



Interim Report
12 months 2023

Table of Contents

Management Director´s Statement.....	3
Overview of financial results	5
Capitalisation.....	7
Consolidated financial statements.....	8
Consolidated statement of comprehensive income	8
Consolidated statement of financial position	9
Consolidated statement of cash flows	10
Consolidated statement of changes in equity.....	11
Notes to consolidated financial statements	12
Note 1 Accounting principles.....	12
Note 2 Operating segments.....	13
Note 3 Net interest income.....	15
Note 4 Net fee and commission income.....	16
Note 5 Cash, balances with central banks and other deposits	16
Note 6 Financial investments	16
Note 7 Loans and advances to customers.....	17
Note 8 Loss allowances of loans and advances	17
Note 9 Allocation of past due loans.....	17
Note 10 Loans and advances to customers by economic sector	17
Note 11 Financial assets and liabilities by residual maturity.....	18
Note 12 Customer deposits and loans received	19
Note 13 Contingent liabilities	19
Note 14 Related parties.....	19
Note 15 Basic earnings and diluted earnings per share	20
Shareholders, Supervisory Board and Management Board of Coop Pank AS	21
Statement of the Management Board of Coop Pank AS	21

Management Director's Statement

Business volumes and financial results

By the end of the 2023, Coop Pank had 182,000 customers, during the quarter the number of customers increased by 7,300 (+4%). The bank had 82,000 active customers, during the quarter the number of active customers increased by 4,600 (+6%).

In Q4 2023, volume of deposits in Coop Pank increased by 15 million euros (+1%), reaching total of 1.7 billion euros. Deposits from private clients increased by 11 million euros: demand deposits decreased by 13 million euros and term deposits increased by 24 million euros. Deposits from domestic business customers decreased by 3 million euros: demand deposits decreased by 24 million euro and term deposits increased by 21 million euros. Deposits from international deposit platform Raisin and other financing increased by 7 million euros. Compared to Q4 2022, volume of Coop Pank's deposits has increased by 214 million euros (+14%). In an annual comparison, share of term deposits of total deposits has increased from 52% to 71%. In Q4 2023, the bank's financing cost was 3.3%, at the same time last year the financing cost was 1.1%.

In Q4 2023, net loan portfolio of Coop Pank decreased by 3 million euros (+0.2%), remaining at level 1.5 billion euros. Business loans portfolio decreased by 21 million euros (-3%) and consumer finance portfolio decreased by 1 million euros (-1%). Home loans portfolio increased by 15 million euros (+3%) and leasing portfolio by 4 million euros (+3%). Compared to Q4 2022, total loan portfolio of Coop Pank has grown by 190 million euros (+15%).

In Q4 2023, overdue loan portfolio of Coop Pank decreased from the level of 2.1% to the level of 2.0%. A year ago, overdue loan portfolio was at the level of 1.5%.

Impairment costs of financial assets in Q4 2023 were 1.1 million euros, which is 0.8 million euros (-40%) less than in Q4 2022.

Net income of Coop Pank in Q4 2023 was 20.4 million euros, having decreased by 10% over the quarter and increased by 23% over the year. Operating expenses reached 9.9 million euros in Q4 – operating expenses increased 10% in the quarterly comparison and 34% in the annual comparison.

In Q4 2023, net profit of Coop Pank was 8.4 million euros, which is 24% less than in the previous quarter and 29% more than a year ago. The profitability of the fourth quarter was affected by an extraordinary write-down related to the property in Latvia in the amount of 1.8 million euros. In Q4 2023, cost to income ratio of the bank was 49% and return on equity was 18.5%.

As of 31 December 2023, Coop Pank has 37,200 shareholders.

Key events and product developments

In the fourth quarter, Karel Parve started working as a Member of The Board of Coop Pank and Head of Private Customer Banking. One of his main objectives is to increase the number of private clients who use Coop Pank as their home bank. In order to achieve this, a new unit of private customer banking was launched, the purpose of which is to offer customers personal solutions according to their needs. The unit is managed by Agnes Oidsalu, who has a long banking experience and is part of the Management of Coop Pank since the fourth quarter.

In the fourth quarter we significantly expanded our range of services for private customers and started offering even more convenient ways of saving money. In addition to term deposits, which are growing again in

popularity, we added a flexible saving service called the Cash Drawer to our mobile app and started giving our customers the option of joining the Tuleva pension fund.

From the fourth quarter, the Põlva office of Coop Pank is located in the Põlva Maksimarket. The Põlva office of Coop Pank, which has moved to a new address, is the only bank office in the city. Although customers increasingly use internet and mobile banking, it must also be possible to ask a customer service representative for everyday financial matters, and as a domestic bank it is important for us to be close to our clients.

