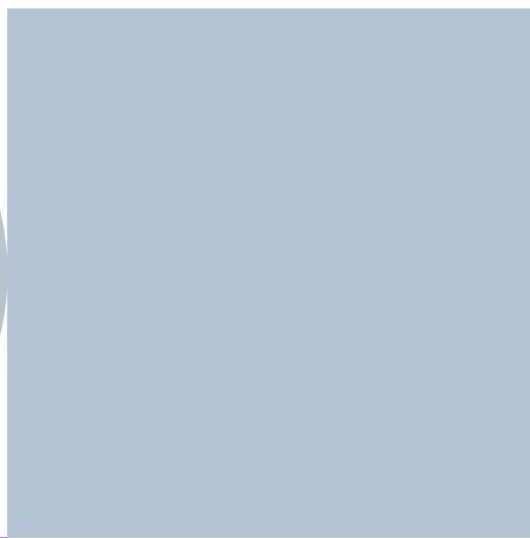


# Magnetiq Bank public financial statements



**Q3 2024**

## OVERALL INFORMATION

**Joint Stock Company AS Magnetiq Bank** (until April 18, 2024 – JSC “LPB Bank”) (hereafter – the Bank) Reg. Nr.50103189561 was registered on 5 September, 2008 in Republic of Latvia. The legal address of the Bank is Brivibas street 54, Riga, LV-1011.

AS Magnetiq Bank, a Latvian bank, is dedicated to meeting the unique needs of FinTech companies, startups and e-commerce service providers. We offer banking infrastructure, segregated accounts and payment solutions to support our clients' business growth. Our goal is to foster the development of the startup and e-commerce sector by leveraging innovative technologies and providing exceptional customer service. We are part of the Signet Bank group and our sole shareholder is Signet Bank AS, which is committed to financing local entrepreneurs and investment products.

These public quarterly financial statements are prepared in accordance with the Financial and Capital Market Commissions guidelines with the purpose to inform the public about financial condition of the Bank.

## BANK'S STRATEGY AND GOALS

**Bank's strategy is based** on an idea of developing the bank specializing in the provision of individual financial solutions and developing relevant and interesting products and related services' technologies for clients.

**Bank's vision** – become a convenient and reliable bank, which is able to adapt quickly to customer's needs, while developing and improving the Bank's risk management system. To become a Bank that supports Latvian FinTech companies and at the same time creates and maintains a product ecosystem for European FinTech companies.

**Bank's mission** – provide a range of high-quality services based on the Bank's IT technologies that meet customer needs, focusing on accepting payment cards on the Internet and FinTech companies.

### Values of the Bank:

- An internal culture that includes setting the tone from the top and promotes mutually respectful and supportive relationships, open communication between all organizational units.
- Investments in employee education and development. Sharing knowledge with other market participants both in Latvia and outside.

**BANK'S SHAREHOLDERS**

	Voting shares	Authorized and paid-in share capital (%)	Authorized and paid-in share capital EUR`000
Signet Bank JSC (Latvia)	13 000 000	100%	13 000

**INFORMATION ON THE BANK'S MANAGEMENT****SUPERVISORY COUNCIL**

AS OF 30 SEPTEMBER, 2024

Name, Last name	Position	Date of appointment	Release date
Roberts Idelsons	Chairman of the Council	15.12.2023.	
Tatjana Drobina	Deputy Chairman of the Council	15.12.2023.	
Jūlija Kozlova	Council Member	14.06.2021.	
Nora Pastore	Council Member	15.12.2023.	

**MANAGEMENT BOARD**

AS OF 30 SEPTEMBER, 2024

Name, Last name	Position	Date of appointment	Release date
Antons Kononovs	Board Member, Deputy Chairman of the Board	03.10.2018.	
Jefims Gasels	Board Member	27.09.2023.	
Sandra Rituma	Board Member	02.05.2024.	
Edgars Valmers	Board Member	20.05.2024.	
Maksims Leščinskis	Board Member	31.05.2024.	
Baiba Preise	Board Member	29.04.2019.	28.04.2024.
Alda Odiņa	Board Member	12.07.2022.	26.04.2024.

