

# Signet Bank AS

## Public Financial Report

1st quarter 2019



**SIGNET**

PRIVATE  
BANK



## Table of contents

<b>I General Information</b> .....	3
1. Shareholders of the Bank.....	3
2. Supervisory Council of the Bank.....	3
3. Management Board of the Bank.....	3
4. Strategy and Vision of the Bank.....	4
5. Consolidation Group .....	4
6. The Organization Structure of the Group .....	5
<b>II Financial position and performance</b> .....	6
1. Balance sheet Statement of Financial Position as at 31 March 2019 and 31 December 2018 .....	6
2. Statement of profit or loss and other comprehensive income for the 3 Month Period, ended March 31, 2019 and 2018.....	7
3. Performance Indicators .....	7
4. Analysis of Concentration of the Group's Securities Portfolio .....	8
5. Analysis of the Group's expected credit losses.....	8
<b>III Risk and Capital Management</b> .....	8
1. Risk Management .....	8
2. Capital Adequacy.....	9



## I General Information

### 1. Shareholders of the Bank

31.03.2019.

Name, surname/ Company	Total EUR	% of total share capital
Signet Global Investors Limited	8 042 720	25,00 %
SIA "Hansalink"	7 174 090	22,30 %
Arkadiy Perelshtein	3 184 300	9,90 %
SIA "Fin.lv" *	2 825 200	8,79 %
Leonid Kaplan	2 184 000	6,79 %
SIA "DMD Holding"	1 895 600	5,89 %
Robert Idelson	1 579 970	4,91 %
Igor Rapoport *	1 516 480	4,71 %
Tatjana Rapoport *	1 516 480	4,71 %
Natalija Petkevicha	1 125 950	3,50 %
Soloman Rutenberg	1 125 950	3,50 %
<b>Total</b>	<b>32 170 740</b>	<b>100,00 %</b>

\* Joint control with a shareholding of 18.21%

The paid-up share capital of the Bank was EUR 32 170 740 as of 31 March 2019 and it consisted of 459 582 registered shares with voting rights. The nominal value of each share is EUR 70. All shares of the Bank are dematerialized registered shares.

### 2. Supervisory Council of the Bank

Position	Name, surname
Chairman of the Supervisory Council	Serge Umansky
Deputy Chairman of the Supervisory Council	Irīna Piļozne
Member of the Supervisory Council	Thomas Roland Evert Neckmar
Member of the Supervisory Council	Sergejs Medvedevs
Member of the Supervisory Council	Pavel Kurosh

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

### 3. Management Board of the Bank

Position	Name, surname
Chairman of the Management Board	Roberts Idelsons
Member of the Management Board	Tatjana Drobina
Member of the Management Board	Sergejs Zaicevs
Member of the Management Board	Jānis Solovjakovs

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



#### 4. Strategy and Vision of the Bank

In accordance with the strategy approved by the Bank's Council, Signet Bank main segments of business are private banking and business banking.

The Bank's mission is to render a full range of wealth management services to high net worth clients, as well as to service their private and business daily banking operations.

The goals of the Bank are:

- to become one of the leading banks in the private banking segment in the Baltics;
- to develop and expand the range of top quality products and services for high net worth clients from Latvia, EEA and OECD countries;
- to develop the loyal client base and grow business volumes, in order to achieve the goals and results, defined in the Bank's strategy.