In the fourth quarter Coop Pank signed an agreement with the European Energy Efficiency Fund, under which the bank will be borrowing 15 million euros from it as an unsecured subordinated loan to finance energy efficiency and renewable energy projects.

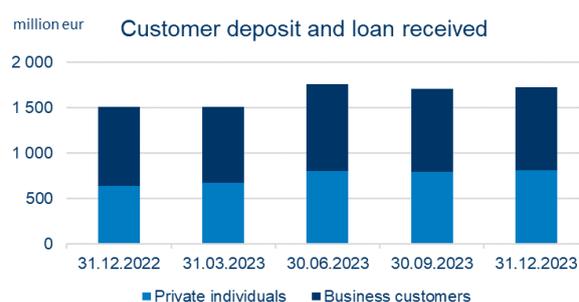
In the fourth quarter, NET Sports Hall, the largest sports center in the Baltic States for beach and racket sports, was opened in Tartu, the construction was financed by Coop Pank.

Margus Rink
Chairman of the Management Board

Overview of financial results

Income statement EUR thousand	Q4 2023	Q3 2023	quarterly change	Q4 2022	annual change
Net interest income	20 594	21 257	-3%	15 765	31%
Net fee and commissions income	1 489	1 147	30%	1 107	35%
Other income	-1 666	334	-599%	-338	393%
Total net operating income	20 417	22 738	-10%	16 534	23%
Operating expenses	-9 948	-9 022	10%	-7 439	34%
Impairment costs on financial assets	-1 148	-1 296	-11%	-1 898	-40%
Income tax	-935	-1 344	-30%	-682	37%
Net profit	8 386	11 076	-24%	6 515	29%

Business volumes, EUR thousand	Q4 2023	Q3 2023	quarterly change	Q4 2022	annual change
Net loan portfolio	1 490 873	1 493 985	0%	1 300 775	15%
Cash and bonds	464 775	436 676	6%	383 625	21%
Customer deposits and loans received	1 721 765	1 707 214	1%	1 508 126	14%
Owner´s equity	185 825	176 375	5%	149 116	25%



Ratios (quarterly ratios, expressed on annualised basis)	Q4 2023	Q3 2023	quarterly change	Q4 2022	annual change
Average equity (attributable to parent company), EUR thousand	181 100	170 866	10 234	136 023	45 077
Return on equity ROE % (<i>net profit / average equity</i>)	18,5	25,9	-7,4	19,2	-0,6
Average total assets, EUR thousand	1 973 700	1 969 699	4 002	1 627 172	346 528
Return on assets ROA % (<i>net profit / average total assets</i>)	1,7	2,2	-0,5	1,6	0,1
Cash and interest-bearing assets, average, EUR thousand	1 958 828	1 953 617	5 211	1 610 477	348 350
Net interest margin NIM % (<i>net interest income / interest-bearing assets, average</i>)	4,2	4,4	-0,1	3,9	0,3
Cost / income ratio % (<i>total operating costs / total net operating income</i>)	48,7	39,7	9,0	45,0	3,7
Liquidity Coverage Ratio LCR %	293	255	38	176	117
Net Stable Funding Ratio NSFR % (<i>as defined by the CRD IV</i>)	134	150	-16	144	-10

Key financial indicators in last three years as of the date of the interim report

EUR thousand	31.12.2023	31.12.2022	31.12.2021
Net loan portfolio	1 490 873	1 300 775	953 396
Customer deposits and loans received	1 721 765	1 508 126	1 098 746
Subordinated loans	50 187	38 139	17 064
Owner´s equity	185 825	149 116	111 743
Net interest income	81 265	50 709	35 538
Net fee and commission income	4 847	3 785	3 085
Other income	-908	137	615
Total net operating income	85 204	54 631	39 238
Operating expenses	-35 128	-27 177	-22 453
Impairment losses on financial assets	-6 302	-5 245	-2 497
Income tax	-4 570	-1 859	-825
Net profit	39 204	20 350	13 463