**BANK'S FINANCIAL STATEMENTS****BALANCE SHEET AND OFF-BALANCE SHEET ITEMS**

Balance sheet items	30.09.2024 (unaudited)	31.12.2023 (audited)*
Cash and balances with the Bank of Latvia	64 210	64 576
Due from credit institutions	4 239	183
Financial assets at fair value through profit or loss	830	803
- <i>derivatives</i>	-	-
- <i>shares</i>	830	803
Financial assets at fair value through other comprehensive income	12 429	17 005
Financial assets at amortized cost	62 439	73 058
- <i>loans and receivables due from customers</i>	32 171	36 730
- <i>debt securities</i>	29 196	35 242
- <i>Term deposits with credit institutions</i>	1 072	1 086
Property, plant and equipment	6 348	6 216
Intangible assets	594	663
Tax assets	-	-
Other assets	1 276	1 591
Non-current assets and disposal groups classified as held for sale	-	-
<b>Total assets</b>	<b>152 365</b>	<b>164 095</b>
Liabilities to central banks	-	-
Liabilities to credit institutions	-	-
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities at amortized cost	116 085	127 471
- <i>deposits from customers</i>	116 085	127 471
Impairment	6	5
Tax liabilities	-	106
Other liabilities	1 667	2 230
<b>Total liabilities</b>	<b>117 758</b>	<b>129 812</b>
Equity and reserves	34 607	34 283
<b>Total liabilities, equity and reserves</b>	<b>152 365</b>	<b>164 095</b>
Off-Balance Sheet items	589	812
Contingent liabilities	24	304
Due to customers	565	508

\*Auditor: SIA "BDO Assurance"

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Items	Nine-month period ended 30.09.2024 (unaudited)	Nine-month period ended 30.09.2023 (unaudited)
Interest income	4 434	3 997
Interest expense	(1 295)	(622)
Dividend income	8	9
Commissions and fee income	9 910	11 184
Commissions and fee expense	(6 637)	(6 441)
Net gain/(loss) on financial assets not at fair value through profit or loss	(58)	(75)
Net gain/(loss) on financial assets at fair value through profit or loss	153	132
Net gain on foreign exchange	1 947	1 352
Other operating income	431	209
Other operating expenses	(936)	(742)
Administrative expenses	(7 740)	(8 079)
Amortization/ depreciation	(399)	(329)
Result of making provisions for doubtful debts	66	199
Profit/(loss) from non-current assets and disposal groups classified as held for sale	-	-
<b>Profit before tax</b>	<b>(116)</b>	<b>794</b>
Corporate income tax	(7)	(5)
<b>Profit for the period</b>	<b>(123)</b>	<b>789</b>
Other comprehensive income / (expense)	448	999

**INVESTMENTS IN FINANCIAL ASSETS**

	30.09.2024 (unaudited)		31.12.2023 (audited)	
	Carrying amount	% of the Bank's own funds	Carrying amount	% of the Bank's own funds
<b>Central government's debt securities</b>	<b>18 152</b>	<b>x</b>	<b>24 863</b>	<b>x</b>
Latvia	7 895	23.23	9 899	29.85
Lithuania	4 079	12.00	4 039	12.18
Other countries	6 178	18.18	10 925	32.94
<b>Credit institutions debt securities</b>	<b>9 628</b>	<b>x</b>	<b>13 640</b>	<b>x</b>
USA	4 099	12.06	8 121	24.49
Other countries	5 529	16.27	5 519	16.64
<b>Other financial institution debt securities</b>	<b>9 903</b>	<b>x</b>	<b>4 844</b>	<b>x</b>
Luxembourg	4 838	14.24	4 746	14.31
Other countries	5 065	14.91	98	0.30
<b>Non-financial institutions debt securities</b>	<b>4 056</b>	<b>x</b>	<b>8 987</b>	<b>x</b>
Other countries	4 055	11.93	8 987	27.10
<b>Financial investments, total</b>	<b>41 739</b>	<b>x</b>	<b>52 334</b>	<b>x</b>
Impairment	(114)	x	(87)	x
<b>Financial investments, net</b>	<b>41 625</b>	<b>x</b>	<b>52 247</b>	<b>x</b>

