



Interim Report

3 months 2023

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Management Director's Statement

Business volumes and financial results

By the end of the Q1 2023, Coop Pank had 155,000 customers, during the quarter the number of customers increased by 8,200 (+6%). The bank had 70,100 active customers, during the quarter the number of active customers increased by 3,300 (+5%).

In Q1 2023, volume of deposits in Coop Pank increased by 5 million euros (+0.3%), reaching total of 1.51 billion euros. Deposits from private clients showed the fastest growth, increasing by 27 million euros: demand deposits decreased by 7 million euros and term deposits increased by 34 million euros. Deposits from domestic companies decreased by 23 million euros: demand deposits decreased by 94 million euros and term deposits increased by 71 million euros. Deposits from international deposit platform Raisin and other financing increased by 1 million euro. Compared to Q1 2022, volume of Coop Pank's deposits has increased by 364 million euros (+32%). In an annual comparison, share of term deposits of total deposits has increased from 50% to 59%. In Q1 2023, the bank's financing cost was 1.4%, at the same time last year the financing cost was 0.5%.

In Q1 2023, net loan portfolio of Coop Pank increased by 46 million euros (+4%), reaching 1.35 billion euros. Home loans portfolio showed the fastest growth, increasing the volume by 25 million euros (+5%). Business loans portfolio increased by 11 million euros (+2%), leasing portfolio increased by 6 million euros (+5%) and consumer finance portfolio increased by 4 million euros (+4%). Compared to Q1 2022, total loan portfolio of Coop Pank has grown by 307 million euros (+29%).

In Q1 2023, overdue loan portfolio of Coop Pank increased from the level of 1.5% to the level of 1.8%. In an annual comparison, overdue loan portfolio decreased from the level of 1,9% to 1,8%.

Impairment costs of financial assets in Q1 2023 were 1.6 million euros, which is 0.1 million euros (+9%) more than in Q1 2022.

Net income of Coop Pank in Q1 2023 was 19.7 million euros, having grown 19% over the quarter and 71% over the year. Operating expenses reached 7.6 million euros in Q1 – operating expenses increased 2% in the quarterly comparison and 23% in the annual comparison.

In Q1 2023, net profit of Coop Pank was 9.4 million euros, which is 44% more than in the previous quarter and 168% more than a year ago. In Q1 2023, cost to income ratio of the bank was 39% and return on equity was 24.4%.

As of 31 March 2023, Coop Pank has 36,500 shareholders, 500 (+1.3%) shareholders have been added over the quarter.

Key events and product developments

In the first quarter of the year, Eesti Pank added Coop Pank to the list of vital service providers, which includes the most important companies from the point of view of the functioning of the economy and society, whose service continuity must be guaranteed even in crisis. The list of vital service providers includes banks whose share of payments and cash transactions is important from the point of view of the entire market.

At the same time, the European Central Bank named Coop Pank as a high impact less-significant institution, which means that in addition to being under the direct supervision of the local financial supervision and crisis resolution authority Finantsinspektsioon, Coop Pank is also partially under the direct supervision of the European Central Bank from January 1, 2023.

In the first quarter, Coop Pank announced that it will continue to support Ukrainian war refugees who have arrived in Estonia and will offer them a free banking account also this year. In addition, all customers of Coop Pank can make payments to Ukrainian banks without a service fee, so that it is as easy as possible for everyone who wants to help the people there and those in need.

Among the most important product developments in the first quarter, it is worth highlighting the introduction of the Gateway for business customers, which helps companies connect their accounting quickly, securely and conveniently with the services of Coop Pank. In addition, we started to offer a convenient option to conclude motor insurance contract on our website in just a few minutes, and we see that this service has been well received by our customers.

In addition, in the first quarter, we also updated our visual identity: we want to emphasize the bank's dynamism and fast action with new graphic elements, more documentary visual language and new colours, and also increase the distinctiveness of the brand.

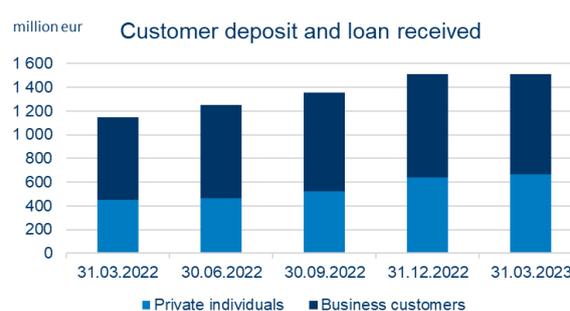
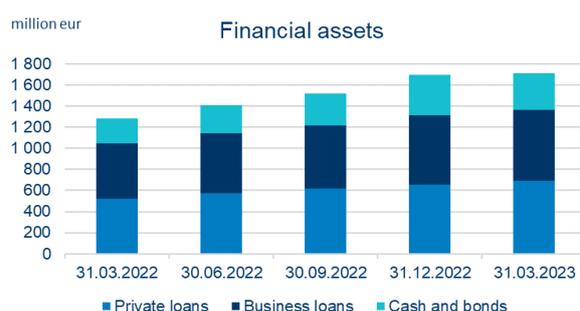
In order to involve employees more strongly in achieving of the bank's ESG goals, a Coop Pank information day on sustainability was held in February, where we reviewed already achieved goals, set new goals, and also learned about market-wide good practices.