Capitalisation

Capital base, EUR thousand	31.12.2023	31.12.2022
Tier 1 capital		
Paid-in share capital and share premium	95 452	94 583
Statutory reserve capital	4 855	3 838
Retained earnings	45 280	30 513
Eligible profit of the reporting period	23 757	10 769
Other accumulated comprehensive loss	-459	-883
Goodwill accounted for as intangible asset (-)	-6 757	-6 757
Intangible assets (-)	-10 838	-8 579
Adjustment of value arising from requirements of reliable measurement (-)	-36	-18
Other deductions from Tier 1 capital (-)	-1 148	-1 898
Other transitional adjustments of own funds	0	157
Common Equity Tier 1 (CET1)	150 106	121 725
Additional Tier 1 capital	28 100	16 100
Total Tier 1 capital	178 206	137 825
Subordinated debt	22 000	22 000
Tier 2 capital	22 000	22 000
Eligible capital for capital adequacy calculation	200 206	159 825
Risk-weighted assets RWA		
Central government and central banks using standardised approach	5 998	2 775
Credit institutions, investment companies using standardised approach	3 084	1 833
Companies using standardised approach	115 263	92 857
Retail claims using standardised approach	166 608	147 884
Claims secured by mortgage on real estate using standardised approach	525 037	463 540
Claims past due using standardised approach	8 883	4 355
Items subject to particularly high risk using standardised approach	105 909	111 056
Other assets using standardised approach	10 994	12 370
Total credit risk and counter-party credit risk	941 776	836 670
Operational risk using basic indicator approach	78 909	59 360
Total risk-weighted assets (total risk exposure)	1 020 685	896 030
CET 1 capital ratio %	14,71%	13,58%
Tier 1 capital ratio %	17,46%	15,38%
Capital adequacy ratio %	19,61%	17,84%

Requirements to own funds:

Core Tier 1 capital ratio	4.50%	core Tier 1 capital / total risk exposure
Tier 1 capital ratio	6.00%	Tier 1 capital / total risk exposure
Total capital ratio (capital adequacy)	8.00%	total capital / total risk exposure
Capital conservation buffer	2.50%	of total risk exposure
Countercyclical capital buffer rate	1.50%	of total risk exposure

By the end of the reporting period, the Group is compliant with all regulative capital requirements. Coop Pank successfully conducted a targeted offering of bonds included in Tier 1 additional capital (AT1) during Q3. The bank provided a total of 12 million euros in additional capital, that was used to strengthen the capital base and support bank's growth strategy.

Consolidated financial statements

Consolidated statement of comprehensive income

EUR thousand	Note	Q4 2023	12 M 2023	Q4 2022	12 M 2022
Interest income calculated using the effective interest method		31 848	109 627	17 520	54 555
Other income similar to interest		3 181	11 024	1 753	5 535
Interest and similar expense		-14 435	-39 386	-3 508	-9 381
Net interest and similar income	3	20 594	81 265	15 765	50 709
Fee and commission income		2 115	7 609	1 675	6 172
Fee and commission expense		-626	-2 762	-568	-2387
Net fee and commission income	4	1 489	4 847	1 107	3 785
Sale of assets		0	80	0	0
Cost of assets sold		0	-85	0	0
Direct property operating expenses		0	0	0	-1
Change in fair value of investment properties		-1 825	-1 825	-450	-450
Net gains/losses from non-financial asset realization		1	4	0	6
Net gains/losses from financial assets measured at fair value		0	57	0	4
Handling of overdue receivables		143	560	112	444
Other income		15	301	0	134
Net other income		-1 666	-908	-338	137
Payroll expense		-5 495	-20 234	-4 216	-15 502
Operating expense		-3 216	-10 213	-2 107	-7 352
Depreciation		-1 237	-4 681	-1116	-4323
Total operating expense		-9 948	-35 128	-7 439	-27 177
Profit before loss allowances and tax		10 469	50 076	9 095	27 454
Credit loss allowance		-1 148	-6 302	-1 898	-5 245
Profit before income tax		9 321	43 774	7 197	22 209
Income tax		-935	-4 570	-682	-1 859
Net profit for the reporting period	2	8 386	39 204	6 515	20 350
Other comprehensive income / loss					
Items that may subsequently be reclassified to income statement:					
Financial assets at fair value through other comprehensive income		835	424	-363	-411
Other comprehensive income/loss		835	424	-363	-411
Comprehensive income for the reporting period		9 221	39 628	6 152	19 939
Basic earnings per share (in euros)		0,08	0,38	0,07	0,22
Diluted earnings per share (in euros)		0,08	0,38	0,07	0,21

Consolidated statement of financial position

EUR thousand	Note	31.12.2023	31.12.2022
Assets			
Cash, balances with central banks and other deposits	5	428 354	364 878
Debt securities at fair value through other comprehensive income	6	36 421	18 747
Equity instruments at fair value through other comprehensive income		13	13
Loans and advances to customers	7,8,9,10	1 490 873	1 300 775
Other financial assets		832	1 380
Other assets		1 275	697
Assets held for sale		1 722	3 412
Right-of-use assets		5 380	6 130
Tangible assets		3 746	2 808
Intangible assets		10 839	8 579
Goodwill		6 757	6 757
Total assets		1 986 212	1 714 176
Liabilities			
Customer deposits and loans received	11	1 721 765	1 508 126
Lease liabilities		5 417	6 142
Other financial liabilities		14 444	7 052
Other liabilities		8 574	5 601
Subordinated debt		50 187	38 139
Total liabilities		1 800 387	1 565 060
Shareholder's equity			
Share capital		69 673	69 148
Share premium		25 779	25 435
Statutory reserve capital		4 855	3 838
Retained earnings		84 484	50 863
Other reserves and assets revaluations		1 034	-168
Shareholders' equity attributable to owners of the parent company		185 825	149 116
Total shareholder's equity		185 825	149 116
Total liabilities and shareholders' equity		1 986 212	1 714 176