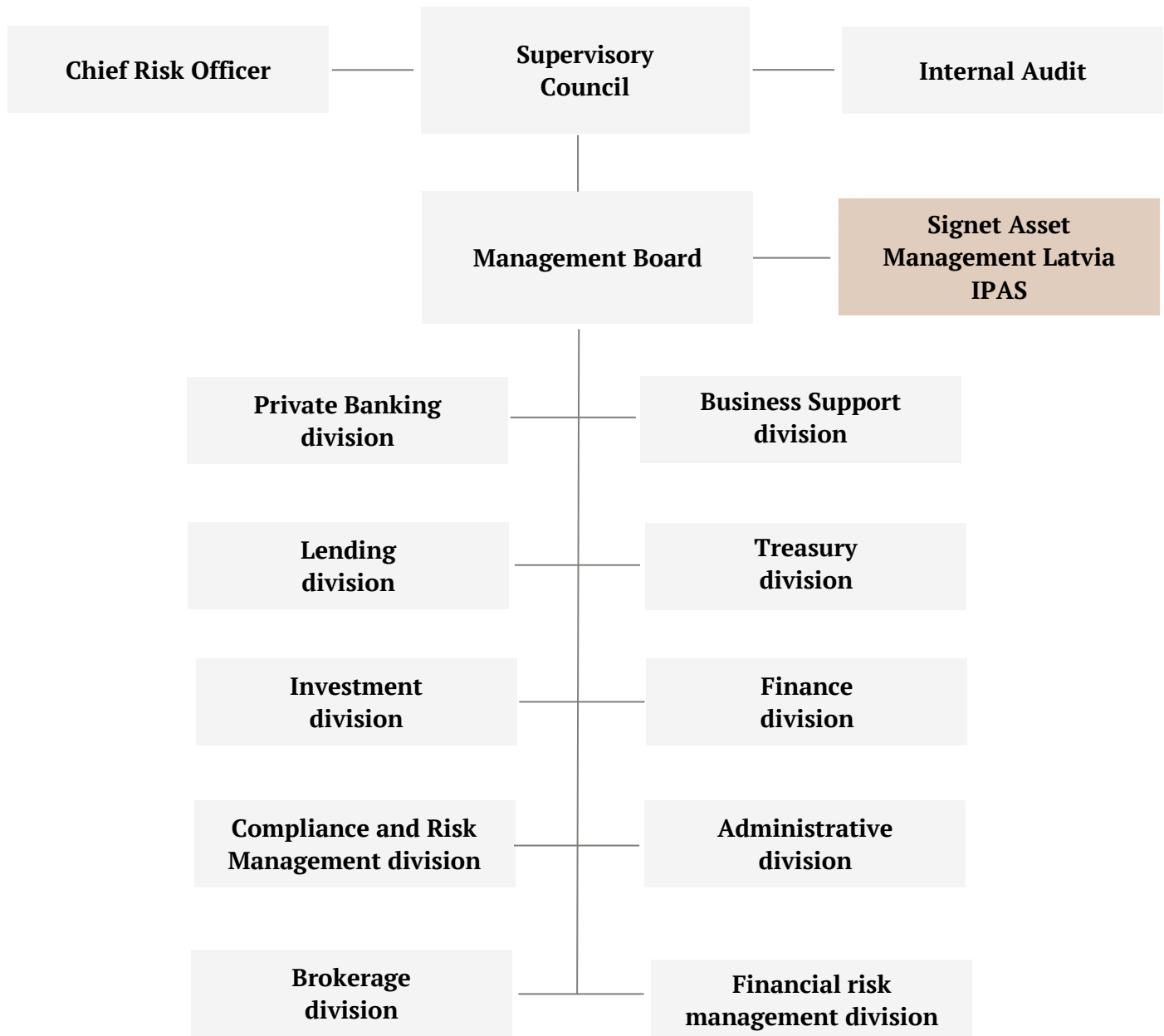
#### 5. Consolidation Group

The Consolidation Group of Signet Bank includes its subsidiary:

Name of company, Registration number	Registration location code and address	Type of activities	% of total paid in share capital	% of total voting rights
„Signet Asset Management Latvia” IPAS 40103362872	LV, Antonijas Str. 3-1, Riga, LV 1010, Latvia	Asset management company	100 %	100 %



