	(1)	(1)	(1)	(1)
Common Equity Tier 1 capital	41 588	40 052	35 577	35 021
Additional Tier 1 capital	7 000	7 000	5 500	5 500
Total tier 1 capital	**48 588**	**47 052**	**41 077**	**40 521**
Tier 2 capital				
Subordinated liabilities (unamortised portion)	9 952	9 952	8 310	8 310
Total tier 2 capital	9 952	9 952	8 310	8 310
Total capital	**58 540**	**57 004**	**49 387**	**48 831**
Capital requirements				
Credit risk requirements	20 701	20 478	17 807	16 883
Market risk requirements	10	9	29	44
Operational risk requirements	3 483	2 347	4 119	2 982
Total capital requirements	**24 194**	**22 834**	**21 955**	**19 909**
Total risk exposure amount	**302 419**	**285 425**	**274 437**	**248 863**
Capital adequacy ratio	**19.36%**	**19.97%**	**18.00%**	**19.62%**
CET 1 Capital adequacy ratio	**13.75%**	**14.03%**	**12.96%**	**14.07%**
Tier 1 Capital adequacy ratio	**16.07%**	**16.48%**	**14.97%**	**16.28%**

*before receiving permission from the Bank of Latvia to include the increase in the calculation of Common Equity Tier 1 capital

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of assets and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.
The Group is subject to minimum capital adequacy requirements calculated in accordance with the Basel Accord established by covenants under liabilities incurred by the Group. The Group has complied with all externally imposed capital requirements during the periods ended 30 June 2025 and 31 December 2024.

5. Net interest income

'000 EUR	6m 2025 Group	6m 2025 Bank	6m 2024 Group	6m 2024 Bank
Interest income calculated using the effective interest method				
Interest income on financial assets at amortized cost				
Loans and advances due from customers	10 640	7 344	9 651	7 132
Debt securities	2 192	2 125	2 071	1 914
Balances due from financial institutions	683	664	595	583
Other assets	47	47	64	64
Interest income on debt securities at fair value through profit or loss in other comprehensive income	215	188	158	43
Interest income on claims against the Bank of Latvia	1 401	55	1 237	96
Total interest income	**15 178**	**10 423**	**13 776**	**9 832**
Interest expense				
Interest expense recognised on liabilities measured at amortised cost				
Deposits	(3 117)	(2 233)	(4 035)	(3 331)
Subordinated liabilities	(405)	(405)	(439)	(439)
Balances due to financial institutions	(4)	(41)	(98)	(98)
Interest expense on issued debt securities	(505)	(505)	(414)	(414)
Payments to the deposit guarantee fund and other expenses	(241)	(118)	(250)	(155)
Lease commitments	(13)	(13)	(16)	(16)
Other interest expense	(204)	(4)	(26)	-
Total interest expense	**(4 489)**	**(3 319)**	**(5 278)**	**(4 453)**
Net interest income	**10 689**	**7 104**	**8 498**	**5 379**

Interest income on loans and advances due from customers which were classified in stage 2 and stage 3 according to IFRS 9, during the period ended 30 June 2025 Group amounted to EUR 2 891 thousand (30 Jun 2024: EUR 1 859 thousand), Bank – EUR 1 877 thousand (30 Jun 2024: EUR 832 thousand).

6. Fee and commission income

’000 EUR	6m 2025 Group	6m 2025 Bank	6m 2024 Group	6m 2024 Bank
Credit card maintenance	5 219	163	5 918	141
Structured products	3 484	3 484	1 026	1 026
Servicing current accounts	1 495	689	1 690	856
Asset management and fiduciary services	1 267	968	1 859	1 163
Brokerage operations	1 191	1 120	1 590	1 500
Other	824	164	178	141
Total	**13 480**	**6 588**	**12 261**	**4 827**

7. Fee and commission expense

’000 EUR	6m 2025 Group	6m 2025 Bank	6m 2024 Group	6m 2024 Bank
Settlements	3 708	79	4 261	73
Agency fees	841	828	422	422
Asset management and brokerage services	410	358	760	715
Other	6	3	49	3
Total	**4 965**	**1 268**	**5 492**	**1 213**

8. General administrative expenses

’000 EUR	6m 2025 Group	6m 2025 Bank	6m 2024 Group	6m 2024 Bank
Employee compensation and payroll taxes	11 211	6 020	9892	4 502
Depreciation and amortization	782	541	783	522
IT services costs	692	293	451	239
Professional services	672	420	273	130
Payment cards expenses	594	176	745	157
Advertising and marketing	501	317	690	466
Non-refundable value added tax	440	260	411	243
Other employee expenses	299	174	415	122
Communications and information services	243	240	322	227
Rent and utilities payments	237	123	255	107
Other	911	412	670	408
Total	**16 582**	**8 976**	**14 907**	**7 123**

9. Impairment recovery/(loss)

Total net asset impairment allowance included in statement of income:

’000 EUR	6m 2025 Group	6m 2025 Bank	6m 2024 Group	6m 2024 Bank
Loans and advances due from customers	(882)	(812)	(5)	(28)
Other financial assets and other assets	-	-	(8)	(8)
Debt securities	(28)	(35)	78	76
Due from financial institutions	-	-	(1)	-
Net losses from derecognition of loans to non-banks	(865)	-	(873)	-
Total impairment allowance and provisions charged to income statement, net	**(1 775)**	**(847)**	**(809)**	**40**

Changes in the Group financial and other asset impairment allowance for the period ended 30 June 2025:

’000 EUR	Increases in origination and acquisition	Decreases in derecognition and repayments	Total net impairment charge	including decrease due to write-off
Stage 1				
Loans and advances due from customers	(1 294)	1 045	(249)	-
Debt securities	(45)	17	(28)	-
Due from financial institutions	(7)	7	-	-
Total stage 1 impairment	**(1 346)**	**1 069**	**(277)**	**-**
Stage 2				
Loans and advances due from customers	(597)	55	(542)	-
Total stage 2 impairment	**(597)**	**55**	**(542)**	**-**
Stage 3				
Loans and advances due from customers	(708)	(248)	(956)	31
Total stage 3 impairment	**(708)**	**(248)**	**(956)**	**31**
Total allowances for credit losses recognised in profit or loss, net	**(2 651)**	**876**	**(1 775)**	**31**