Consolidated statement of cash flows

EUR thousand	Note	12 M 2023	12 M 2022
Cash flows from operating activities			
Interest and other similar income received		118 064	58 528
Interest paid		-24 874	-8 423
Service fee and commission received		7 609	6 172
Service fee and commission paid		-2 762	-2 387
Other received income		930	596
Salaries paid		-20 320	-15 439
Other operating expenses paid		-10 213	-7 352
Income Tax paid		-2 290	-1 390
Total cash flows from operating activities before changes in operating assets and liabilities		66 144	30 305
Change in operating assets:			
Loans and advances to customers		-194 087	-349 124
Change of mandatory reserve in central bank		-2 862	-4 724
Other assets		-115	289
Change in operating liabilities:			
Change in client deposits and loans received		199 245	408 397
Other liabilities		10 194	3 309
Net cash flows from operating activities		78 519	88 452
Cash flows from investment activities			
Acquisition of property, plant and equipment		-7 200	-4 412
Sale of property, plant and equipment and investment properties		88	313
Acquisition of debt securities		-18 226	-14 261
Sale and redemption of debt instruments		274	1 612
Total cash flows from investment activities		-25 064	-16 748
Cash flows from financing activities			
Contribution to share capital		778	20 149
Issue of subordinated bonds		12 000	26 100
Redemption of subordinated bonds		0	-5 000
Dividends paid		-4 566	-2 738
Repayment of principal of lease liabilities		-1 040	-850
Total cash flows from financing activities		7 172	37 661
Effect on exchange rate changes on cash and cash equivalents		-13	-9
Change in cash and cash equivalents		60 614	109 356
Cash and cash equivalents at the beginning of period		350 642	241 286
Cash and cash equivalents at the end of period	5	411 256	350 642
Cash and cash equivalents balance is comprised of:			
Cash on hand		2 276	3 598
Demand deposits in central bank		394 089	333 305
Demand and short-term deposits in credit institutions and other financial institutions		14 891	13 739

Consolidated statement of changes in equity

EUR thousand	Share capital	Share premium	Statutory reserve capital	Other reserves	Revaluation reserve	Retained earnings	Total equity
Equity as at 31.12.2021	62 186	12 230	3 165	253	-15	33 924	111 743
Contribution to share capital	6 962	13 205	0	-18	0	0	20 149
Dividends paid	0	0	0	0	0	-2 738	-2 738
Share options	0	0	0	480	0	0	480
Change in reserves	0	0	673	0	0	-673	0
Net profit	0	0	0	0	0	20 350	20 350
Other comprehensive income	0	0	0	0	-868	0	-868
Total comprehensive income	0	0	0	0	-868	20 350	19 482
Equity as at 31.12.2022	69 148	25 435	3 838	715	-883	50 863	149 116
Contribution to share capital	525	344	0	-91	0	0	778
Dividends paid	0	0	0	0	0	-4 566	-4 566
Share options	0	0	0	869	0	0	869
Change in reserves	0	0	1 017	0	0	-1 017	0
Net profit	0	0	0	0	0	39 204	39 204
Other comprehensive income	0	0	0	0	424	0	424
Total comprehensive income	0	0	0	0	424	39 204	39 628
Equity as at 31.12.2023	69 673	25 779	4 855	1 493	-459	84 484	185 825

Notes to consolidated financial statements

Note 1 Accounting principles

The interim report has been prepared in conformity with International Accounting Standard IAS 34 "Interim Financial Reporting" as approved by the EU. The accounting principles used in interim report are in conformity with accounting principles used in Annual Report 2023.

Subsidiaries are consolidated on a line-by-line basis, eliminating the intercompany transactions, receivables and liabilities, income and expense. The definition of group according to the Regulation (EU) No 575/2013 of the European Parliament and of the Council matches that of IFRS.

All figures in financial statements are in thousands of euros unless noted otherwise.