Margus Rink
Chairman of the Management Board

Overview of financial results

| Income statement EUR thousand | Q1 2023 | Q4 2022 | quarterly change | Q1 2022 | annual change |
|--------------------------------------|---------------|---------------|---------------------|---------------|------------------|
| Net interest income | 18 372 | 15 765 | 17% | 10 595 | 73% |
| Net fee and commissions income | 1 028 | 1 107 | -7% | 796 | 29% |
| Other income | 261 | -338 | 177% | 101 | 158% |
| Total net operating income | 19 661 | 16 534 | 19% | 11 492 | 71% |
| Operating expenses | -7 596 | -7 439 | 2% | -6 199 | 23% |
| Impairment costs on financial assets | -1 627 | -1 898 | -14% | -1 494 | 9% |
| Income tax | -1 063 | -682 | 56% | -299 | 256% |
| Net profit | 9 375 | 6 515 | 44% | 3 500 | 168% |

| Business volumes, EUR thousand | Q1 2023 | Q4 2022 | quarterly change | Q1 2022 | annual change |
|--------------------------------------|------------|------------|---------------------|------------|------------------|
| Net loan portfolio | 1 346 822 | 1 300 775 | 4% | 1 040 209 | 29% |
| Cash and bonds | 353 006 | 383 625 | -8% | 235 902 | 50% |
| Customer deposits and loans received | 1 512 627 | 1 508 126 | 0% | 1 148 536 | 32% |
| Owner´s equity | 158 549 | 149 116 | 6% | 115 261 | 38% |



| Ratios (quarterly ratios, expressed on annualised basis) | Q1 2023 | Q4 2022 | quarterly change | Q1 2022 | annual change |
|--|------------|------------|---------------------|------------|------------------|
| Average equity (attributable to parent company), EUR thousand | 153 888 | 136 023 | 17 865 | 113 502 | 40 386 |
| Return on equity ROE % (<i>net profit / average equity</i>) | 24,4 | 19,2 | 5,2 | 12,3 | 12,0 |
| Average total assets, EUR thousand | 1 722 093 | 1 627 172 | 94 921 | 1 273 830 | 448 263 |
| Return on assets ROA % (<i>net profit / average total assets</i>) | 2,2 | 1,6 | 0,6 | 1,1 | 1,1 |
| Cash and interest-bearing assets, average, EUR thousand | 1 682 534 | 1 610 477 | 72 056 | 1 255 611 | 426 923 |
| Net interest margin NIM % (<i>net interest income / interest-bearing assets, average</i>) | 4,4 | 3,9 | 0,5 | 3,4 | 1,0 |
| Cost / income ratio % (<i>total operating costs / total net operating income</i>) | 38,6 | 45,0 | -6,4 | 53,9 | -15,3 |
| Liquidity Coverage Ratio LCR % | 175 | 176 | -1 | 153 | 22 |
| Net Stable Funding Ratio NSFR % (<i>as defined by the CRD IV</i>) | 140 | 144 | -4 | 137 | 3 |

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

| EUR thousand | 31.03.2023 | 31.03.2022 | 31.03.2021 |
|---------------------------------------|------------|------------|------------|
| Net loan portfolio | 1 346 822 | 1 040 209 | 695 721 |
| Customer deposits and loans received | 1 512 627 | 1 148 536 | 848 755 |
| Subordinated loans | 38 101 | 27 111 | 17 111 |
| Owner´s equity | 158 549 | 115 261 | 100 419 |
| Net interest income | 18 372 | 10 595 | 8 043 |
| Net fee and commission income | 1 028 | 796 | 648 |
| Other income | 261 | 101 | 202 |
| Total net operating income | 19 661 | 11 492 | 8 893 |
| Operating expenses | -7 596 | -6 199 | -5 123 |
| Impairment losses on financial assets | -1 627 | -1 494 | -771 |
| Income tax | -1 063 | -299 | -164 |
| Net profit | 9 375 | 3 500 | 2 835 |

