



Interim Report
12 months 2022

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Management Director's Statement

Business volumes and financial results

By the end of the Q3 2022, Coop Pank had 147,000 customers, during the quarter the number of customers increased by 8,000 (+6%). The bank had 67,000 active customers, during the quarter the number of active customers increased by 4,600 (+7%).

In Q4 2022, volume of deposits in Coop Pank increased by 154 million euros (+11%), reaching total of 1.51 billion euros. Deposits from domestic companies showed the fastest growth, increasing by 35 million euros: demand deposits increased by 49 million euros and term deposits decreased by 14 million euros. Deposits from private clients increased by 32 million euros: demand deposits decreased by 3 million euros and term deposits increased by 35 million euros. Deposits from international deposit platform Raisin and other financing increased by 86 million euros. Compared to Q4 2021, volume of Coop Pank's deposits has increased by 409 million euros (+37%). In an annual comparison, share of demand deposits to total deposits has increased from 47% to 48%. In Q4 2022, the bank's financing cost was 0.9%, which has increased compared to the previous quarters.

In Q4 2022, net loan portfolio of Coop Pank increased by 92 million euros (+8%), reaching 1.30 billion euros. Business loan portfolio showed the fastest growth, increasing the volume by 45 million euros (+9%). Home mortgage loans portfolio increased by 34 million euros (+7%), leasing portfolio increased by 7 million euros (+6%) and consumer finance portfolio increased by 6 million euros (+7%). Compared to Q4 2021, total loan portfolio of Coop Pank has grown by 347 million euros (+36%).

In Q4 2022, overdue loan portfolio of Coop Pank was on level of 1.5% which is slightly higher than in the end of Q3 2022 (1.4%). A year ago, it was 2,2%.

Impairment costs of financial assets in Q4 2022 were 1.9 million euros, which is significantly higher compared to previous quarters. Additional provisions were made due to weaker financial status of clients. Quality of loan portfolio remains high and share of overdue debt remains extremely low.

Net income of Coop Pank in Q4 2022 was 16.5 million euros, having grown 19% over the quarter and 55% over the year. Operating expenses reached 7.4 million euros in Q4, having increased 7% in quarterly comparison and 20% in annual comparison.

In Q4 2022, net profit of Coop Pank was 6.5 million euros, which is 19% more than in the previous quarter and 98% more than a year ago. In Q4 2022, cost to income ratio of the bank was 45% and return on equity was 19.2%.

As of 31 December 2022, Coop Pank had more than 36,000 shareholders, number of shareholders increased by ca 6,000. Strong increase in number of shareholders was caused by secondary share issue closed during the quarter.

Key events and product developments

In Q4, Coop Pank continued to raise interest rates on deposits for private and corporate clients. From December, Coop Pank pays private clients 2.5% interest for deposits with a term of three years or longer. In addition to the term deposit, the bank also increased the interest rate on the Children's Deposit, which used to be 1.5%, and from December it is 2.5%. In addition to raising interest rates on term deposits, the bank also increased the amount of the demand deposit, which is paid 1% interest per year in the Rändrahn settlement package. Earlier the bank paid interest on account balances of up to 200,000 euros to users of the Rändrahn settlement package, from November the bank will pay interest on account balances of up to 500,000 euros.

In Q4, Coop Pank became a member of the financial initiative of the UN Environment Program and signed the principles of responsible banking, which aligns the bank's business strategy with the goals of the UN sustainable development and the Paris climate agreement and increases the positive impact on society. In the same quarter, Coop Pank was the first bank in Estonia to receive the CDP rating B-, or environmental manager level, from the international environmental impact assessment organization, which is assigned to companies that have demonstrated good management in the field of environmental impact. The international assessment gives us confidence that we are on the right track in managing the climate impact. In Q4, our first more comprehensive carbon footprint study also reached its results, the results show that the biggest impact

of Coop Pank's business operations on the environment comes from lending and investing, which is characteristic of the entire banking sector.

In Q4, Coop Pank refreshed its communication language by launching the bank's image campaign, which focuses on our clients. The campaign features Estonian people and entrepreneurs telling their success stories, who also confirm, based on their personal experience, that Coop Pank listens to its clients, takes local conditions into account, is flexible and acts quickly.