Changes in the Bank financial and other asset impairment allowance for the period ended 30 June 2025:

’000 EUR	Increases in origination and acquisition	Decreases in derecognition and repayments	Total net impairment charge
Stage 1			
Loans and advances due from customers	(675)	115	(560)
Debt securities	(35)	-	(35)
Total stage 1 impairment	**(710)**	**115**	**(595)**
Stage 2			
Loans and advances due from customers	(291)	39	(252)
Total stage 2 impairment	**(291)**	**39**	**(252)**
Stage 2			
Total stage 3 impairment	**-**	**-**	**-**
Total allowances for credit losses recognised in profit or loss, net	**(1 001)**	**154**	**(847)**

10. Cash and cash equivalents

Cash and cash equivalents at the end of the period as shown in the statement of cash flows are composed of the following items:

'000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Cash	333	333	270	270
Demand due from Bank of Latvia	9 996	7 707	6 639	1 118
Term due from Bank of Latvia	138 154	31 827	162 911	75 396
Subtotal	**148 483**	**39 867**	**169 820**	**76 784**
Demand deposit due from financial institutions	16 139	12 522	18 021	15 022
Total	**164 622**	**52 389**	**187 841**	**91 806**

Deposits with the Bank of Latvia represent the balance outstanding on correspondent account in EUR and short term due balance within Bank of Latvia in EUR. Credit institutions should comply with the compulsory reserve requirement calculated on the basis of attracted funding. The Bank's compulsory reserve must be exceeded by a credit institution's average monthly euro balance on its correspondent account with the Bank of Latvia. The Bank is compliant with the requirement to hold the minimum reserves with the Bank of Latvia.

11. Financial assets and liabilities at fair value through profit or loss

'000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Assets				
Debt securities				
Corporate debt securities *	1 874	1 874	2 223	2 223
Financial institutions debt securities *	2 379	2 379	2 840	2 840
Credit institutions' debt securities	-	-	4 866	4 866
Total debt securities	**4 253**	**4 253**	**9 929**	**9 929**
Equity instruments				
Financial institutions shares*	13 887	13 389	11 462	10 948
Corporate shares*	67	67	1 132	1132
Total equity instruments	**13 954**	**13 456**	**12 594**	**12 080**
Derivative financial instruments				
Foreign currency contracts	1 974	1 974	84	84
Sellback option for equity shares at estimated fair value	216	216	216	216
Foreign currency forward agreements	26	26	6	6
Total derivative financial instruments	**2 216**	**2 216**	**306**	**306**
Total assets at fair value	**20 423**	**19 925**	**22 829**	**22 315**
Notional amount				
Derivative financial instruments				
Foreign currency forward agreements	42 120	42 120	15 159	15 159
Foreign currency contracts	614	614	502	502
Total derivative financial instruments at national amount	**42 734**	**42 734**	**15 661**	**15 661**
Liabilities				
Derivative financial instruments				
Foreign currency contracts	1 855	1 855	405	405
Foreign currency forward agreements	166	166	-	-
Buyback option for equity shares at estimated fair value	72	72	72	72
Total liabilities at fair value	**2 093**	**2 093**	**477**	**477**
Notional amount				
Derivative financial instruments				
Foreign currency forward agreements	41 984	41 984	15 523	15 523
Foreign currency contracts	615	615	500	500
Total derivative financial instruments at national amount	**42 599**	**42 599**	**16 023**	**16 023**

*held for trading

Included in financial assets and financial liabilities at fair value through profit or loss at 30 June 2025 are EUR 19 925 thousand (31 Dec 2024: EUR 22 315 thousand) and EUR 2 093 thousand (31 Dec 2024: EUR 477 thousand) respectively which are held for trading financial derivatives.

12. Balances due from financial institutions

’000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Not impaired or past due				
Nostro accounts				
OECD banks[1]	16 106	12 495	17 981	14 996
Non-OECD banks	33	27	40	26
Credit ratings[2]				
Rated A- and above	7 139	7 115	10 067	9 875
AA	744	744	378	378
Rated from BBB- to BBB+	-	-	59	-
Not rated	8 256	4 663	7 517	4 769
Total nostro accounts	**16 139**	**12 522**	**18 021**	**15 022**
Loans and deposits				
OECD banks[3]	853	-	1 156	-
Credit ratings[2]				
Not rated	853	-	1 156	-
Total loans and deposits not impaired	**853**	**-**	**1 156**	**-**
Total balances due from financial institutions	**16 992**	**12 522**	**19 177**	**15 022**

1. Nostro accounts held with OECD banks include balances with 21 Group counterparties (31 Dec 2024: 15), 11 – Bank (31 Dec 2024: 8), three and two of which exceed 84% and 80% (31 Dec 2024: two exceed 76% and 80%) of the total account balance. The respective one counterparty credit rating was A+ and others not rated as at 30 June 2025 (31 Dec 2024: Rated from A+).
2. Balances due from financial institutions are classified by average credit rating from three international rating agencies: Moody's Investors Service, Standard & Poor’s, Fitch Ratings.
3. Loans and deposits held with OECD banks include balances with 1 financial institution in Group (31 Dec 2024: 1) of which individually does not exceed 5% (31 Dec 2024: 37%) of the total balance, not rated, is registered and operates in the EU (31 Dec 2024 – not rated, is registered and operates in the EU)

As at 30 June 2025 and 31 December 2024 the Group's and the Bank’s balances due from financial institutions had no impairments.

Concentration of placements with banks and other financial institutions

The Group and the Bank had certain deposits and demand deposits within financial institutions as at 30 June 2025 and 31 December 2024, which individually exceeded 10% of the total claims on financial institutions. As at 30 June 2025, the Group had three such financial institutions – 18%, 22% and 44% (as at 31 December 2024 – 13%, 20% and 51%) of the total claims on financial institutions. As at 30 June 2025, the Bank had two such financial institutions – 23% and 56% (as at 31 December 2024: two – 16% and 65%) of the total claims on financial institutions. The total amount of deposits and demand deposits within financial institutions, which individually exceeded 10% of total claims on financial institutions, as of 30 June 2025 for the Group was 14 372 thousand EUR, 1- A+, 2 – unrated (31 December 2024: 16 133 thousand EUR, 1- A+, 2 – unrated), for the Bank was 9 962 thousand EUR, 1 – A+, 1 – unrated), (31 December 2024: 12 268 thousand EUR, 1 – A+, 1 – unrated).