Capitalisation

| Capital base, EUR thousand | 31.03.2023 | 31.12.2022 |
|---|----------------|----------------|
| Tier 1 capital | | |
| Paid-in share capital and share premium | 94 583 | 94 583 |
| Statutory reserve capital | 3 838 | 3 838 |
| Retained earnings | 46 297 | 30 513 |
| Eligible profit of the reporting period | 0 | 10 769 |
| Other accumulated comprehensive loss | -969 | -883 |
| Goodwill accounted for as intangible asset (-) | -6 757 | -6 757 |
| Intangible assets (-) | -9 039 | -8 579 |
| Adjustment of value arising from requirements of reliable measurement (-) | -19 | -18 |
| Other deductions from Tier 1 capital (-) | -1 627 | -1 898 |
| Other transitional adjustments of own funds | 0 | 157 |
| Common Equity Tier 1 (CET1) | 126 307 | 121 725 |
| Additional Tier 1 capital | 16 100 | 16 100 |
| Total Tier 1 capital | 142 407 | 137 825 |
| Subordinated debt | 22 000 | 22 000 |
| Tier 2 capital | 22 000 | 22 000 |
| Eligible capital for capital adequacy calculation | 164 407 | 159 825 |
| Risk-weighted assets RWA | | |
| Central government and central banks using standardised approach | 2 784 | 2 775 |
| Credit institutions, investment companies using standardised approach | 2 528 | 1 833 |
| Companies using standardised approach | 97 350 | 92 857 |
| Retail claims using standardised approach | 156 110 | 147 884 |
| Claims secured by mortgage on real estate using standardised approach | 477 293 | 463 540 |
| Claims past due using standardised approach | 4 675 | 4 355 |
| Items subject to particularly high risk using standardised approach | 114 127 | 111 056 |
| Other assets using standardised approach | 12 136 | 12 370 |
| Total credit risk and counter-party credit risk | 867 003 | 836 670 |
| Operational risk using basic indicator approach | 78 909 | 59 360 |
| Total risk-weighted assets (total risk exposure) | 945 912 | 896 030 |
| CET 1 capital ratio % | 13,35% | 13,58% |
| Tier 1 capital ratio % | 15,05% | 15,38% |
| Capital adequacy ratio % | 17,38% | 17,84% |

Based on the decision of the general meeting of shareholders held on 12.04.2023, the amount of dividends payable has been deducted from the retained earnings of the previous periods.

| 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 | 1.00% | of total risk exposure |

By the end of the reporting period, the Group is compliant with all regulative capital requirements. Capital adequacy decrease is caused by growth of loan portfolio and related risk weighted assets.

Consolidated financial statements

Consolidated statement of comprehensive income

| EUR thousand | Note | Q1 2023 | 3 M 2023 | Q1 2022 | 3 M 2022 |
|---|----------|---------------|---------------|---------------|---------------|
| Interest income calculated using the effective interest method | | 21 682 | 21 682 | 11 242 | 11 242 |
| Other income similar to interest | | 2 169 | 2 169 | 1 163 | 1 163 |
| Interest and similar expense | | -5 479 | -5 479 | -1 810 | -1 810 |
| Net interest and similar income | 3 | 18 372 | 18 372 | 10 595 | 10 595 |
| Fee and commission income | | 1 693 | 1 693 | 1 336 | 1 336 |
| Fee and commission expense | | -665 | -665 | -540 | -540 |
| Net fee and commission income | 4 | 1 028 | 1 028 | 796 | 796 |
| Sale of assets | | 80 | 80 | 0 | 0 |
| Cost of assets sold | | -85 | -85 | 0 | 0 |
| Direct property operating expenses | | 0 | 0 | -1 | -1 |
| Net gains/losses from financial assets measured at fair value | | 57 | 57 | -14 | -14 |
| Revenue from claims handling | | 157 | 157 | 98 | 98 |
| Other income | | 52 | 52 | 18 | 18 |
| Net other income | | 261 | 261 | 101 | 101 |
| Payroll expense | | -4 542 | -4 542 | -3 449 | -3 449 |
| Operating expense | | -1 940 | -1 940 | -1 703 | -1 703 |
| Depreciation | | -1 114 | -1 114 | -1 047 | -1 047 |
| Total operating expense | | -7 596 | -7 596 | -6 199 | -6 199 |
| Profit before loss allowances and tax | | 12 065 | 12 065 | 5 293 | 5 293 |
| Credit loss allowance | | -1 627 | -1 627 | -1 494 | -1 494 |
| Profit before income tax | | 10 438 | 10 438 | 3 799 | 3 799 |
| Income tax | | -1 063 | -1 063 | -299 | -299 |
| Net profit for the reporting period | 2 | 9 375 | 9 375 | 3 500 | 3 500 |
| Other comprehensive income / loss | | | | | |
| Items that may subsequently be reclassified to income statement: | | | | | |
| Financial assets at fair value through other comprehensive income | | -86 | -86 | -24 | -24 |
| Other comprehensive income/loss | | -86 | -86 | -24 | -24 |
| Comprehensive income for the reporting period | | 9 289 | 9 289 | 3 476 | 3 476 |
| Basic earnings per share (in euros) | | 0,09 | 0,09 | 0,04 | 0,04 |
| Diluted earnings per share (in euros) | | 0,09 | 0,09 | 0,04 | 0,04 |