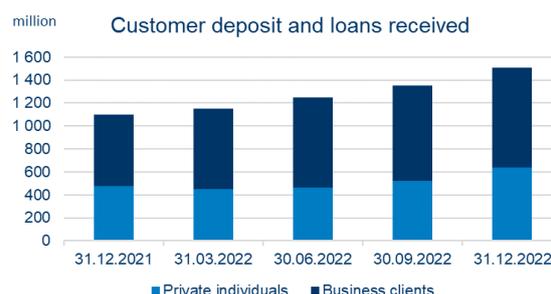
In Q4, Coop Pank conducted a public offering of shares, in which a total of 14,611 investors participated, who subscribed new shares for 64.5 million euros, i.e. the offer was oversubscribed 4.2 times. Coop Pank decided to increase the volume of the issue to 10.1 million shares, or 20.3 million euros, and to give preference to existing shareholders, bond investors and customers when subscribing. We continue to implement the growth strategy with the support of additional capital. We have set a priority, that the 10th anniversary of the birth of Coop Pank, the bank's market share will increase to 10%, we have 150,000 active customers, the loan portfolio exceeds 2 billion euros, the cost/income ratio is below 50% and the return on equity is over 15%.

Margus Rink
Chairman of the Management Board

Overview of financial results

Income statement EUR thousand	Q4 2022	Q3 2022	quarterly change	Q4 2021	annual change
Net interest income	15 765	12 721	24%	9 824	60%
Net fee and commissions income	1 107	978	13%	902	23%
Other income	-338	148	-328%	-50	576%
Total net operating income	16 534	13 847	19%	10 676	55%
Operating expenses	-7 439	-6 929	7%	-6 205	20%
Impairment costs on financial assets	-1 898	-672	182%	-963	97%
Income tax	-682	-499	37%	-213	220%
Net profit	6 515	5 747	13%	3 295	98%

Business volumes, EUR thousand	Q4 2022	Q3 2022	quarterly change	Q4 2021	annual change
Net loan portfolio	1 300 775	1 208 457	8%	953 396	36%
Cash and bonds	383 625	301 698	27%	258 731	48%
Customer deposits and loans received	1 508 126	1 354 345	11%	1 098 746	37%
Owner´s equity	149 116	122 820	21%	111 743	33%



Ratios (quarterly ratios, expressed on annualised basis)	Q4 2022	Q3 2022	quarterly change	Q4 2021	annual change
Average equity (attributable to parent company), EUR thousand	136 023	120 053	15 970	110 065	25 958
Return on equity ROE % (<i>net profit / average equity</i>)	19,2	19,1	0,1	12,0	7,2
Average total assets, EUR thousand	1 627 172	1 484 452	142 720	1 186 242	440 930
Return on assets ROA % (<i>net profit / average total assets</i>)	1,6	1,5	0,1	1,1	0,5
Cash and interest-bearing assets, average, EUR thousand	1 610 477	1 467 001	143 477	1 165 999	444 478
Net interest margin NIM % (<i>net interest income / interest-bearing assets, average</i>)	3,9	3,5	0,4	3,4	0,5
Cost / income ratio % (<i>total operating costs / total net operating income</i>)	45,0	50,0	-5,0	58,1	-13,1
Liquidity Coverage Ratio LCR %	176	157	19	202	-26
Net Stable Funding Ratio NSFR % (<i>as defined by the the CRD IV</i>)	144	137	7	134	10

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

EUR thousand	31.12.2022	31.12.2021	31.12.2020
Net loan portfolio	1 300 775	953 396	670 593
Customer deposits and loans received	1 508 126	1 098 746	757 835
Subordinated loans	38 139	17 064	7 064
Owner´s equity	149 116	111 743	97 567
Net interest income	50 709	35 538	28 371
Net fee and commission income	3 785	3 085	2 097
Other income	137	615	621
Total net operating income	54 631	39 238	31 089
Operating expenses	-27 177	-22 453	-18 796
Impairment losses on financial assets	-5 245	-2 497	-4 789
Income tax	-1 859	-825	-245
Net profit	20 350	13 463	7 259