**KEY RATIOS OF THE BANK**

Item	Reporting period (unaudited)	Preceding reporting year the same period (unaudited)
Return on Equity (ROE) (%)	(0.48)	3.22
Return on Assets (ROA) (%)	(0.11)	0.65

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## EXPECTED CREDIT LOSS PROVISIONS DIVIDED BY STAGES

Financial assets	Stage 1		Stage 2		Stage 3	
	30.09.2024 (unaudited)	31.12.2023 (audited)	30.09.2024 (unaudited)	31.12.2023 (audited)	30.09.2024 (unaudited)	31.12.2023 (audited)
Due from central bank and credit institutions	68 450	64 759	-	-	-	-
<i>Impairment</i>	(1)	-	-	-	-	-
Financial assets at fair value through other comprehensive income, gross	11 484	17 056	1 015	-	-	-
<i>Impairment</i>	(69)	(51)	(1)	-	-	-
Financial assets at amortized cost, gross:	42 727	49 362	16 272	18 592	3 610	5 350
<i>Impairment</i>	(79)	(81)	(3)	(3)	(88)	(162)
- loans and receivables due from customers, gross	12 416	14 035	16 272	17 555	3 610	5 350
<i>Impairment</i>	(36)	(45)	(3)	(3)	(88)	(162)
- debt securities, gross	29 239	34 241	-	1 037	-	-
<i>Impairment</i>	(43)	(36)	-	-	-	-
- Term deposits with credit institutions	1 072	1 086	-	-	-	-
<i>Impairment</i>	-	-	-	-	-	-

## RISK MANAGEMENT STRATEGY

Information about risk management is available at the Bank's website:

<https://old.magnetiqbank.com/wp-content/uploads/2024/05/informacijas-atklasana-2023-en-final.pdf>

The Bank's liquidity coverage ratios as of 30.09.2024 and 31.12.2023 were:

No.	Item	30.09.2024 (unaudited)	31.12.2023 (audited)
1.	Liquidity reserves	90 264	95 121
2.	Total net cash outflows	52 252	53 069
3.	<b>Liquidity coverage ratio (%)</b>	<b>173%</b>	<b>179%</b>



## CAPITAL MANAGEMENT

Information about capital management is available at the Bank's website:

<https://old.magnetiqbank.com/wp-content/uploads/2024/05/informacijas-atklasana-2023-en-final.pdf>

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.