Structure of the Group	Country	Activity	Holding
Coop Pank AS	Estonia	banking	parent company
Coop Liising AS	Estonia	leasing	100%
Coop Finants AS	Estonia	consumer financing	100%
Coop Kindlustusmaakler AS	Estonia	insurance brokerage	100%
SIA Prana Property	Latvia	real estate management	100%

Note 2 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the main operating decision-maker. The main decision-maker, responsible for resource distribution and evaluation of the activities of the segments, is the management board of the bank.

The Group divides its business into segments based on both the legal structure and the customer-specific distribution within the Bank. According to the legal structure, the Group has a consumer loan and leasing segment that provides consumer loans to private customers and leasing products to both private and corporate customers, respectively. Consumer financing segment earns interest incomes from lending and fee commissions from issuing hire-purchase cards. Leasing segment earns interest income from lending. At the end of 2019 the new segment insurance brokerage was added, which earns revenues on intermediating insurance contracts.

Due to the Bank's customer-based division, the Group owns corporate banking (legal entities) and retail banking (private individuals) segments. Both segments offer money transferring products and loan products to customers and gather deposits. The segments earn interest income from lending and commissions fees from settlement of payments and bank card transactions.

Segments are the basis for regular monitoring of business results by the Group's management and supervisory boards, and separate financial data are available for the segments. According to the group's structure, the group also divides the corporate banking and retail banking segments into more detailed business lines of loans and everyday banking (deposits, settlements). The Group also uses the division of business lines for planning and budgeting. The Management Board of the Group has been appointed as the chief decision maker for assessing financial allocations and the profitability of business.

Revenue reported by a segment consists of revenue from external customers and additional interest income or interest expense on inter-segment borrowing, which is based on the internal transfer pricing model in the Group and is shown as elimination in the tables below. The Group does not have any customers whose income would account for more than 10% of the respective type of income. All interest income is earned in Estonia. The geographical breakdown of commission fees is shown in Note 4.

Segment profits, Q4 2023, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	14 960	11 900	3 846	2 892	6 691	-5 260	35 029
Incl. external income	13 703	9 904	3 846	2 892	4 684	0	35 029
Incl. internal income	1 257	1 996	0	0	2 007	-5 260	-14 435
Interest expense	-5 819	-5 173	-873	-1 325	-6 505	5 260	-14 435
Net interest income	9 141	6 727	2 973	1 567	186	0	20 594
Commission income	628	730	449	80	228	0	2 115
Commission expense	-128	-423	-49	-2	-24	0	-626
Net commission income	500	307	400	78	204	0	1 489
Other operating income	26	23	105	17	-1 837	0	-1 666
Net other income	9 667	7 057	3 478	1 662	-1 447	0	20 417
Total operating expenses	-3 178	-3 609	-1 693	-998	-470	0	-9 948
Profit before loss allowances and tax	6 489	3 448	1 785	664	-1 917	0	10 469
Credit loss allowance	-271	-181	-692	-4	0	0	-1 148
Income tax expense	-624	-311	0	0	0	0	-935
Net profit	5 594	2 956	1 093	660	-1 917	0	8 386

Segment profits, 12 M 2023, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	52 444	40 674	15 243	10 050	19 809	-17 569	120 651
Incl. external income	47 593	33 584	15 243	10 050	14 181	0	120 651
Incl. internal income	4 851	7 090	0	0	5 628	-17 569	0
Interest expense	-16 711	-14 753	-2 550	-3 822	-19 119	17 569	-39 386
Net interest income	35 733	25 921	12 693	6 228	690	0	81 265
Commission income	1 963	2 768	1 790	264	824	0	7 609
Commission expense	-566	-1 834	-224	-7	-131	0	-2 762
Net commission income	1 397	934	1 566	2 557	693	0	4 847
Other operating income	79	101	657	75	-1 820	0	-908
Net other income	37 209	26 956	14 916	6 560	-437	0	85 204
Total operating expenses	-11 288	-12 780	-5 895	-3 578	-1 587	0	-35 128
Profit before loss allowances and tax	25 921	14 176	9 021	2 982	-2 024	0	50 076
Credit loss allowance	-2 383	-707	-3 232	20	0	0	-6 302
Income tax expense	-2 897	-1 673	0	0	0	0	-4 570
Net profit	20 641	11 796	5 789	3 002	-2 024	0	39 204

Assets and liabilities as a 31.12.2023 EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Loan portfolio	812	602	96	153	387	-559	1 491
Other assets	191	177	38	47	42	0	495
Total assets	1 003	779	134	200	429	-559	1 986
Total liabilities	924	707	122	181	425	-559	1 800

* "Other" includes *Treasury*, subsidiaries Prana Property, Coop Kindlustusmaakler.