Consolidated statement of financial position

| EUR thousand | Note | 31.03.2023 | 31.12.2022 |
|---|----------|------------------|------------------|
| Assets | | | |
| Cash, balances with central banks and other deposits | 5 | 334 074 | 364 878 |
| Debt securities at fair value through other comprehensive income | 6 | 18 932 | 18 747 |
| Equity instruments at fair value through other comprehensive income | | 13 | 13 |
| Loans and advances to customers | 7,8,9,10 | 1 346 822 | 1 300 775 |
| Other financial assets | | 1 181 | 1 380 |
| Other assets | | 1 033 | 697 |
| Assets held for sale | | 3 354 | 3 412 |
| Right-of-use assets | | 5 988 | 6 130 |
| Tangible assets | | 2 683 | 2 808 |
| Intangible assets | | 9 039 | 8 579 |
| Goodwill | | 6 757 | 6 757 |
| Total assets | | 1 729 876 | 1 714 176 |
| Liabilities | | | |
| Customer deposits and loans received | 11 | 1 512 627 | 1 508 126 |
| Lease liabilities | | 6 009 | 6 142 |
| Other financial liabilities | | 8 833 | 7 052 |
| Other liabilities | | 5 757 | 5 601 |
| Subordinated debt | | 38 101 | 38 139 |
| Total liabilities | | 1 571 327 | 1 565 060 |
| Shareholder's equity | | | |
| Share capital | | 69 148 | 69 148 |
| Share premium | | 25 435 | 25 435 |
| Statutory reserve capital | | 3 838 | 3 838 |
| Retained earnings | | 60 238 | 50 863 |
| Other reserves and assets revaluations | | -110 | -168 |
| Shareholders' equity attributable to owners of the parent company | | 158 549 | 149 116 |
| Total shareholder's equity | | 158 549 | 149 116 |
| Total liabilities and shareholders' equity | | 1 729 876 | 1 714 176 |

Consolidated statement of cash flows

| EUR thousand | Note | 3 M 2023 | 3 M 2022 |
|--|----------|----------------|----------------|
| Cash flows from operating activities | | | |
| Interest and other similar income received | | 22 987 | 12 402 |
| Interest paid | | -3 356 | -1 903 |
| Service fee and commission received | | 1 693 | 1 336 |
| Service fee and commission paid | | -665 | -540 |
| Other received income | | 270 | 115 |
| Salaries paid | | -5 696 | -4 342 |
| Other operating expenses paid | | -1 940 | -1 703 |
| Income Tax paid | | -682 | -213 |
| Total cash flows from operating activities before changes in operating assets and liabilities | | 12 611 | 5 152 |
| Change in operating assets: | | | |
| Loans and advances to customers | | -46 915 | -86 309 |
| Change of mandatory reserve in central bank | | -85 | -1 184 |
| Other assets | | -256 | 138 |
| Change in operating liabilities: | | | |
| Change in client deposits and loans received | | 2 339 | 49 930 |
| Other liabilities | | 2 854 | 1 364 |
| Net cash flows from operating activities | | -29 452 | -30 909 |
| Cash flows from investment activities | | | |
| Acquisition of property, plant and equipment | | -1 237 | -894 |
| Sale of property, plant and equipment and investment properties | | 58 | 0 |
| Acquisition of debt securities | | -988 | -500 |
| Sale and redemption of debt instruments | | 871 | 1 465 |
| Total cash flows from investment activities | | -1 296 | 71 |
| Cash flows from financing activities | | | |
| Issue of subordinated bonds | | 0 | 10 000 |
| Repayment of principal of lease liabilities | | -132 | -205 |
| Total cash flows from financing activities | | -132 | 9 795 |
| Effect on exchange rate changes on cash and cash equivalents | | -9 | -1 |
| Change in cash and cash equivalents | | -30 889 | -21 044 |
| Cash and cash equivalents at the beginning of period | | 350 642 | 241 286 |
| Cash and cash equivalents at the end of period | 5 | 319 753 | 220 242 |
| Cash and cash equivalents balance is comprised of: | | | |
| Cash on hand | | 2 356 | 28 987 |
| Demand deposits in central bank | | 303 875 | 177 132 |
| Demand and short-term deposits in credit institutions and other financial institutions | | 13 522 | 14 123 |