Capitalisation

Capital base, EUR thousand	31.12.2022	31.12.2022 adjusted *	31.12.2021
Tier 1 capital			
Paid-in share capital and share premium	94 583	94 583	74 416
Statutory reserve capital	3 838	3 838	3 165
Retained earnings	30 513	30 513	20 461
Eligible profit of the reporting period	10 769	15 845	8 012
Other accumulated comprehensive loss	-883	-883	-15
Goodwill accounted for as intangible asset (-)	-6 757	-6 757	-6 757
Intangible assets (-)	-8 579	-8 579	-7 457
Adjustment of value arising from requirements of reliable measurement (-)	-18	-18	-6
Other deductions from Tier 1 capital (-)	-1 898	0	-963
Other transitional adjustments of own funds	157	157	315
Common Equity Tier 1 (CET1)	121 725	128 699	91 171
Additional Tier 1 capital	16 100	16 100	0
Total Tier 1 capital	137 825	144 799	91 171
Subordinated debt	22 000	22 000	17 000
Tier 2 capital	22 000	22 000	17 000
Eligible capital for capital adequacy calculation	159 825	166 799	108 171
Risk-weighted assets RWA			
Central government and central banks using standardised approach	2 775	2 775	638
Credit institutions, investment companies using standardised approach	1 833	1 833	3 112
Companies using standardised approach	92 857	92 857	65 173
Retail claims using standardised approach	147 884	147 884	130 582
Claims secured by mortgage on real estate using standardised approach	463 540	463 540	325 729
Claims past due using standardised approach	4 355	4 355	3 033
Items subject to particularly high risk using standardised approach	111 056	111 056	59 295
Other assets using standardised approach	12 370	12 370	13 543
Total credit risk and counter-party credit risk	836 670	836 670	601 105
Operational risk using basic indicator approach	59 360	59 360	47 007
Total risk-weighted assets (total risk exposure)	896 030	896 030	648 112
CET 1 capital ratio %	13,58%	14,36%	14,07%
Tier 1 capital ratio %	15,38%	16,16%	14,07%
Capital adequacy ratio %	17,84%	18,62%	16,69%

* Includes unaudited profit for Q4 2022, which will be added to regulatory Tier 1 capital after approval of the profit of financial year by independent auditor and the Financial Supervisory Authority or after approval of the 2022 Annual Report by shareholders.

The accepted profit of the reporting period includes auditor's reviewed 9 month interim profit for 2022 approved by the Financial Supervisory Authority from which expected dividend payments have been deducted.

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

By the end of the reporting period, the Group is compliant with all regulative capital requirements. Coop Pank carried out its first private placement of Additional Tier 1 (AT1) bonds during Q2, raising 16.1 million euros in capital was used to strengthen the capital base of the Bank and support its growth strategy. In December 2022, Coop Pank carried out the secondary public offering of shares. As a result an additional 20.1 million euros were included in the composition of Core Tier I capital.



Consolidated financial statements

Consolidated statement of comprehensive income

EUR thousand	Note	Q4 2022	12 M 2022	Q4 2021	12 M 2021
Interest income calculated using the effective interest method		17 520	54 555	10 672	39 005
Other similar income		1 753	5 535	1 092	4 035
Interest expense		-3 508	-9 381	-1 940	-7 502
Net interest income	3	15 765	50 709	9 824	35 538
Fee and commission income		1 675	6 172	1 425	5 003
Fee and commission expense		-568	-2387	-523	-1918
Net fee and commission income	4	1 107	3 785	902	3 085
Rental income from investment properties		0	0	1 990	2 335
Direct property operating expenses		0	0	-1 987	-2286
Rental income from investment properties		0	0	0	3
Direct property operating expenses		0	-1	13	-31
Change in fair value of investment property		-450	-450	-194	-404
Net gains/losses from non-financial asset realization		0	6	1	11
Net gains/losses from financial assets measured at fair value		0	4	-1	-68
Revenue from claims handling		112	444	115	819
Other income		0	134	13	236
Other net income		-338	137	-50	615
Payroll expense		-4 216	-15 502	-3 182	-12 490
Operating expense		-2 107	-7 352	-1 696	-5 996
Depreciation		-1116	-4323	-1327	-3 967
Total operating expense		-7 439	-27 177	-6 205	-22 453
Net profit before impairment costs		9 095	27 454	4 471	16 785
Impairment costs		-1 898	-5 245	-963	-2 497
Profit before income tax		7 197	22 209	3 508	14 288
Income tax		-682	-1 859	-213	-825
Net profit for the reporting period	2	6 515	20 350	3 295	13 463
Items that may subsequently be reclassified to income statement:					
Financial assets at fair value through other comprehensive income		-457	-868	-9	3
Comprehensive income for the reporting period		6 058	19 482	3 286	13 466
Net profit attributable to:					
Owners of parent company		6 515	20 350	3 295	13 463
Net profit for the reporting period		6 515	20 350	3 295	13 463
Comprehensive income attributable to:					
Owners of parent company		6 058	19 482	3 286	13 466
Comprehensive income for the reporting period		6 058	19 482	3 286	13 466
Basic earnings per share (in euros)		0,07	0,22	0,04	0,15
Diluted earnings per share (in euros)		0,07	0,21	0,04	0,15