## 6. The Organization Structure of the Group



 - Subsidiary of the Bank



## II Financial position and performance

### 1. Balance sheet Statement of Financial Position as at 31 March 2019 and 31 December 2018

EUR '000

Title of entry	31.03.2019. Bank (Unaudited)	31.03.2019. Group (Unaudited)	31.12.2018. Bank (Audited)*	31.12.2018. Group (Audited)*
<b>Assets</b>				
Cash and demand deposits with central banks	27,380	27,380	25,658	25,658
Demand deposits with credit institutions	9,374	9,624	18,032	18,282
Financial assets designated at fair value through profit or loss	833	833	1,030	1,030
Financial assets measured at fair value with other comprehensive income	34,006	34,006	33,711	33,711
Financial assets measured at amortized cost	63,171	63,171	54,080	54,080
<i>Debt securities</i>	13,160	13,160	5,551	5,551
<i>Short term deposits with credit institutions</i>	11,681	11,681	10,826	10,826
<i>Other deposits with financial institutions</i>	1,762	1,762	770	770
<i>Loans to companies and private individuals</i>	36,568	36,568	36,933	36,933
Derivative financial instruments - hedge accounting	-	-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	-
Investments in subsidiaries, joint ventures and associates	3,105	1,719	1,813	1,718
Tangible assets	2,860	2,862	1,753	1,755
Intangible assets	209	209	181	181
Tax assets	8	8	19	19
Other assets	2,265	2,292	1,081	1,107
Non-current assets and disposal groups classified as held for sale	-	-	-	-
<b>Total assets</b>	<b>143,211</b>	<b>142,104</b>	<b>138,650</b>	<b>137,541</b>
<b>Liabilities and shareholders' equity</b>				
Liabilities due to central banks	-	-	-	-
Demand liabilities from credit institutions	-	-	-	-
Financial liabilities designated at fair value through profit or loss	506	506	258	258
Financial liabilities measured at the amortized cost	122,941	121,748	121,292	120,130
Derivative financial instruments - hedge accounting	-	-	-	-
Change in the fair value of the portfolio hedged against interest rate risk	-	-	-	-
Provisions	-	-	-	-
Tax liabilities	5	5	9	10
Other liabilities	3,980	3,996	1,405	1,421
Liabilities included in disposals groups classified as held for sale	-	-	-	-
<b>Total liabilities</b>	<b>127,432</b>	<b>126,255</b>	<b>122,964</b>	<b>121,819</b>
Total shareholders' equity	15,779	15,849	15,686	15,722
<b>Total liabilities and shareholders' equity</b>	<b>143,211</b>	<b>142,104</b>	<b>138,650</b>	<b>137,541</b>
<b>Assets under management</b>	<b>351,344</b>	<b>407,020</b>	<b>290,113</b>	<b>344,985</b>
<b>Memorandum items</b>				
Contingent liabilities	-	-	-	-
Financial commitments	1,726	1,726	836	836
<b>Custody assets</b>	<b>200,961</b>	<b>200,961</b>	<b>159,072</b>	<b>159,072</b>

\* Auditor: SIA "BDO Assurance"



## 2. Statement of profit or loss and other comprehensive income for the 3 Month Period, ended March 31, 2019 and 2018

EUR '000

Title of entry	31.03.2019. Bank (Unaudited)	31.03.2019. Group (Unaudited)	31.03.2018. Bank (Unaudited)	31.03.2018. Group (Unaudited)
Interest income	1,276	1,276	1,202	1,202
Interest expense (-)	(397)	(394)	(376)	(375)
Dividends received	162	162	6	6
Commission and fee income	974	1,030	837	897
Commission and fee expense (-)	(125)	(125)	(160)	(161)
Gains/ losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net (+/-)	1	1	(57)	(57)
Gains / losses on financial assets and liabilities designated at fair value through profit or loss, net (+/-)	(157)	(157)	(20)	(20)
Gains/ losses from hedge accounting, net (+/-)	-	-	-	-
Result from foreign exchange trading and revaluation, net (+/-)	(52)	(46)	213	208
Gains/ losses on derecognition of non-financial assets, net	-	-	-	-
Other operating income	15	15	40	40
Other operating expense (-)	(106)	(108)	(99)	(101)
Administrative expense (-)	(1,393)	(1,422)	(1,423)	(1,481)
Depreciation (-)	(131)	(132)	(121)	(122)
Gains / losses recognized in the contractual cash flows of a financial asset (+/-)	-	-	-	-
Provisions or reversal of provisions (+/-)	-	-	-	-
Impairment or reversal of impairment (+/-)	(17)	(17)	9	9
Negative goodwill recognised in profit or loss	-	-	-	-
Share of the profit/ loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method (+/-)	-	-	-	-
Gains/ loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (+/-)	-	-	-	-
<b>Profit/(loss) before corporate income tax (+/-)</b>	<b>50</b>	<b>83</b>	<b>51</b>	<b>45</b>
Corporate income tax	(11)	(11)	(18)	(18)
<b>Net profit/(loss) for the period (+/-)</b>	<b>39</b>	<b>72</b>	<b>33</b>	<b>27</b>
Other comprehensive income for the period (+/-)	54	54	(43)	(43)

## 3. Performance Indicators

Title of entry	31.03.2019. Bank (Unaudited)	31.03.2019. Group (Unaudited)	31.12.2018. Bank (Audited)	31.12.2018. Group (Audited)
Return on equity (ROE) (%)	0.97%	1.85%	3.82%	0.47%
Return on assets (ROA) (%)	0.11%	0.21%	0.38%	0.05%



#### 4. Analysis of Concentration of the Group's Securities Portfolio

The Group's securities portfolio representation broken down by countries in which the total value of the securities exceeds 10% of the Group's own funds as at March 31, 2019. The geographical allocation is based on the credit risk of the registration countries of issuers.