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 |
| Share options | 0 | 0 | 0 | 42 | 0 | 0 | 42 |
| Net profit 01.01.-31.03.2022 | 0 | 0 | 0 | 0 | 0 | 3 500 | 3 500 |
| Other comprehensive income 01.01.-31.03.2022 | 0 | 0 | 0 | 0 | -24 | 0 | -24 |
| Total comprehensive income | 0 | 0 | 0 | 0 | -24 | 3 500 | 3 476 |
| Equity as at 31.03.2022 | 62 186 | 12 230 | 3 165 | 295 | -39 | 37 424 | 115 261 |
| 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 | 438 | 0 | 0 | 438 |
| Change in reserves | 0 | 0 | 673 | 0 | 0 | -673 | 0 |
| Net profit 01.04. - 31.12.2022 | 0 | 0 | 0 | 0 | 0 | 16 850 | 16 850 |
| Other comprehensive income 01.04. - 31.12.2022 | 0 | 0 | 0 | 0 | -844 | 0 | -844 |
| Total comprehensive income | 0 | 0 | 0 | 0 | -844 | 16 850 | 16 006 |
| Equity as at 31.12.2022 | 69 148 | 25 435 | 3 838 | 715 | -883 | 50 863 | 149 116 |
| Share options | 0 | 0 | 0 | 144 | 0 | 0 | 144 |
| Net profit 01.01. - 31.03.2023 | 0 | 0 | 0 | 0 | 0 | 9 375 | 9 375 |
| Other comprehensive income 01.01. - 31.03.2023 | 0 | 0 | 0 | 0 | -86 | 0 | -86 |
| Total comprehensive income | 0 | 0 | 0 | 0 | -86 | 9 375 | 9 289 |
| Equity as at 31.03.2023 | 69 148 | 25 435 | 3 838 | 859 | -969 | 60 238 | 158 549 |

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 2022.

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, 3 M 2023, EUR thousand | Corporate banking | Retail banking | Consumer financing | Leasing | Other* | Elimi- nation | Total |
|--|----------------------|-------------------|-----------------------|--------------|------------|------------------|---------------|
| Interest income | 10 730 | 7 950 | 3 656 | 1 975 | 2 955 | -3 415 | 23 851 |
| Incl. external income | 9 600 | 6 479 | 3 656 | 1 975 | 2 141 | 0 | 23 851 |
| Incl. internal income | 1 130 | 1 471 | 0 | 0 | 814 | -3 415 | 0 |
| Interest expense | -2 699 | -2 377 | -414 | -607 | -2 797 | 3 415 | -5 479 |
| Net interest income | 8 031 | 5 573 | 3 242 | 1 368 | 158 | 0 | 18 372 |
| Commission income | 404 | 622 | 435 | 54 | 178 | 0 | 1 693 |
| Commission expense | -139 | -438 | -60 | -2 | -26 | 0 | -665 |
| Net commission income | 265 | 184 | 375 | 52 | 152 | 0 | 1 028 |
| Other operating income | 21 | 41 | 136 | 21 | 42 | 0 | 261 |
| Net other income | 8 317 | 5 798 | 3 753 | 1 441 | 352 | 0 | 19 661 |
| Total operating expenses | -2 435 | -2 707 | -1 340 | -801 | -313 | 0 | -7 596 |
| Profit before loss allowances and tax | 5 882 | 3 091 | 2 413 | 640 | 39 | 0 | 12 065 |
| Credit loss allowance | -852 | -45 | -732 | 2 | 0 | 0 | -1 627 |
| Income tax expense | -652 | -398 | 0 | 0 | -13 | 0 | -1 063 |
| Net profit | 4 378 | 2 648 | 1 681 | 642 | 26 | 0 | 9 375 |

| Assets and liabilities as at 31.03.2023 EUR million | Corporate banking | Retail banking | Consumer financing | Leasing | Other* | Elimination | Total |
|---|-------------------|----------------|--------------------|------------|------------|-------------|--------------|
| Loan portfolio | 771 | 533 | 90 | 135 | 407 | -589 | 1 347 |
| Other assets | 152 | 137 | 34 | 36 | 24 | 0 | 383 |
| Total assets | 923 | 670 | 124 | 171 | 431 | -589 | 1 730 |
| Total liabilities | 853 | 610 | 113 | 155 | 429 | -589 | 1 571 |