Segment profits, Q4 2022, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	8 955	5 282	3 556	1 600	1 571	-1 691	19 273
Incl. external income	8 047	4 938	3 556	1 600	1 132	0	19 273
Incl. internal income	908	344	0	0	439	-1 691	0
Interest expense	-2 123	-1 851	-324	-485	-416	1 691	-3 508
Net interest income	6 832	3 431	3 232	1 115	1 155	0	15 765
Commission income	381	637	433	65	159	0	1 675
Commission expense	-123	-365	-58	-1	-21	0	-568
Net commission income	258	272	375	64	138	0	1 107
Other operating income	6	13	86	14	-457	0	-338
Net other income	7 096	3 716	3 693	1 193	836	0	16 534
Total operating expenses	-2 297	-2 606	-1 408	-794	-334	0	-7 439
Profit before loss allowances and tax	4 799	1 110	2 285	399	502	0	9 095
Credit loss allowance	-998	35	-864	-71	0	0	-1 898
Income tax expense	-388	-194	0	0	-100	0	-682
Net profit	3 413	951	1 421	328	402	0	6 515

Segment profits, 12 M 2022, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	28 880	16 134	13 251	5 058	2 209	-5 442	60 090
Incl. external income	25 642	14 817	13 251	5 058	1 322	0	60 090
Incl. internal income	3 238	1 317	0	0	887	-5 442	0
Interest expense	-6 235	-5 372	-966	-1 422	-828	5 442	-9 381
Net interest income	22 645	10 762	12 285	3 636	1 381	0	50 709
Commission income	1 477	2 304	1 624	244	523	0	6 172
Commission expense	-533	-1 513	-227	-9	-105	0	-2 387
Net commission income	944	791	1 397	235	418	0	3 785
Other operating income	70	95	348	86	-462	0	137
Net other income	23 659	11 648	14 030	3 957	1 337	0	54 631
Total operating expenses	-7 974	-9 747	-5 367	-2 916	-1 173	0	-27 177
Profit before loss allowances and tax	15 685	1 901	8 663	1 041	164	0	27 454
Credit loss allowance	-3 025	-100	-2 087	-33	0	0	-5 245
Income tax expense	-1 261	-491	0	0	-107	0	-1 859
Net profit	11 399	1 310	6 576	1 008	57	0	20 350

Assets and liabilities as at 31.12.2022 EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Loan portfolio	777	507	86	130	420	-619	1 301
Other assets	167	147	37	38	24	0	413
Total assets	944	654	123	168	444	-619	1 714
Total liabilities	878	598	112	153	443	-619	1 565

* "Other" includes treasury, subsidiaries CP Varad (prev. Martinoza), Prana Property, Coop Kindlustusmaakler.

Note 3 Net interest income

Interest income	Q4 2023	12 M 2023	Q4 2022	12 M 2022
Interest income calculated using the effective interest method:				
Loans to entities	13 390	46 520	7 868	25 066
Consumer loans and hire-purchase loans	3 846	15 243	3 556	13 251
Other loans to private individuals	9 903	33 584	4 939	14 817
Debt securities	324	1 016	165	349
Other assets	4 385	13 264	992	1 072
	31 848	109 627	17 520	54 555
Other similar interest income:				
Leasing	3 181	11 024	1 753	5 535
Total interest revenues	35 029	120 651	19 273	60 090
Customer deposits and loans received	-13 311	-36 029	-2 702	-6 635
Subordinated debt	-1 063	-3 221	-787	-2 251
Interest expense on assets	0	0	0	-416
Lease liabilities	-61	-136	-19	-79
Total interest expenses	-14 435	-39 386	-3 508	-9 381
Net interest income	20 594	81 265	15 765	50 709

Note 4 Net fee and commission income

Fee and commission income	Q4 2023	12 M 2023	Q4 2022	12 M 2022
Fees from consumer loans	476	1 895	390	1 624
Monthly account fees and transaction fees	340	1 345	291	1 286
Fees from cards	445	1 672	398	1 369
Insurance brokerage commission	185	658	186	479
Foreign exchange transactions	27	111	31	88
Other fee and commission income	642	1 928	379	1 326
Total fee and commission income	2 115	7 609	1 675	6 172
Expenses related to cards	-438	-2 014	-417	-1 749
Transaction costs	-70	-258	-61	-245
Other fee and commission expense	-117	-489	-90	-393
Total fee and commission expense	-626	-2 761	-568	-2 387
Net fee and commission income	1 489	4 848	1 107	3 785

In Q4 2023, the Group earned 87% of fee and commission income from Estonian residents and 13% from residents of other countries (mostly EU countries). This ratio remains unchanged QoQ. All fee and commission income are recognized point in time.