13. Loans and advances due from non-banks

Breakdown of loans issued by the Group and the Bank by customer type:

'000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Corporate entities	174 814	137 321	130 092	94 655
Private individuals and Associations and foundations serving individuals and households	54 432	16 365	50 281	14 205
Financial auxiliaries and other financial intermediaries	29 414	70 042	31 586	62 874
Total loans and advances due from non-banks	**258 660**	**223 728**	**211 959**	**171 734**
Total impairment allowance	(4 153)	(3 320)	(3 338)	(2 554)
Loans and advances due from non-banks customers, net	**254 507**	**220 408**	**208 621**	**169 180**

Group and Bank had one hundred sixteen and six loans with active restructured status as at 30 June 2025 (31 December 2024: Group thirty one, Bank five), in the total amount of 20 085 and 8 052 thousand EUR (31 December 2024: Group 17 876, Bank 4 896).
In the tables below estimated Group's fair value of loan collateral is presented separately for those assets where collateral and other credit enhancements exceed carrying value of the asset (LTV < 100%) and those assets where collateral and other credit enhancements are equal to or less than the carrying value of the asset (LTV ⩾ 100%):

'000 EUR	30 Jun 2025 Group				31 Dec 2024 Group			
	LTV < 100%		LTV ⩾ 100% and unsecured		LTV < 100%		LTV ⩾ 100% and unsecured	
	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral
Business loans	27 991	84 214	4 177	1	27 657	95 026	2 075	11
Reverse repo and loans secured by financial instruments	10 312	20 656	-	-	6 737	14 024	-	-
Consumer loans	3 849	10 592	34 197	-	3 374	11 521	29 685	-
Mortgage loans	46 423	109 940	458	-	41 444	111 442	4 071	-
Loans to Latvian farmers	13 988	23 808	10 439	7 339	10 019	21 336	8 068	5 327
Other claims on with financial institutions	-	-	6 336	-	-	-	5 000	-
Other	94 573	406 221	5 917	2 750	65 072	229 726	8 757	471
Loans and advances due from non-banks	**197 136**	**655 431**	**61 524**	**10 090**	**154 303**	**483 075**	**57 656**	**5 809**
Impairment allowance	(1 553)	-	(2 600)	-	(900)	-	(2 438)	-
Loans and advances due from customers, net	**195 583**	**655 431**	**58 924**	**10 090**	**153 403**	**483 075**	**55 218**	**5 809**

13. Loans and advances due from non-banks (continued)

In the tables below estimated Bank's fair value of loan collateral is presented separately for those assets where collateral and other credit enhancements exceed carrying value of the asset (LTV < 100%) and those assets where collateral and other credit enhancements are equal to or less than the carrying value of the asset (LTV ⩾ 100%):

'000 EUR	30 Jun 2025 Bank				31 Dec 2024 Bank			
	LTV < 100%		LTV ⩾ 100% and unsecured		LTV < 100%		LTV ⩾ 100% and unsecured	
	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral
Business loans	43 780	107 761	1 985	1	36 940	118 161	731	11
Reverse repo and loans secured by financial instruments	10 312	20 656	-	-	6 737	14 024	-	-
Consumer loans	3 655	9 901	22	-	3 154	10 830	28	-
Mortgage loans	34 065	74 468	458	-	27 858	72 581	-	-
Other claims on with financial institutions	-	-	2 666	-	-	-	1 363	-
Other	120 880	425 046	5 905	2 750	86 209	239 985	8 714	471
Loans and advances due from non-banks	**212 692**	**637 832**	**11 036**	**2 751**	**160 898**	**455 581**	**10 836**	**482**
Impairment allowance	(3 114)	-	(206)	-	(2 386)	-	(168)	-
Loans and advances due from customers, net	**209 578**	**637 832**	**10 830**	**2 751**	**158 512**	**455 581**	**10 668**	**482**

13. Loans and advances due from non-banks (continued)

The following table shows the types of credit collateral and its geography for the Group as at 30 June 2025:

'000 EUR		Estimated fair value of collateral by type of collateral				Estimated fair value of the collateral
		Real estate	Financial instruments	Money and deposits	Another type of collateral	
Loans and advances due from non-banks						
Business loans	**31 907**	**20 558**	**13 778**	**2 136**	**47 743**	**84 215**
Latvia		*20 558*	*13 778*	*2 136*	*47 743*	*84 215*
Mortgage loans	**46 623**	**101 210**	**4 962**	**2 482**	**1 286**	**109 940**
Latvia		*85 166*	*4 962*	*2 476*	*1 286*	*93 890*
OECD countries		*16 044*	*-*	*6*	*-*	*16 050*
Consumer loans	**35 906**	**8 068**	**1 927**	**597**	**-**	**10 592**
Latvia		*1 514*	*761*	*516*	*-*	*2 791*
*Other countries**		*6 554*	*1 166*	*81*	*-*	*7 801*
Reverse repo and loans secured by financial instruments	**10 294**	**-**	**20 656**	**-**	**-**	**20 656**
Latvia		*-*	*17 597*	*-*	*-*	*17 597*
OECD countries		*-*	*1 101*	*-*	*-*	*1 101*
*Other countries**		*-*	*1 958*	*-*	*-*	*1 958*
Loans to Latvian farmers	**23 381**	**15 808**	**-**	**-**	**15 339**	**31 147**
Latvia		*15 808*	*-*	*-*	*15 339*	*31 147*
Other claims on with financial institutions	**6 336**	**-**	**-**	**-**	**-**	**-**
Other	**100 060**	**237 783**	**62 029**	**6 204**	**102 955**	**408 971**
Latvia		*162 003*	*46 167*	*5 271*	*94 174*	*307 615*
OECD countries		*67 492*	*13 899*	*910*	*8 781*	*91 082*
Russia		*1 040*	*1 963*	*13*	*-*	*3 016*
*Other countries**		*7 248*	*-*	*10*	*-*	*7 258*

*single primary country cannot be identified, location/registration country of collateral is different (EU countries, Russia, etc.)