EUR '000

Issuer's country	Securities of central Governments	Securities of other issuers	Total	% to the Group's shareholders' equity
USA	11,793	55	11,848	55%
Belgium	9,136	-	9,136	42%
Sweden	7,085	671	7,756	36%
Finland	5,294	-	5,294	24%
Netherlands	-	4,887	4,887	23%
Latvia	876	1,675	2,551	12%
Italy	2,057	-	2,057	10%
Other countries	1,863	2,121	3,984	x
<b>Total securities portfolio</b>	<b>38,104</b>	<b>9,409</b>	<b>47,513</b>	<b>x</b>

#### 5. Analysis of the Group's expected credit losses

The Group's projections of the amount of credit losses as at 31 March 2019 by stages in accordance with International Financial Reporting Standard 9 "Financial Instruments".

EUR '000

Financial assets	Accumulated impairment			Total
	Assets without significant increase in credit risk since initial recognition (Stage 1)	Assets with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Credit-impaired assets (Stage 3)	
Due from credit institutions	-	-	-	-
Financial assets at amortised cost:	(65)	(4)	(291)	(360)
Loans and advances	(50)	(4)	(291)	(345)
Debt securities	(15)	-	-	(15)
<b>Accumulated impairment, total</b>	<b>(65)</b>	<b>(4)</b>	<b>(291)</b>	<b>(360)</b>

### III Risk and Capital Management

#### 1. Risk Management

Information about Risk Management is available at Signet Bank AS corporate website links <https://www.signetbank.com/lv/2017/>.

#### Liquidity Ratio Calculation

EUR '000

Title of entry	31.03.2019. Bank (Unaudited)	31.03.2019. Group (Unaudited)
Liquidity buffer	63,665	63,665
Net liquidity outflow	9,696	7,688
<b>Liquidity coverage ratio (%)</b>	<b>656.58%</b>	<b>828.16%</b>





## 2. Capital Adequacy

Information about Capital Management is available at Signet Bank AS corporate website <https://www.signetbank.com/lv/2017/>.

The Bank's equity is higher than the total amount of capital, required for covering all the significant risks, inherent to the Bank's activity.

### Own funds and capital adequacy ratios summary

EUR '000

Nº	Title of entry	31.03.2019. Bank (Unaudited)	31.03.2019. Group (Unaudited)
<b>1.</b>	<b>Own funds (1.1.+1.2.)*</b>	<b>21,584</b>	<b>21,621</b>
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	14,111	14,148
1.1.1.	Common Equity Tier (CET) 1 capital	14,111	14,148
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	7,473	7,473
<b>2.</b>	<b>Total Risk exposure value</b>	<b>75,056</b>	<b>74,557</b>
2.1.	Risk weighted exposure value for credit, counterparty credit and dilution risk and free deliveries	60,293	58,985
2.2.	Total risk exposure value for settlements/delivery	-	-
2.3.	Total risk exposure value for position risk, foreign exchange and commodity risks	365	701
2.4.	Total risk exposure value for operational risk	14,350	14,823
2.5.	Total risk exposure value for credit valuation adjustment	48	48
2.6.	Total risk exposure risk value related to large exposures in trading book	-	-
2.7.	Other risk exposure values	-	-
<b>3.</b>	<b>Capital ratios and capital levels</b>		
3.1.	CET 1 capital ratio (1.1.1./2.*100)	18.80%	18,98%
3.2.	Surplus (+) / deficit (-) of CET 1 capital (1.1.1.-2.*4.5%)	10,733	10,793
3.3.	Tier 1 capital ratio (1.1./2.*100)	18.80%	18.98%
3.4.	Surplus (+) / deficit (-) of Tier 1 capital (1.1.-2.*6%)	9,608	9,675
3.5.	Total capital ratio (1./2.*100)	28.76%	29.00%
3.6.	Surplus (+) / deficit (-) of total capital (1.-2.*8%)	15,580	15,656
<b>4.</b>	<b>Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)</b>	<b>1,898</b>	<b>1,885</b>
4.1.	Capital conservation buffer	1,876	1,864
4.2.	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State	-	-
4.3.	Institution specific countercyclical capital buffer	22	21
4.4.	Systemic risk buffer	-	-
4.5.	Other Systemically Important Institution buffer	-	-
<b>5.</b>	<b>Capital adequacy ratios including adjustments</b>		
5.1.	Adjustment for provisions or assets, applying special policy for the purpose of the own funds calculation	-	-
5.2.	Common equity tier 1 capital ratio, including adjustments in row 5.1.	18.80%	18.98%
5.3.	Tier 1 capital ratio, including adjustments in row 5.1.	18.80%	18.98%
5.4.	Total capital ratio, including adjustments in row 5.1.	28.76%	29.00%

\* Equity includes a correction in the amount of excess of the estimated expected losses over the provisions calculated and made according to the accounting standards.

The Bank does not apply the transitional period for the implementation of the IFRS 9 set out in Article 473a of EU Regulation 575/2013.



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