Consolidated statement of financial position

EUR thousand	Note	31.12.2022	31.12.2021
Assets			
Cash and cash equivalents	5	364 878	252 799
Debt securities at fair value through other comprehensive income	6	18 747	5 932
Equity instruments at fair value through other comprehensive income		13	13
Loans and advances to customers	7,8,9,10	1 300 775	953 396
Other financial assets		1 380	1 311
Other assets		697	927
Assets held for sale		3 412	3 725
Right-of-use assets		6 130	6 625
Tangible assets		2 808	3 034
Intangible assets		8 579	7 457
Goodwill		6 757	6 757
Total assets		1 714 176	1 241 976
Liabilities			
Customer deposits and loans received	11	1 508 126	1 098 746
Lease liabilities		6 142	6 639
Other financial liabilities		7 052	3 221
Other liabilities		5 601	4 563
Subordinated debt		38 139	17 064
Total liabilities		1 565 060	1 130 233
Shareholder's equity			
Share capital		69 148	62 186
Share premium		25 435	12 230
Statutory reserve capital		3 838	3 165
Retained earnings		50 863	33 924
Other reserves		-168	238
Shareholders' equity attributable to owners of the parent company		149 116	111 743
Total shareholder's equity		149 116	111 743
Total liabilities and shareholders' equity		1 714 176	1 241 976

Consolidated statement of cash flows

EUR thousand	Note	12 M 2022	12 M 2021
Cash flows from operating activities			
Interest received		58 528	42 902
Interest paid		-8 423	-7 116
Service fee and commission received		6 172	5 003
Service fee and commission paid		-2 387	-1 918
Other received income		596	1 004
Salaries paid		-15 439	-12 874
Other operating expenses paid		-7 352	-5 996
Income tax paid		-1 390	-720
Cash flows from operating activities before change in assets and liabilities related to operating activities		30 305	20 285
Change in operating assets:			
Loan receivables from customers		-349 124	-286 954
Change of statutory reserve in central bank		-4 724	-3 401
Other assets		289	252
Change in operating liabilities:			
Change in client deposits and loans received		408 397	340 561
Other liabilities		3 309	853
Net cash flows from operating activities		88 452	71 596
Cash flows from investment activities			
Acquisition of property, plant and equipment		-4 412	-5 574
Sale of property, plant and equipment and investment properties		313	3 695
Acquisition of debt securities		-14 261	-3 141
Sale and redemption of debt instruments		1 612	499
Total cash flows from investment activities		-16 748	-4 521
Cash flows from financing activities			
Issue of subordinated bonds		26 100	10 000
Redemption of subordinated bonds		-5 000	0
Contribution to share capital		20 149	486
Dividends paid		-2 738	0
Repayment of principal of lease liabilities		-850	-674
Total cash flows from financing activities		37 661	9 812
Effect of exchange rate fluctuations to cash and cash equivalents		-9	-4
Change in cash and cash equivalents		109 356	76 847
Cash and cash equivalents at the beginning of period		241 286	164 439
Cash and cash equivalents at the end of period	5	350 642	241 286
Cash and cash equivalents balance is comprised of:			
Cash on hand		3 598	27 192
Demand deposits in central bank		333 305	200 670
Demand and short-term deposits in credit institutions and other financial institutions		13 739	13 424

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 31.12.2020	61 756	12 061	2 802	142	-18	20 824	97 567
Contribution to share capital	430	169	0	-113	0	0	486
Share options	0	0	0	224	0	0	224
Change in reserves	0	0	363	0	0	-363	0
Net profit	0	0	0	0	0	13 463	13 463
Other comprehensive income	0	0	0	0	3	0	3
Total comprehensive income	0	0	0	0	3	13 463	13 463
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

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 2021.