13. Loans and advances due from non-banks (continued)

The following table shows the types of credit collateral and its geography for the Group as at 31 December 2024:

'000 EUR		Estimated fair value of collateral by type of collateral				Estimated fair value of the collateral
		Real estate	Financial instruments	Money and deposits	Another type of collateral	
Loans and advances due from non-banks						
Business loans	**29 477**	**21 210**	**7 269**	**1 284**	**65 274**	**95 037**
Latvia		*21 210*	*7 269*	*1 284*	*65 274*	95 037
Reverse repo and loans secured by financial instruments	**6 726**	**-**	**14 024**	**-**	**-**	**14 024**
Latvia		-	*13 515*	-	-	13 515
*Other countries**		-	*509*	-	-	509
Consumer loans	**31 036**	**10 655**	**852**	**14**	**-**	**11 521**
OECD countries		*9 149*	*515*	-	-	9 664
Latvia		*1 506*	*337*	*14*	-	1 857
Mortgage loans	**45 412**	**103 152**	**4 570**	**1 941**	**1 779**	**111 442**
OECD countries		*6 400*	-	-	-	6 400
Latvia		*88 613*	*4 570*	*1 817*	*1 779*	96 779
*Other countries**		*8 139*	-	*124*	-	8 263
Loans to Latvian farmers	**17 436**	**14 849**	**-**	**-**	**11 814**	**26 663**
Latvia		*14 849*	-	-	*11 814*	**26 663**
Other deposits with financial institutions	**5 000**	**-**	**-**	**-**	**-**	**-**
Other	**73 534**	**175 196**	**14 415**	**3 400**	**37 186**	**230 197**
OECD countries		*14 010*	*3 941*	*166*	*1 282*	19 399
Latvia		*151 653*	*8 439*	*3 118*	*35 904*	199 114
Russia		*883*	*2 025*	*16*	-	2 924
*Other countries**		*8 650*	*10*	*100*	-	8 760

*single primary country cannot be identified, location/registration country of collateral is different (EU countries, etc.)

13. Loans and advances due from non-banks (continued)

The following table shows the types of credit collateral and its geography for the Bank as at 30 June 2025:

’000 EUR		Estimated fair value of collateral by type of collateral				Estimated fair value of the collateral
		Real estate	Financial instruments	Money and deposits	Another type of collateral	
Loans and advances due from non-banks						
Business loans	**45 231**	**20 088**	**13 778**	**2 183**	**71 713**	**107 762**
Latvia		*20 088*	*13 778*	*2 183*	*71 713*	*107 762*
Mortgage loans	**34 296**	**66 556**	**4 962**	**2 477**	**473**	**74 468**
Latvia		*50 512*	*4 962*	*2 471*	*473*	*58 418*
OECD countries		*16 044*	-	*6*	-	*16 050*
Reverse repo and loans secured by financial instruments	**10 294**	**-**	**20 656**	**-**	**-**	**20 656**
Latvia		-	*17 597*	-	-	*17 597*
OECD countries		-	*1 101*	-	-	*1 101*
*Other countries**		-	*1 958*	-	-	*1 958*
Consumer loans	**3 671**	**7 377**	**1 927**	**597**	**-**	**9 901**
Latvia		*823*	*761*	*516*	-	*2 100*
*Other countries**		*6 554*	*1 166*	*81*	-	*7 801*
Other claims on with financial institutions	**2 666**	-	-	-	-	-
Other	**124 250**	**225 575**	**62 029**	**6 374**	**133 818**	**427 796**
Latvia		*149 795*	*46 167*	*5 441*	*125 037*	*326 440*
OECD countries		*67 492*	*13 899*	*910*	*8 781*	*91 082*
Russia		*1 040*	*1 963*	*13*	-	*3 016*
*Other countries**		*7 248*	-	*10*	-	*7 258*

*single primary country cannot be identified, location/registration country of collateral is different (EU countries, Russia, etc.)

13. Loans and advances due from non-banks (continued)

The following table shows the types of credit collateral and its geography for the Bank as at 31 December 2024:

'000 EUR		Estimated fair value of collateral by type of collateral				Estimated fair value of the collateral
		Real estate	Financial instruments	Money and deposits	Another type of collateral	
Loans and advances due from non-banks						
Business loans	**37 336**	**20 212**	**7 269**	**1 296**	**89 396**	**118 173**
Latvia		*20 212*	*7 269*	*1 296*	*89 396*	**118 173**
Reverse repo and loans secured by financial instruments	**6 726**	**-**	**14 024**	**-**	**-**	**14 024**
Latvia		-	*13 515*	-	-	**13 515**
*Other countries**		-	*509*	-	-	**509**
Consumer loans	**3 176**	**9 964**	**852**	**14**	**-**	**10 830**
OECD countries		*9 149*	*515*	-	-	**9 664**
*Other countries**		*815*	*337*	*14*	-	**1 166**
Mortgage loans	**27 789**	**65 308**	**4 570**	**1 936**	**767**	**72 581**
OECD countries		6 400	-	-	-	6 400
Latvia		50 769	4 570	1 812	767	57 918
*Other countries**		8 139	-	124	-	8 263
Other deposits with financial institutions	**1 363**	**-**	**-**	**-**	**-**	**-**
Other	**92 790**	**158 064**	**14 415**	**3 642**	**64 334**	**240 455**
OECD countries		*14 010*	*3 941*	*166*	*1 282*	*19 399*
Latvia		*134 521*	*8 439*	*3 360*	*63 052*	*209 372*
Russia		*883*	*2 025*	*16*	-	*2 924*
*Other countries**		*8 650*	*10*	*100*	-	*8 760*

*single primary country cannot be identified, location/registration country of collateral is different (EU countries, etc.)

13. Loans and advances due from non-banks (continued)

Geographical analysis of the loan portfolio to the Group and the Bank. Geographic split of borrowers' credit risk is based on the country of origin of their projected cash flows used for loan repayment.

'000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Loans and advances due from customers				
Latvia	214 375	185 111	180 095	143 524
OECD countries	37 560	31 892	23 013	19 359
Russia	768	768	862	862
Other countries*	5 957	5 957	7 989	7 989
Total loans and advances due from non-banks	**258 660**	**223 728**	**211 959**	**171 734**
Total impairment allowance	(4 153)	(3 320)	(3 338)	(2 554)
Loans and advances due from non-banks, net	**254 507**	**220 408**	**208 621**	**169 180**

* single primary country cannot be identified, Borrowers' Income is generated in different countries (EU countries, etc.). Furthermore borrower has income that is generated internationally (FI investment portfolio, sale of movable property etc.)