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

| Segment profits, 3M 2022, EUR thousand | Corporate banking | Retail banking | Consumer financing | Leasing | Other* | Elimination | Total |
|--|-------------------|----------------|--------------------|------------|-------------|-------------|---------------|
| Interest income | 5 948 | 3 299 | 3 067 | 1 061 | 190 | -1 160 | 12 405 |
| Incl. external income | 5 249 | 2 992 | 3 067 | 1 061 | 36 | 0 | 12 405 |
| Incl. internal income | 699 | 307 | 0 | 0 | 154 | -1 160 | 0 |
| Interest expense | -1 258 | -1 080 | -202 | -289 | -141 | 1 160 | -1 810 |
| Net interest income | 4 690 | 2 219 | 2 865 | 772 | 49 | 0 | 10 595 |
| Commission income | 323 | 493 | 370 | 56 | 94 | 0 | 1 336 |
| Commission expense | -124 | -340 | -55 | -2 | -19 | 0 | -540 |
| Net commission income | 199 | 153 | 315 | 54 | 75 | 0 | 796 |
| Other operating income | 6 | 17 | 75 | 17 | -14 | 0 | 101 |
| Net other income | 4 895 | 2 389 | 3 255 | 843 | 110 | 0 | 11 492 |
| Total operating expenses | -1 744 | -2 241 | -1 274 | -690 | -250 | 0 | -6 199 |
| Profit before loss allowances and tax | 3 151 | 148 | 1 981 | 153 | -140 | 0 | 5 293 |
| Credit loss allowance | -868 | 12 | -576 | -62 | 0 | 0 | -1 494 |
| Income tax expense | -299 | 0 | 0 | 0 | 0 | 0 | -299 |
| Net profit | 1 984 | 160 | 1 405 | 91 | -140 | 0 | 3 500 |

| Assets and liabilities as at 31.03.2022 EUR million | Corporate banking | Retail banking | Consumer financing | Leasing | Other* | Elimination | Total |
|---|-------------------|----------------|--------------------|------------|------------|-------------|--------------|
| Loan portfolio | 655 | 396 | 69 | 106 | 263 | -449 | 1 040 |
| Other assets | 109 | 94 | 27 | 25 | 11 | 0 | 266 |
| Total assets | 764 | 490 | 96 | 131 | 274 | -449 | 1 306 |
| Total liabilities | 711 | 447 | 89 | 120 | 272 | -449 | 1 190 |

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

Note 3 Net interest income

| Interest income | Q1 2023 | 3M 2023 | Q1 2022 | 3M 2022 |
|---|---------------|---------------|---------------|---------------|
| Interest income calculated using the effective interest method: | | | | |
| Loans to entities | 9 381 | 9 381 | 5 124 | 5 124 |
| Consumer loans and hire-purchase loans | 3 656 | 3 656 | 3 067 | 3 067 |
| Other loans to private individuals | 6 479 | 6 479 | 2 922 | 2 922 |
| Debt securities | 168 | 168 | 59 | 59 |
| Interest income on liabilities | 0 | 0 | 0 | 0 |
| Other assets | 1 998 | 1 998 | 0 | 0 |
| | 21 682 | 21 682 | 11 242 | 11 242 |
| Other similar interest income: | | | | |
| Leasing | 2 169 | 2 169 | 1 163 | 1 163 |
| Total interest revenues | 23 851 | 23 851 | 12 405 | 12 405 |
| Customer deposits and loans received | -4 757 | -4 757 | -1 295 | -1 295 |
| Subordinated debt | -703 | -703 | -287 | -287 |
| Interest expense on assets | 0 | 0 | -208 | -208 |
| Lease liabilities | -19 | -19 | -20 | -20 |
| Total interest expenses | -5 479 | -5 479 | -1 810 | -1 810 |
| Net interest income | 18 372 | 18 372 | 10 595 | 10 595 |

Note 4 Net fee and commission income

| Fee and commission income | Q1 2023 | 3M 2023 | Q1 2022 | 3M 2022 |
|---|--------------|--------------|--------------|--------------|
| Fees from consumer loans | 458 | 458 | 380 | 380 |
| Monthly account fees and transaction fees | 333 | 333 | 323 | 323 |
| Fees from cards | 374 | 374 | 274 | 274 |
| Insurance brokerage commission | 137 | 137 | 77 | 77 |
| Foreign exchange transactions | 34 | 34 | 15 | 15 |
| Other fee and commission income | 357 | 357 | 267 | 267 |
| Total fee and commission income | 1 693 | 1 693 | 1 336 | 1 336 |
| Expenses related to cards | -462 | -462 | -396 | -396 |
| Transaction costs | -73 | -73 | -53 | -53 |
| Other fee and commission expense | -130 | -130 | -91 | -91 |
| Total fee and commission expense | -665 | -665 | -540 | -540 |
| Net fee and commission income | 1 028 | 1 028 | 796 | 796 |

In Q1 2023, the Group earned 87% of fee and commission income from Estonian residents and 13% from residents of other countries (mostly EU countries). In Q4 2022, 85% of fee and commission income was earned from Estonian residents and 15% from residents of other countries. All fee and commission income are recognized point in time.