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 2022, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimi- nation	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 net income	6	13	86	14	-457	0	-338
Net income	7 096	3 716	3 693	1 193	836	0	16 534
Total operating expense	-2 297	-2 606	-1 408	-794	-334	0	-7 439
Profit before credit losses and income tax	4 799	1 110	2 285	399	502	0	9 095
Impairment losses	-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, 12M 2022, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimi- nation	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 net income	70	95	348	86	-462	0	137
Net income	23 659	11 648	14 030	3 957	1 337	0	54 631
Total operating expense	-7 974	-9 747	-5 367	-2 916	-1 173	0	-27 177
Profit before credit losses and income tax	15 685	1 901	8 663	1 041	164	0	27 454
Impairment losses	-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 a 31.12.2022 EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimi- nation	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 Prana Property, Coop Kindlustusmaakler.

Segment profits, Q4 2021, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	5 571	3 196	2 996	1 020	266	-1 285	11 764
Incl. external income	4 797	2 911	2 996	1 020	40	0	11 764
Incl. internal income	774	285	0	0	226	-1 285	0
Interest expense	-1 300	-1 165	-228	-322	-210	1 285	-1 940
Net interest income	4 271	2 031	2 768	698	56	0	9 824
Commission income	332	583	362	59	89	0	1 425
Commission expense	-124	-334	-53	-2	-10	0	-523
Net commission income	208	249	309	57	79	0	902
Other net income	9	34	68	19	-180	0	-50
Net income	4 488	2 314	3 145	774	-45	0	10 676
Total operating expense	-1 623	-2 250	-1 368	-689	-275	0	-6 205
Profit before credit losses and income tax	2 865	64	1 777	85	-320	0	4 471
Impairment losses	-760	42	-211	-34	0	0	-963
Income tax expense	-213	0	0	0	0	0	-213
Net profit	1 892	106	1 566	51	-320	0	3 295

Segment profits, 12M 2021, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	18 558	11 503	12 402	3 841	1 336	-4 600	43 040
Incl. external income	16 160	10 516	12 402	3 841	121	0	43 040
Incl. internal income	2 398	987	0	0	1 215	-4 600	0
Interest expense	-4 435	-4 298	-979	-1 251	-1 139	4 600	-7 502
Net interest income	14 123	7 205	11 423	2 590	197	0	35 538
Commission income	1 266	1 858	1 452	182	245	0	5 003
Commission expense	-457	-1 203	-233	-9	-16	0	-1 918
Net commission income	809	655	1 219	173	229	0	3 085
Other net income	475	119	335	92	-406	0	615
Net income	15 407	7 979	12 977	2 855	20	0	39 238
Total operating expense	-5 734	-8 327	-4 939	-2 498	-955	0	-22 453
Profit before credit losses and income tax	9 673	-348	8 038	357	-935	0	16 785
Impairment losses	-1 575	-68	-812	103	-145	0	-2 497
Income tax expense	-825	0	0	0	0	0	-825
Net profit	7 273	-416	7 226	460	-1 080	0	13 463

Assets and liabilities as a 31.12.2021, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Loan portfolio	556	362	67	98	251	-381	953
Other assets	117	103	30	28	11	0	289
Total assets	673	465	97	126	262	-381	1 242
Total liabilities	623	423	89	115	261	-381	1 130