Significant credit exposures

As of June 30, 2025 the Bank had one (31 Dec 2024: one) borrower (related party of the Bank) whose total credit obligations to the Bank exceeded 10% of the amount of loans issued by the Bank, which amounted to EUR 28 956 thousand (31 Dec 2024: EUR 25 914 thousand). As of 30 June 2025, the Group had no customers, whose balances exceeded 10% of loans to customers (31 Dec 2024: the same).
According to regulatory requirements, the Group and Bank is not allowed to have a credit exposure to one client or a group of related clients of more than 25% of its equity. In relation to the loan issued to a related party of the Bank a permission was granted by the Bank of Latvia. As at 30 June 2025 and 31 December 2024 the Group and Bank was in compliance with this requirement.

14. Debt securities measured at fair value through other comprehensive income

Debt securities of the Group and the Bank measured at fair value through other comprehensive income, by type of issuer:

'000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Debt securities				
Government and municipal bonds				
European Union and EEA	2 697	-	2 724	-
Other region	-	-	104	-
Total government and municipal bonds, gross	**2 697**	**-**	**2 828**	
Impairment allowance	(18)	-	-	
Total government and municipal bonds, net	**2 679**	**-**	**2 828**	**-**
Financial institutions bonds				
European Union and EEA	4 933	-	6 356	-
Total Financial institutions bonds, gross	**4 933**	**-**	**6 356**	
Impairment allowance	(4)	-	-	
Total Financial institutions bonds, net	**4 929**	**-**	**6 356**	**-**
Corporate bonds				
Latvia	6 072	6 072	-	-
European Union and EEA	1 498	1 396	579	479
Total corporate bonds	**7 570**	**7 468**	**579**	**479**
Total debt securities measured at fair value through other comprehensive income	**15 178**	**7 468**	**9 763**	**479**

Geographical allocation is based on countries of principal entities.

Debt securities of the Group and the Bank measured at fair value through other comprehensive income quality analysis:

'000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Debt securities [1]				
Government and municipal bonds				
Rated from AA	845	-	1 037	-
BBB-	1 834	-	1 791	-
Total government and municipal bonds	**2 679**	**-**	**2 828**	**-**
Financial institutions bonds				
Rated from AAA	4 929	-	6 356	-
Total Financial institutions bonds	**4 929**	**-**	**6 356**	-
Corporate bonds				
Rated from AA- to A	223	121	100	-
Not rated	7 347	7 347	479	479
Total corporate bonds	**7 570**	**7 468**	**579**	**479**
Total debt securities measured at fair value through other comprehensive income	**15 178**	**7 468**	**9 763**	**479**

1. Financial assets measured at fair value through other comprehensive income are classified by average credit rating from three international rating agencies: Moody's Investors Service, Standard & Poor's, Fitch Ratings.
2. All Financial instruments issued by issuers were included in Stage 1 according to IFRS 9 requirements.

15. Debt securities measured at amortized cost

Debt securities of the Group and the Bank measured at amortized cost, by type of issuer:

’000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Debt securities				
Government and municipal bonds				
European Union	79 678	75 634	63 848	59 818
Latvia	41 250	34 256	42 314	34 939
Other countries	-	-	59 469	59 469
Total government and municipal bonds, gross	**120 928**	**109 890**	**165 631**	**154 226**
Impairment allowance	(124)	(108)	(117)	(105)
Total government and municipal bonds, net	**120 804**	**109 782**	**165 514**	**154 121**
Financial institutions bonds				
European Union and EEA	8 966	2 884	5 730	5 731
Other countries	-	-	2 025	-
Total financial institutions bonds, gross	**8 966**	**2 884**	**7 755**	**5 731**
Impairment allowance	(4)	(1)	(1)	(1)
Total financial institutions bonds, net	**8 962**	**2 883**	**7 754**	**5 730**
Corporate bonds				
European Union and EEA	3 841	1 814	5 120	2 071
Other countries	-	-	6 082	-
Total corporate bonds, gross	**3 841**	**1 814**	**11 202**	**2 071**
Impairment allowance	(3)	(1)	(5)	-
Total corporate bonds, net	**3 838**	**1 813**	**11 197**	**2 071**
Total debt securities measured at amortized cost, net	**133 604**	**114 478**	**184 465**	**161 922**

Geographical allocation is based on countries of principal entities.
Debt securities of the Group and the Bank measured at amortized cost quality analysis:

’000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Debt securities [1]				
Government and municipal bonds				
Rated A- and above	76 120	67 113	71 542	62 560
Rated from AA- to AA+	35 333	35 333	84 330	84 330
Rated from AAA- to AAA+	7 042	7 042	6 931	6 933
Rated from BBB- to BBB+	2 309	294	2 711	298
Total government and municipal bonds, net	**120 804**	**109 782**	**165 514**	**154 121**
Financial institutions bonds				
Rated A- and above	6 079	-	2 024	-
Rated from AAA- to AAA+	2 883	2 883	5 730	5 730
Total financial institutions and corporate bonds	**8 962**	**2 883**	**7 754**	**5 730**
Corporate bonds				
A+	-	-	4 049	-
AA-	1 813	1 813	4 102	2 071
BB	-	-	1 024	-
BBB	2 025	-	2 022	-
Total corporate bonds	**3 838**	**1 813**	**11 197**	**2 071**
Total debt securities measured at amortized cost, net	**133 604**	**114 478**	**184 465**	**161 922**

1. Debt securities are classified by average credit rating from three international rating agencies: Moody's Investors Service, Standard & Poor's, Fitch Ratings.