Note 5 Cash, balances with central banks and other deposits

| | 31.03.2023 | 31.12.2022 |
|---|----------------|----------------|
| Cash | 2 356 | 3 598 |
| Mandatory reserve at the central bank* | 14 321 | 14 236 |
| Demand deposits at central bank | 303 875 | 333 305 |
| Demand deposits at credit institutions and other financial institutions | 13 522 | 13 739 |
| Total | 334 074 | 364 878 |

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

Note 6 Financial investments

| | 31.03.2023 | 31.12.2022 |
|--|---------------|---------------|
| Government debt securities | 13 919 | 13 874 |
| Credit institutions | 3 249 | 2 173 |
| Debt securities of other non-financial companies | 1 764 | 2 700 |
| Total of debt securities | 18 932 | 18 747 |
| Shares of other non-financial companies | 13 | 13 |
| Total of equity instruments | 13 | 13 |
| Total of financial investments | 18 945 | 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

| | 31.03.2023 | 31.12.2022 |
|---|------------------|------------------|
| Total receivables from private individuals | 691 428 | 657 341 |
| incl. consumers loans | 93 083 | 89 068 |
| incl. lease financing | 64 902 | 61 448 |
| incl. mortgage loans and other loans | 533 443 | 506 825 |
| Total receivables from legal entities | 668 376 | 655 298 |
| incl. lease financing | 84 684 | 82 392 |
| incl. other loans to legal entities | 583 692 | 572 906 |
| Total receivables | 1 359 804 | 1 312 639 |
| Loss allowances of loans and advances | -12 982 | -11 864 |
| Total | 1 346 822 | 1 300 775 |

Note 8 Loss allowances of loans and advances

| | 31.03.2023 | 31.12.2022 |
|--|----------------|----------------|
| Balance at the beginning of the reporting period | -11 864 | -8 827 |
| Allowances during the reporting period | -1 683 | -5 223 |
| Derecognized during reporting period | 565 | 2 186 |
| Balance of allowance at the end of the reporting period | -12 982 | -11 864 |

Note 9 Allocation of past due loans

| | 31.03.2023 | | | 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 | 4 411 | 6 608 | 4 225 | 4 487 | 5 791 | 3 112 |
| 31-60 days | 1 149 | 1 056 | 1 281 | 1 023 | 1 301 | 1 342 |
| 61-90 days | 510 | 780 | 374 | 517 | 313 | 338 |
| over 90 days | 1 954 | 472 | 375 | 1 721 | 216 | 525 |
| Total | 8 024 | 8 916 | 6 255 | 7 748 | 7 621 | 5 317 |

Note 10 Loans and advances to customers by economic sector

| | 31.03.2023 | % | 31.12.2022 | % |
|---|------------------|-------------|------------------|-------------|
| Private individuals | 687 068 | 51,01% | 653 271 | 50,22% |
| L – activities related to real estate | 284 134 | 21,10% | 285 983 | 21,99% |
| G – wholesale and retail | 75 504 | 5,61% | 71 145 | 5,47% |
| C – manufacturing | 53 585 | 3,98% | 54 435 | 4,18% |
| K – finance and insurance activities | 45 304 | 3,36% | 46 598 | 3,58% |
| D – power and heat generation | 44 286 | 3,29% | 42 035 | 3,23% |
| A – agriculture, forestry and fishing | 30 112 | 2,24% | 27 184 | 2,09% |
| M – professional, scientific and technical activities | 23 939 | 1,78% | 23 986 | 1,84% |
| H – transportation and storage | 23 477 | 1,74% | 23 598 | 1,81% |
| F – construction | 28 485 | 2,11% | 22 322 | 1,72% |
| N – administrative and support services | 10 842 | 0,81% | 11 576 | 0,89% |
| I – hospitality and food service | 9 141 | 0,68% | 8 599 | 0,66% |
| S – other services | 3 140 | 0,23% | 4 628 | 0,36% |
| Other | 27 805 | 2,06% | 25 415 | 1,96% |
| Total | 1 346 822 | 100% | 1 300 775 | 100% |