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

Note 3 Net interest income

Interest income	Q4 2022	12M 2022	Q4 2021	12M 2021
Interest income calculated using the effective interest method:				
Loans to legal entities	7 868	25 066	4 725	15 966
Consumer loans and hire-purchase loans	3 556	13 251	2 996	12 402
Loans to private individuals	4 939	14 817	2 912	10 516
Debt securities	165	349	38	117
Interest income on liabilities	0	0	0	1
Other Assets	992	1 072	1	3
	17 520	54 555	10 672	39 005
Other similar interest income:				
Leasing	1 753	5 535	1 092	4 035
Total interest revenues	19 273	60 090	11 764	43 040
Customer deposits and loans received	-2 702	-6 635	-1 425	-5 780
Subordinated debt	-787	-2 251	-262	-908
Interest expense on assets	0	-416	-232	-778
Lease liabilities	-19	-79	-21	-36
Total interest expenses	-3 508	-9 381	-1 940	-7 502
Net interest income	15 765	50 709	9 824	35 538

Note 4 Net fee and commission income

Fee and commission income	Q4 2022	12M 2022	Q4 2021	9M 2021
Fees from consumer loans	390	1 624	362	1 452
Monthly account fees and transaction fees	291	1 286	324	1 191
Fees from cards	398	1 369	388	1 039
Insurance brokerage commission	186	479	77	216
Foreign exchange transactions	31	88	16	52
Other fee and commission income	379	1 326	258	1 053
Total fee and commission income	1 675	6 172	1 425	5 003
Expenses related to cards	-417	-1 749	-377	-1 387
Transaction costs	-61	-245	-59	-204
Other fee and commission expense	-90	-393	-87	-327
Total fee and commission expense	-568	-2 387	-523	-1 918
Net fee and commission income	1 107	3 785	902	3 085

In Q4 2022, the Group earned 85% of fee and commission income from Estonian residents and 15% 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 and cash equivalents

	31.12.2022	31.12.2021
Cash	3 598	27 192
Mandatory reserve at the central bank	14 236	9 512
Demand deposits at central bank	333 305	200 670
Demand deposits at credit institutions and other financial institutions	13 739	13 424
Term deposits at credit institutions *	0	2 001
Total	364 878	252 799

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

Note 6 Financial investments

	31.12.2022	31.12.2021
Government debt securities	13 874	1 277
Credit institutions	2 173	2 329
Debt securities of other non-financial companies	2 700	2 326
Total of debt securities	18 747	5 932
Shares of other non-financial companies	13	13
Total of equity instruments	13	13
Total of financial investments	18 760	5 945

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

	31.12.2022	31.12.2021
Total receivables from private individuals	657 341	485 882
incl. consumers loans	89 068	70 380
incl. lease financing	61 448	50 903
incl. mortgage loans and other loans	506 825	364 599
Total receivables from legal entities	655 298	476 341
incl. lease financing	82 392	57 844
incl. other loans to legal entities	572 906	418 497
Total receivables	1 312 639	962 223
Loss allowances of loans and advances	-11 864	-8 827
Total	1 300 775	953 396

Note 8 Loss allowances of loans and advances

	31.12.2022	31.12.2021
Balance at the beginning of the reporting period	-8 827	-8 743
Allowances during the reporting period	-5 223	-2 440
Derecognized during reporting period	2 186	2 356
Balance of allowance at the end of the reporting period	-11 864	-8 827

Note 9 Allocation of past due loans

	31.12.2022			31.12.2021		
	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	4 487	5 791	3 112	3 519	3 690	9 511
31-60 days	1 023	1 301	1 342	772	598	451
61-90 days	517	313	338	440	132	8
over 90 days	1 721	216	525	1 919	283	122
Total	7 748	7 621	5 317	6 650	4 703	10 092

Note 10 Loans and advances to customers by economic sector

	31.12.2022	%	31.12.2021	%
Private individuals	653 271	50,22%	482 049	50,56%
L – activities related to real estate	285 983	21,99%	204 299	21,43%
G – wholesale and retail	71 145	5,47%	37 581	3,94%
C – manufacturing	54 435	4,18%	20 469	2,15%
K – finance and insurance activities	46 598	3,58%	30 948	3,25%
D – power and heat generation	42 035	3,23%	31 756	3,33%
A – agriculture, forestry and fishing	27 184	2,09%	34 267	3,59%
M – professional, scientific and technical activities	23 986	1,84%	6 256	0,66%
H – transportation and storage	23 598	1,81%	17 193	1,80%
F – construction	22 322	1,72%	15 698	1,65%
N – administrative and support services	11 576	0,89%	28 390	2,98%
I – hospitality and food service	8 599	0,66%	16 373	1,72%
S – other services	4 628	0,36%	14 907	1,56%
Other	25 415	1,96%	13 210	1,38%
Total	1 300 775	100%	953 396	100%