16. Property and equipment

Group '000 EUR	Leasehold improvements	Right-of-use assets (IFRS 16)	Land and buildings	Other	Total
Cost					
At 1 January 2024	2 331	1 378	7 214	4 047	**14 970**
Purchases	-	-	379	450	**829**
Reclassified / (Write-offs)	-	(3)	-	(69)	**(72)**
The result of the consolidation of the Group of the new members for the year 2024	-	101	-	26	**127**
At 31 December 2024	**2 331**	**1 476**	**7 593**	**4 454**	**15 854**
At 1 January 2024	**-**	**3 763**	**-**	**293**	**4 056**
Depreciation charge	**-**	**-**	**(7 593)**	**(24)**	**(7 617)**
Write-offs	**-**	**2**	**-**	**1**	**3**
At 30 June 2025	**2 331**	**5 241**	**-**	**4 724**	**12 296**
Depreciation					
At 1 January 2024	1 713	687	1 481	2 724	**6 605**
Depreciation charge	143	160	147	393	**843**
Write-offs	-	-	-	(69)	**(69)**
The result of the consolidation of the Group of the new members for the year 2024	-	63	-	14	**77**
At 31 December 2024	**1 856**	**910**	**1 628**	**3 062**	**7 456**
Depreciation charge	71	94	62	204	**431**
Disposal	-	-	(1 690)	(24)	**(1 714)**
Write-offs	-	-	-	(1)	**(1)**
At 30 June 2025	**1 927**	**1 004**	**-**	**3 241**	**6 172**
Carrying value					
At 31 December 2023	618	691	5 733	1 323	8 365
At 31 December 2024	475	566	5 965	1 392	8 398
At 30 June 2025	**404**	**4 237**	**-**	**1 483**	**6 124**

In accordance with the purchase agreement concluded on 30 June 2025, the Bank's subsidiary AS Magnetiq Bank sold the building and land at Brīvības Street 54 in Riga with a carrying amount of EUR 5.9 million to a Latvian non-financial company unrelated to the Group and simultaneously entered into an irrevocable leaseback transaction with a term of 10 years for the lease of the entire building with a fixed monthly rental fee, which may be reviewed in accordance with changes in the consumer price index. Accordingly, part of the income from the sale must be deferred. Deferred profit from the sale of EUR 1,2 million will be recognized during the lease period as a decrease in the depreciation of the leasehold right-of-use asset. The total profit from the sale was EUR 1,9 million, of which EUR 0,7 million was recognized by AS Magnetiq Bank at the time of sale. The deferred part of the profit has been allocated to the leasehold right-of-use asset.

The decision to sell the building was made taking into account that it allows the Group to dispose of a strategically insignificant asset that is not essential for the successful conduct of its business and frees up financial resources to invest in profitable activities, such as lending or deposits with the Bank of Latvia. It also allows it to take advantage of the current relatively stable situation in the real estate market, which may be negatively affected by external geopolitical shocks in the future, while increasing the Group's flexibility to find office space that better suits its size and needs at the end of the lease agreement.

16. Property and equipment (continued)

Bank '000 EUR	Leasehold improvements	Right-of-use assets (IFRS 16)	Other	Total
Cost				
At 1 January 2024	2 331	1 375	2 381	**6 087**
Purchases	-	-	225	**225**
Reclassified / (Write-offs)	-	(3)	-	**(3)**
At 31 December 2024	**2 331**	**1 372**	**2 606**	**6 309**
Purchases			**241**	**241**
Reclassified		**2**		**2**
At 30 June 2025	**2 331**	**1 374**	**2 847**	**6 552**
Depreciation				
At 1 January 2024	1 713	683	1 825	**4 221**
Depreciation charge	143	159	199	**501**
At 31 December 2024	**1 856**	**842**	**2 024**	**4 722**
Depreciation charge	**71**	**80**	**105**	**256**
At 30 June 2025	**1 927**	**922**	**2 129**	**4 978**
Carrying value				
At 31 December 2023	618	692	556	1 866
At 31 December 2024	475	530	582	1 587
At 30 June 2025	**404**	**452**	**718**	**1 574**

17. Non-current assets held for sale

'000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Non-current assets held for sale				
Real estate	1 728	1 728	1 824	1 824
Movable property	32	-	11	-
Total Non-current assets held for sale	**1 760**	**1 728**	**1 835**	**1 824**

Non-current assets held for sale are accounted at the lower of the carrying amount and fair value less costs to sell. These long-term assets relate to real estate investments in Latvia, that were taken over as loan recovery results, and movable property. The Bank plans to sell real estate and makes required actions to do so. Taking into account the situation in the real estate market, the Bank revised the sales price in 2025, reducing it.

18. Deposits

Client deposits split by their profile

’000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Current accounts and demand deposits	**335 065**	**266 696**	**396 205**	**287 945**
Private individuals	102 959	93 640	118 220	107 553
Corporates	232 106	173 056	277 985	180 392
Term deposits	**171 091**	**105 919**	**158 888**	**140 537**
Private individuals	77 648	63 218	128 836	110 049
Corporates	93 443	42 701	30 052	30 488
Total current accounts and demand deposits	**506 156**	**372 615**	**555 093**	**428 482**

Geographical analysis of the deposits

’000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Current accounts and demand deposits	**335 065**	**266 696**	**396 205**	**287 945**
Latvia	181 483	165 555	193 892	176 956
OECD countries	77 587	37 096	121 968	42 986
Russia	19 870	18 292	23 689	22 009
Other countries	56 125	45 753	56 656	45 994
Term deposits	**171 091**	**105 919**	**158 888**	**140 537**
Latvia	55 560	45 297	48 711	33 806
OECD countries	98 879	46 805	94 585	93 136
Russia	4 781	3 839	4 774	3 659
Other countries	11 871	9 978	10 818	9 936
Total deposits	**506 156**	**372 615**	**555 093**	**428 482**

Concentrations of current accounts and customer deposits

As of 30 June 2025 and 31 December 2024, the Group and the Bank had no customers, whose balance exceeded 10% of total customer accounts.

19. Subordinated liabilities

’000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Subordinated borrowings				
Private individuals	5 497	5 497	5 457	5 457
Corporates	5 073	5 073	5 073	5 073
Total Subordinated borrowings	**10 570**	**10 570**	**10 530**	**10 530**

Subordinated borrowings have a fixed term of at least five years at their origination, and are repayable before maturity only on winding up of the Bank. In the event of the winding-up of the Bank these borrowings will be subordinated to the claims of depositors and all other creditors of the Bank.