Note 5 Cash, balances with central banks and other deposits

	31.12.2023	31.12.2022
Cash	2 276	3 598
Mandatory reserve at the central bank*	17 098	14 236
Demand deposits at central bank	394 089	333 305
Demand deposits at credit institutions and other financial institutions	14 891	13 739
Total	428 354	364 878

* Not included in cash and cash equivalents in the consolidated statement of cash flows.

Note 6 Financial investments

	31.12.2023	31.12.2022
Government debt securities	29 988	13 874
Credit institutions	4 596	2 173
Debt securities of other non-financial companies	1 837	2 700
Total of debt securities	36 421	18 747
Shares of other non-financial companies	13	13
Total of equity instruments	13	13
Total of financial investments	36 434	18 760

All debt securities and equity instruments in amount of 13 thousand euros are recognized at fair value through changes in other comprehensive income.

Note 7 Loans and advances to customers

	31.12.2023	31.12.2022
Total receivables from private individuals	776 083	657 341
incl. consumers loans	100 063	89 068
incl. lease financing	72 920	61 448
incl. mortgage loans and other loans	603 100	506 825
Total receivables from legal entities	731 184	655 298
incl. lease financing	98 395	82 392
incl. other loans to legal entities	632 789	572 906
Total receivables	1 507 267	1 312 639
Loss allowances of loans and advances	-16 394	-11 864
Total	1 490 873	1 300 775

Note 8 Loss allowances of loans and advances

	31.12.2023	31.12.2022
Balance at the beginning of the reporting period	-11 864	-8 827
Allowances during the reporting period	-6 503	-5 223
Derecognized during reporting period	1 973	2 186
Balance of allowance at the end of the reporting period	-16 394	-11 864

Note 9 Allocation of past due loans

	31.12.2023			31.12.2022		
	Unsecured loans to private individuals	Secured loans to private individuals	Loans to legal entities	Unsecured loans to private individuals	Secured loans to private individuals	Loans to legal entities
1-30 days	5 115	10 653	4 216	4 487	5 791	3 112
31-60 days	1 401	2 666	806	1 023	1 301	1 342
61-90 days	618	452	800	517	313	338
over 90 days	2 366	692	1 353	1 721	216	525
Total	9 500	14 463	7 175	7 748	7 621	5 317

Note 10 Loans and advances to customers by economic sector

	31.12.2023	%	31.12.2022	%
Private individuals	770 012	51,66%	653 271	50,22%
L – activities related to real estate	289 264	19,40%	285 983	21,99%
G – wholesale and retail	92 472	6,20%	71 145	5,47%
C – manufacturing	57 127	3,83%	54 435	4,18%
K – finance and insurance activities	56 173	3,77%	46 598	3,58%
D – power and heat generation	54 025	3,62%	42 035	3,23%
F – construction	32 837	2,20%	22 322	1,72%
A – agriculture, forestry and fishing	30 996	2,08%	27 184	2,09%
H – transportation and storage	28 925	1,94%	23 598	1,81%
M – professional, scientific and technical activities	26 617	1,79%	23 986	1,84%
N – administrative and support services	15 217	1,02%	11 576	0,89%
I – hospitality and food service	5 735	0,38%	8 599	0,66%
S – other services	3 162	0,21%	4 628	0,36%
Other	28 311	1,90%	25 415	1,95%
Total	1 490 873	100%	1 300 775	100%

Note 11 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

31.12.2023	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Assets					
Cash and cash equivalents	428 354	0	0	0	428 354
Debt securities at fair value	0	506	18 473	17 442	36 421
Equity instruments	0	0	0	13	13
Loans and advances to customers	78 845	272 860	971 966	942 637	2 266 308
Other financial assets	812	0	20	0	832
Total financial assets	508 011	273 366	990 459	960 092	2 731 928
Liabilities					
Customer deposits and loans received	797 200	876 381	65 326	2 645	1 741 552
Lease liabilities	226	676	3 562	1 926	6 390
Other financial liabilities	14 444	0	0	0	14 444
Subordinated debt	1 062	3 179	14 192	52 985	71 418
Total financial liabilities	812 932	880 236	83 080	57 556	1 833 804
Off-balance sheet liabilities					
Undrawn lines of credit and overdraft facilities	128 491	0	0	0	128 491
Financial guarantees	16 292	0	0	0	16 292
Total on-balance / off-balance-sheet liabilities	957 715	880 236	83 080	57 556	1 978 587
Duration gap of financial assets and financial liabilities	-449 704	-606 870	907 379	902 536	753 341