Note 11 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

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

31.12.2021	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Assets					
Cash and cash equivalents	252 799	0	0	0	252 799
Debt securities at fair value	1 277	202	2 124	2 329	5 932
Equity instruments	0	0	0	13	13
Loans and advances to customers	49 243	150 539	599 836	392 379	1 191 997
Other financial assets	976	0	21	314	1 311
Total financial assets	304 295	150 741	601 981	395 035	1 452 052
Liabilities					
Customer deposits and loans received	648 424	342 412	102 092	8 395	1 101 323
Lease liabilities	226	647	2 911	3 251	7 035
Other financial liabilities	3 221	0	0	0	3 221
Subordinated debt	260	786	4 185	19 999	25 230
Total financial liabilities	652 131	343 845	109 188	31 645	1 136 809
Off-balance sheet liabilities					
Undrawn lines of credit and overdraft facilities	124 838	0	0	0	124 838
Financial guarantees	16 553	0	0	0	16 553
Total on-balance / off-balance-sheet liabilities	793 522	343 845	109 188	31 645	1 278 200
Duration gap of financial assets and financial liabilities	-489 227	-193 104	492 793	363 390	173 852

Note 12 Customer deposits and loans received

Due to customers	31.12.2022	31.12.2021
Private individuals	640 178	477 383
Legal entities	867 948	621 363
Total	1 508 126	1 098 746
Demand deposits	717 743	518 122
Term deposits	779 569	571 452
Special purpose loans	10 814	9 172
Total	1 508 126	1 098 746

Note 13 Contingent liabilities

	31.12.2022	31.12.2021
Financial guarantees	15 419	16 553
Credit lines and overdrafts	139 330	124 838
Total	154 749	141 391

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 258 thousand euros (31.12.2021: 237).

Balances	31.12.2022	31.12.2021
Shareholders:		
Loans	0	0
Deposits	5 648	8 972
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Loans	1 914	705
Deposits	606	1 308
Transactions	31.12.2022	31.12.2021
Shareholders:		
Interest expense	3	16
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Interest income of the reporting period	52	51
Interest expense of the reporting period	5	12
Other goods and services sold	2	5
Compensation paid to members of the Management Board and Supervisory Board	698	636

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 2022	12 M 2022	Q4 2021	12 M 2021
Profit attributable to the owners of the parent (in th. euros)	6 515	20 350	3 295	13 463
Weighted average number of shares (in th. of units)	96 398	93 843	91 254	90 984
Basic earnings per share (euros)	0,07	0,22	0,04	0,15
Adjustments for calculation of diluted earnings per share – share options (in th. of units)	2 213	2 067	1 720	1 676
Weighted average number of shares used for calculating the diluted earnings per share (in th. of units)	98 610	95 911	92 974	92 660
Diluted earnings per share (euros)	0,07	0,21	0,04	0,15

Shareholders, Supervisory Board and Management Board of Coop Pank AS

As at 31.12.2022 shareholders with holding over 5% are:

Coop Investeeringud OÜ	22,33%
Andres Sonn	8,39%
CM Capital OÜ	5,24%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 19,25% of the total amount of shares, however, separately none of them holds over 5%.

Members of Supervisory Board hold 143 thousand shares of Coop Pank and Members of Management Board hold 769 thousand shares of Coop Pank, which in total accounts for 0,9% of the total amount of shares.

Members of the Supervisory board:

Alo Ivask (Chairman), Viljar Arakas, Jaan Marjundi, Roman Provotorov, Raul Parusk, Silver Kuus

Members of the Management board:

Margus Rink (Chairman), Heikko Mäe, Arko Kurtmann, Rasmus Heinla, Paavo Truu

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.

09.02.2023

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

Rasmus Heinla

Member of the Management Board

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