20. Debt securities issued

Issued bonds qualify for inclusion in additional tier 1 capital of the Bank and Group. Additional information about capital adequacy is available in Note 4 "Capital Management".
On November 17, 2022, Signet Bank AS issued 2 million euros of Temporary Write-Down Additional Tier 1 bonds (LV0000802668). Bonds are perpetual and have no maturity date. The purpose of the issue is to strengthen the Bank's capital in order to increase the volume of loan portfolio. The bonds were offered only to the Bank's shareholders and persons related to them with a floating coupon rate of 12.50% + 12M Euribor.
On February 15, 2023, Signet Bank AS issued an additional tranche of LV0000802668 bonds in amount of EUR 2 million euros. As a result, total issue size reached EUR 4 million euros.
On March 1, 2024 Signet Bank AS issued an additional tranche of LV0000802668 bonds in amount of EUR 1,5 million euros. As a result, total issue size reached EUR 5,5 million euros. On March 26, 2025, an additional issue was made for 1,5 million euros, reaching 7 million euros.

21. Other liabilities

'000 EUR	30 Jun 2025 Group	30 Jun 2025 Bank	31 Dec 2024 Group	31 Dec 2024 Bank
Other financial liabilities				
Lease liabilities	5 541	515	638	599
Settlement of securities	1 669	1 669	7 397	7 397
Settlements for the acquisition of AS Magnetiq Bank	865	865	865	865
Settlements for electronic commerce and payment card operations	86	-	116	-
Settlement of financial services	61	-	209	-
Total other financial liabilities	**8 222**	**3 049**	**9 225**	**8 861**
Other non-financial liabilities				
Suspense liabilities and money in transit	13 851	20 821	1 167	1 073
Accrued expenses	5 196	4 377	4 690	4 187
Provision for employee vacations	808	665	992	477
Deferred income	506	344	500	487
Tax liabilities	262	166	227	155
Other	491	189	577	359
Total other non-financial liabilities	**21 114**	**26 562**	**8 153**	**6 738**
Total other liabilities	**29 336**	**29 611**	**17 378**	**15 599**

In accordance with the purchase agreement concluded on 30 June 2025, the Bank's subsidiary AS Magnetiq Bank's building and land at Brīvības Street 54 in Riga were sold, see Note 16, and at the same time an irrevocable leaseback transaction was concluded with a term of 10 years for the lease of the entire building with a fixed monthly rental fee. AS Magnetiq Bank recognized the lease liabilities at the discounted value of the payments determined during the initially estimated lease term. The payments were applied the implicit interest rate, which discounts future payments to their estimated value.
The largest share in the Group's and the Bank's "Suspense liabilities and money in transit" position is from escrow account liabilities (the amount of cash that is credited to an escrow account and which the Group or the Bank transfers to the counterparty after the fulfillment of the conditions specified in the agreement), respectively 20 346 thousand EUR and 12 504 thousand EUR.

22. Transactions with Group companies

The outstanding balances as of 30 June 2025 and as of 30 June 2024 and related profit or loss amounts of transactions for the period ended 30 June 2025 and for 30 June 2024 with other related parties are as follows:

’000 EUR	30 Jun 2025	30 Jun 2024
Statement of financial position		
Loans	44 305	23 466
Deposits	5 449	2 866
Income		
Ccommission income	1 409	985
Interest income	30	15

23. Fair value of financial instruments

Financial instruments measured at fair value

The methods for measuring the fair value of financial instruments have not changed compared to those used in preparing the financial statements for the year ended 31 December 2024.
The table below analyses the Group's and the Bank's financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Group 30 Jun 2025, '000 EUR	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments carried at fair value through profit or loss	11 931	3 382	5 110 *	**20 423**
Debt securities measured at fair value through other comprehensive income	14 828	350	-	**15 178**
	26 759	**3 732**	**5 110**	**35 601**
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	2 093	-	**2 093**
Bank 30 Jun 2025, '000 EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial instruments carried at fair value through profit or loss	11 931	3 382	4 612 *	**19 925**
Debt securities measured at fair value through other comprehensive income	7 118	350	-	**7 468**
	19 049	**3 732**	**4 612**	**27 393**
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	2 093	-	**2 093**

* Increase in the amount in 2025 is related to an additional purchase for one 2024 investment .

Group 31 Dec 2024, '000 EUR	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments carried at fair value through profit or loss	16 739	2 072	4 018	**22 829**
Debt securities measured at fair value through other comprehensive income	9 284	479	-	**9 763**
	26 023	**2 551**	**4 018**	**32 592**
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	477	-	**477**
Bank 31 Dec 2024, '000 EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial instruments carried at fair value through profit or loss	16 740	2 072	3 503	**22 315**
Debt securities measured at fair value through other comprehensive income	-	479	-	**479**
	16 740	**2 551**	**3 503**	**22 794**
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	477	-	**477**

23. Fair value of financial instruments (continued)

Financial instruments not measured at fair value

The table below analyses the fair values of financial instruments not measured at fair value of the Group, by the level in the fair value hierarchy into which each fair value measurement is categorised:

30 June 2025, '000 EUR	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Financial assets					
Cash and due from Bank of Latvia[1]	-	-	-	148 483	148 483
Balances due from financial institutions[2]	-	-	-	16 139	16 139
Financial assets measured at amortized cost	133 604	-	251 869	385 473	388 964
Other financial assets[3]	-	-	-	1 370	1 370
Financial liabilities					
Liabilities to financial institutions	-	-	-	3	3
Deposits	-	-	506 021	506 021	506 156
Subordinated liabilities	-	-	10 666	10 666	10 570
Debt securities issued	-	-	7 000	7 000	7 000
Other liabilities	-	-	5 206	5 206	5 204
Other financial liabilities [4]	-	-	-	8 222	8 222

31 December 2024, '000 EUR	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Financial assets					
Cash and due from Bank of Latvia[1]	-	-	-	72 807	72 807
Balances due from financial institutions[2]	-	-	-	9 939	9 939
Financial assets measured at amortized cost	177 885	-	258 944	436 829	399 101
Other financial assets[3]	-	-	-	2 668	2 668
Financial liabilities					
Liabilities to central bank	-	-	-	3 855	3 855
Deposits	-	-	468 920	468 920	469 943
Subordinated liabilities	-	-	10 756	10 756	11 299
Debt securities issued	-	-	4 332	4 332	4 332
Other financial liabilities [4]	-	-	-	488	488

1. Cash and due from central banks are various currency cash and deposits with the Bank of Latvia whose carrying amount represents the fair value.
2. Most of the balances due from financial institutions are either deposits on demand or short term deposits; therefore, their carrying amount approximates the fair value.
3. Other financial assets consist of receivables from settlement of securities and of payment card; thus the carrying amount is equal to their fair value
4. Other financial liabilities include receivables from brokers for transactions with financial instruments, from creditors for financial services, the fair value of which corresponds to the carrying amount.