Note 11 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

| 31.03.2023 | Up to 3 months | 3-12 months | 1-5 years | Over 5 years | Total |
|---|------------------|-----------------|----------------|----------------|------------------|
| Assets | | | | | |
| Cash and cash equivalents | 334 074 | 0 | 0 | 0 | 334 074 |
| Debt securities at fair value | 0 | 0 | 6 598 | 12 334 | 18 932 |
| Equity instruments | 0 | 0 | 0 | 13 | 13 |
| Loans and advances to customers | 69 929 | 200 240 | 908 688 | 747 498 | 1 926 355 |
| Other financial assets | 1 161 | 0 | 20 | 0 | 1 181 |
| Total financial assets | 405 164 | 200 240 | 915 306 | 759 845 | 2 280 555 |
| Liabilities | | | | | |
| Customer deposits and loans received | 882 397 | 510 405 | 127 121 | 2 411 | 1 522 334 |
| Lease liabilities | 222 | 628 | 3 112 | 2 352 | 6 314 |
| Other financial liabilities | 7 267 | 950 | 0 | 616 | 8 833 |
| Subordinated debt | 704 | 2 111 | 10 048 | 41 875 | 54 738 |
| Total financial liabilities | 890 590 | 514 094 | 140 281 | 47 254 | 1 592 219 |
| Off-balance sheet liabilities | | | | | |
| Undrawn lines of credit and overdraft facilities | 151 238 | 0 | 0 | 0 | 151 238 |
| Financial guarantees | 16 460 | 0 | 0 | 0 | 16 460 |
| Total on-balance / off-balance-sheet liabilities | 1 058 288 | 514 094 | 140 281 | 47 254 | 1 759 917 |
| Duration gap of financial assets and financial liabilities | -653 124 | -313 854 | 775 025 | 712 591 | 520 638 |

| 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 | 31.03.2023 | 31.12.2022 |
|-----------------------|------------------|------------------|
| Private individuals | 669 153 | 640 178 |
| Legal entities | 843 474 | 867 948 |
| Total | 1 512 627 | 1 508 126 |
| Demand deposits | 616 508 | 717 743 |
| Term deposits | 885 864 | 779 569 |
| Special purpose loans | 10 255 | 10 814 |
| Total | 1 512 627 | 1 508 126 |

Note 13 Contingent liabilities

| | 31.03.2023 | 31.12.2022 |
|-----------------------------|----------------|----------------|
| Financial guarantees | 16 460 | 15 419 |
| Credit lines and overdrafts | 151 238 | 139 330 |
| Total | 167 698 | 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 288 thousand euros (31.12.2022: 258).

| Balances | 31.03.2023 | 31.12.2022 |
|---|------------|------------|
| Shareholders: | | |
| Loans | 0 | 0 |
| Deposits | 5 775 | 5 648 |
| Members of the Management Board and Supervisory Board, and persons and entities associated with them: | | |
| Loans | 1 878 | 1 914 |
| Deposits | 764 | 606 |
| Transactions | 31.03.2023 | 31.12.2022 |
| Shareholders: | | |
| Interest expense | 1 | 3 |
| Members of the Management Board and Supervisory Board, and persons and entities associated with them: | | |
| Interest income of the reporting period | 23 | 52 |
| Interest expense of the reporting period | 1 | 5 |
| Other goods and services sold | 1 | 2 |
| Compensation paid to members of the Management Board and Supervisory Board | 278 | 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.

| | Q1 2023 | 3 M 2023 | Q1 2022 | 3 M 2022 |
|---|---------|----------|---------|----------|
| Profit attributable to the owners of the parent (in thousands of euros) | 9 375 | 9 375 | 3 500 | 3 500 |
| Weighted average number of shares (in thousands of units) | 101 471 | 101 471 | 91 254 | 91 254 |
| Basic earnings per share (euros) | 0,09 | 0,09 | 0,04 | 0,04 |
| Adjustments for calculation of diluted earnings per share – share options (in thousands of units) | 2 207 | 2 207 | 1 675 | 1 675 |
| Weighted average number of shares used for calculating the diluted earnings per share (in thousands of units) | 103 679 | 103 679 | 92 929 | 92 929 |
| Diluted earnings per share (euros) | 0,09 | 0,09 | 0,04 | 0,04 |

Shareholders, Supervisory Board and Management Board of Coop Pank AS

As at 31.03.2023 shareholders with holding over 5% are:

| | |
|------------------------|--------|
| Coop Investeeringud OÜ | 22,33% |
| Andres Sonn | 8,39% |
| CM Capital OÜ | 4,63% |

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, mandate is valid until 12.04.2023), 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.

20.04.2023

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

Contacts

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