### SUMMARY REPORT OF CALCULATION OF OWN FUNDS AND CAPITAL ADEQUACY RATIOS

	Items	30.09.2024 (unaudited)	31.12.2023 (audited)
<b>1.</b>	<b>Own funds (1.1. +1.2.)</b>	<b>33 985</b>	<b>33 585</b>
1.1.	TIER 1 capital (1.1.1. +1.1.2.)	33 985	33 585
1.1.1.	Common equity TIER 1 capital	33 985	33 585
1.1.2.	Additional TIER 1 capital	-	-
1.2.	TIER 2 capital	-	-
<b>2.</b>	<b>Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>	<b>78 135</b>	<b>87 531</b>
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	50 538	59 907
2.2.	Total risk exposure amount for settlement/delivery risk	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	414	442
2.4.	Total risk exposure amount for operational risk	27 182	27 182
2.5.	Total risk exposure amount for credit valuation adjustment	1	-
2.6.	Total risk exposure amount related to large exposures in the trading book	-	-
2.7.	Other risk exposure amounts	-	-
<b>3.</b>	<b>Capital ratios and capital levels</b>		
3.1.	CET 1 capital ratio (1.1.1./2.*100)	43.50%	38.37%
3.2.	Surplus (+)/deficit (-) of CET 1 capital (1.1.1.-2.*4.5%)	30 469	29 646
3.3.	TIER 1 capital ratio (1.1./2.*100)	43.50%	38.37%
3.4.	Surplus (+)/deficit (-) of TIER 1 capital (1.1.-2.*6%)	29 297	28 333
3.5.	<b>Total capital ratio (1./2.*100)</b>	<b>43.50%</b>	<b>38.37%</b>
3.6.	Surplus (+)/deficit (-) of total capital (1.-2.*8%)	27 734	26 583
<b>4.</b>	<b>The total capital reserve requirement (4.1.+4.2.+4.3.+4.4.+4.5.)</b>	<b>2 290</b>	<b>2 402</b>
4.1.	Capital conservation buffer	1 953	2 188
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	337	214
4.4.	Systemic risk buffer	-	-
4.5.	Other Systemically Important Institution buffer	-	-
<b>5.</b>	<b>Capital indicators, taking into account adjustments</b>		

5.1.	Asset value adjustment amount due to the prudential purposes	-	-
5.2.	Common equity TIER 1 capital ratio, taking into account 5.1. row of the correction amount	43.50%	38.37%
5.3.	TIER 1 capital ratio, taking into account 5.1. row of the correction amount	43.50%	38.37%
5.4.	<b>The total capital ratio, taking into account 5.1. row of the adjustment amount</b>	<b>43.50%</b>	<b>38.37%</b>

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.



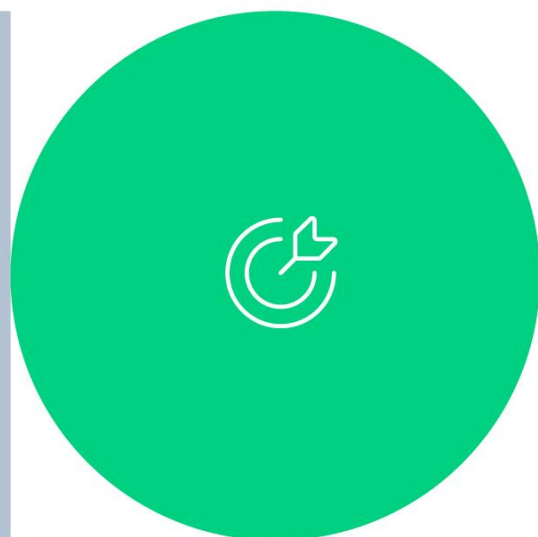
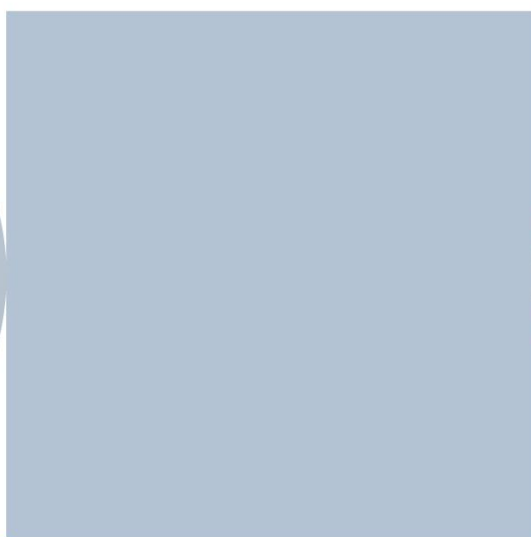
**AS Magnetiq Bank**

**Brivibas street 54**

**Riga**

**Latvia**

**LV-1011**



[www.magnetiqbank.com](http://www.magnetiqbank.com)  
[info@magnetiqbank.com](mailto:info@magnetiqbank.com)  
+371 67772999