23. Fair value of financial instruments (continued)

The table below analyses the fair values of financial instruments not measured at fair value of the Bank, by the level in the fair value hierarchy into which each fair value measurement is categorised:

30 June 2025, '000 EUR	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Financial assets					
Cash and due from Bank of Latvia[1]	-	-	-	39 867	39 867
Balances due from financial institutions[2]	-	-	-	12 522	12 522
Financial assets measured at amortized cost	114 478	-	217 660	332 138	334 886
Other financial assets[3]	-	-	-	596	596
Financial liabilities					
Liabilities to financial institutions	-	-	-	35	35
Deposits	-	-	372 558	372 558	372 615
Subordinated liabilities	-	-	10 666	10 666	10 570
Debt securities issued	-	-	7 000	7 000	7 000
Term liabilities to credit institutions	-	-	1 754	1 754	1 754
Other financial liabilities [4]	-	-	-	3 049	3 049

31 December 2024, '000 EUR	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Financial assets					
Cash and due from Bank of Latvia[1]	-	-	-	76 784	76 784
Balances due from financial institutions[2]	-	-	-	15 022	15 022
Financial assets measured at amortized cost	161 922	-	169 775	331 697	331 102
Other financial assets[3]	-	-	-	433	433
Financial liabilities					
Liabilities to central bank	-	-	-	172	172
Deposits	-	-	427 901	427 901	428 482
Subordinated liabilities	-	-	10 612	10 612	10 530
Debt securities issued	-	-	5 942	5 942	5 942
Other financial liabilities [4]	-	-	-	8 861	8 861

1. Cash and due from central banks are various currency cash and deposits with the Bank of Latvia whose carrying amount represents the fair value.
2. Most of the balances due from financial institutions are either deposits on demand or short term deposits; therefore, their carrying amount approximates the fair value.
3. Other financial assets consist of receivables from settlement of securities ans of payment card; thus the carrying amount is equal to their fair value
4. Other financial liabilities consist of receivables from settlement of securities and the lease liabilities; thus the carrying amount is equal to their fair value.

24. Events subsequent to the reporting date

At the shareholders' meeting of the Bank held on 6 June 2025, the shareholders decided to increase the share capital of the Bank, after the increase the paid-up share capital of the Bank is EUR 13 977 997.20. Taking into account Article 26 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, on 27 June 2025 the Bank requested the Bank of Latvia to grant permission to include in the Common Equity Tier 1 capital at the Bank's individual level and at the Group's consolidated level, new shares issued by the Bank with a total nominal value of EUR 537 597.80 and a share premium of EUR 2 462 349.36. On 15 July 2025, the Supervisory Committee of the Bank of Latvia granted permission to the Bank to include in the calculation of Common Equity Tier 1 capital, at the Bank's individual and consolidated Group levels, the newly registered shares issued by the Bank in full, i.e. EUR 2 999 947.16.

On 29 August 2025, Signet Bank AS carried out an additional issue of LV0000802668 bonds in the amount of EUR 2 million, as a result of which the total issue amount of LV0000802668 reached EUR 9 million.

On September 9, 2025, the Bank's subsidiaries Signet Asset Management Latvia IPS and Signet Pensiju Pārvalde IPAS entered into a reorganization agreement, which will result in a merger of the companies by acquisition, while maintaining the type of operations of both companies. The reorganization is planned to be completed in early 2026.

Apart from the above, during the period from the last day of the reporting year to the date of signing of these consolidated and separate financial statements, there have been no events that would require adjustments to these consolidated financial statements or that would require disclosure in these consolidated financial statements.

Tel: +371 25780900
www.bdo.lv

Mihaila Tala street 1
Riga, LV-1045
Latvia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the shareholders of Signet Bank AS

Review Report on the Interim Condensed Separate and Consolidated Financial Statements

Introduction

We have reviewed the attached interim condensed separate and consolidated financial statements included in the interim condensed financial statement of Signet Bank AS ("the Bank") and its subsidiaries ("the Group") on pages 11 to 46. The attached interim condensed separate and consolidated financial statements include:

- Consolidated and Separate Statement of Income and Statement of Comprehensive Income for the six-month period ended 30 June 2025
- Consolidated and Separate Statement of Financial Position as at 30 June 2025
- Consolidated and Separate Statement of Cash Flows for the six-month period ended 30 June 2025
- Consolidated and Separate Statement of Changes in Shareholder's equity for the six-month period ended 30 June 2025
- Consolidated and Separate Notes to the Financial Statements

Management's Responsibility for the Interim condensed Financial Statements

Management is responsible for the preparation and fair presentation of these interim condensed separate and consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying interim condensed financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Tel: +371 25780900
www.bdo.lv

Mihaila Tala street 1
Riga, LV-1045
Latvia

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim condensed financial statements do not give a true and fair view of the separate and consolidated financial position of Signet Bank AS at June 30, 2025 and of its separate and consolidated financial performance and separate and consolidated cash flows for the six-month period then ended, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

Report on Other Legal and Regulatory Requirements

In addition, our responsibility is to assess whether the accounting information included in the Management Report, as set out on pages 3 to 8, the preparation of which is the responsibility of management, is consistent with the interim condensed financial statements. Our work with respect to the Management Report was limited to the aforementioned scope and did not include a review of any information other than drawn from the interim condensed financial statements. Nothing has come to our attention that causes us to believe that there are material inconsistencies between the Management Report and the interim condensed financial statements.

SIA BDO ASSURANCE
Licence Nr. 182

Irita Cimdare
Board Member
Sworn auditor
Certificate Nr. 103

Riga, Latvia
September 12, 2025

Signet Bank AS
Antonijas street 3
Riga, LV 1010, Latvija
Unified reg. No:
40003043232

+371 670 80000
info@signetbank.com

signetbank.com