31.12.2022	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Assets					
Cash and cash equivalents	364 878	0	0	0	364 878
Debt securities at fair value	852	0	6 653	11 242	18 747
Equity instruments	0	0	0	13	13
Loans and advances to customers	61 501	184 991	869 984	645 958	1 762 434
Other financial assets	1 360	0	20	0	1 380
Total financial assets	428 591	184 991	876 657	657 213	2 147 452
Liabilities					
Customer deposits and loans received	942 862	451 139	119 215	2 600	1 515 816
Lease liabilities	222	650	3 059	2 531	6 462
Other financial liabilities	6 666	0	386	0	7 052
Subordinated debt	703	2 111	10 450	42 176	55 440
Total financial liabilities	950 453	453 900	133 110	47 307	1 584 770
Off-balance sheet liabilities					
Undrawn lines of credit and overdraft facilities	139 330	0	0	0	139 330
Financial guarantees	15 419	0	0	0	15 419
Total on-balance / off-balance-sheet liabilities	1 105 202	453 900	133 110	47 307	1 739 519
Duration gap of financial assets and financial liabilities	-676 611	-268 909	743 547	609 906	407 933

Note 12 Customer deposits and loans received

Due to customers	31.12.2023	31.12.2022
Private individuals	810 992	640 178
Legal entities	910 773	867 948
Total	1 721 765	1 508 126
Demand deposits	494 092	717 743
Term deposits	1 217 991	779 569
Special purpose loans	9 682	10 814
Total	1 721 765	1 508 126

Note 13 Contingent liabilities

	31.12.2023	31.12.2022
Financial guarantees	16 292	15 419
Credit lines and overdrafts	128 491	139 330
Total	144 783	154 749

Note 14 Related parties

Related parties are:

- a shareholder of significant influence and companies that are part of its group;
- management of the group: i.e. members of the Management Board and the Supervisory Board of parent company, head of internal audit and entities controlled by them;
- individuals, who have equal economic interest as management, and entities associated to them.

The terms of the loans issued to related parties do not differ from the loans issued to other customers regarding interest rates. Transactions with related parties are based on the price list and/or are carried out at market value. Maximum termination benefits payable to members of the management board on a contingent basis is 324 thousand euros (31.12.2022: 258).

Balances	31.12.2023	31.12.2022
Shareholders:		
Loans	0	0
Deposits	9 897	5 648
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Loans	2 396	1 914
Deposits	1 011	606
Transactions	31.12.2023	31.12.2022
Shareholders:		
Interest expense	81	3
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Interest income of the reporting period	91	52
Interest expense of the reporting period	11	5
Other goods and services sold	2	2
Compensation paid to members of the Management Board and Supervisory Board	849	698

Note 15 Basic earnings and diluted earnings per share

In order to calculate basic earnings per share, net profit attributable to owners of the parent has been divided by the weighted average number of shares issued. Diluted earnings per share comes from the share options granted to key employees.

	Q4 2023	12 M 2023	Q4 2022	12 M 2022
Profit attributable to the owners of the parent (in thousands of euros)	8 386	39 204	6 515	20 350
Weighted average number of shares (in thousands of units)	102 241	101 933	96 398	93 843
Basic earnings per share (euros)	0,08	0,38	0,07	0,22
Adjustments for calculation of diluted earnings per share – share options (in thousands of units)	2 284	2 262	2 213	2 067
Weighted average number of shares used for calculating the diluted earnings per share (in thousands of units)	104 525	104 195	98 610	95 911
Diluted earnings per share (euros)	0,08	0,38	0,07	0,21

Shareholders, Supervisory Board and Management Board of Coop Pank AS

As at 31.12.2023 shareholders with holding over 5% are:

Coop Investeeringud OÜ	22,17%
Andres Sonn	8,33%
CM Capital OÜ	4,60%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 19,10% of the total amount of shares, however, separately none of them holds over 5%.

Members of Supervisory Board hold 126 thousand shares of Coop Pank and Members of Management Board hold 867 thousand shares of Coop Pank, which in total accounts for 0,97% of the total amount of shares.

Members of the Supervisory board:

Rainer Rohtla (Chairman), Viljar Arakas, Jaan Marjundi, Raul Parusk, Roman Provotorov, Silver Kuus

Members of the Management board:

Margus Rink (Chairman), Paavo Truu, Heikko Mäe, Arko Kurtmann, Karel Parve

Statement of the Management Board of Coop Pank AS

The Management Board of Coop Pank is of the opinion, that information in this interim report, consisting of the management report and financial reports, is in conformity with requirements to interim reports and gives a true and fair view of the financial condition and economic results of Coop Pank Group, the presented data and additional information is true and comprehensive. Current interim report is not audited.

09.02.2024

Margus Rink

Chairman of the Management Board

Paavo Truu

Member of the Management Board

Heikko Mäe

Member of the Management Board

Arko Kurtmann

Member of the Management Board

Karel Parve

Member of the Management Board

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