



Pillar 3 Report

2023

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## General information

The information on capital adequacy and risk management published in this document and in the Annual Report 2023 of Coop AS group has been prepared in accordance with the Capital Requirements Directive 2013/36/EU (CRD IV) and the Capital Requirements Regulation (EU) 575/2013 (CRR).

Annual Report 2023 of Coop Pank AS group, published on the bank's website [www.cooppank.ee](http://www.cooppank.ee), contains information on the risk profile of the consolidation group, the total amount and composition of capital requirements and the total amount and composition of own funds, which is the basis for calculating the capital adequacy ratio. The requirements set out in Article 439 of Regulation (EU) 575/2013 do not apply to the Group, due to absence of the respective exposures. The group's risk management principles are described in Note 2 "Risk management" of the Annual Report 2023.

### Key ratios and indicators of exposure

In thousands of euros	31.12.2023	31.12.2022
Net loan portfolio	1,490,873	1,300,775
Credit cost per year on average loan portfolio	0.50%	0.50%
Liquid assets to total assets ratio	23.40%	22.38%
Capital adequacy*	19.61%	17.84%

\*The accepted profit of the reporting period includes an auditor's reviewed 9 month interim profit for 2023, which was approved by the Financial Supervisory Authority and from which expected dividend payments have been deducted.

The Group's risk strategy operates in accordance with the operational strategy approved by the Supervisory Board. The Group focuses on growing business volumes. As a result, the Group's risk appetite is medium in the credit risk, market risk and strategic risk categories and low in the operational risk, liquidity risk, reputation risk and real estate risk categories.

Group's risk appetite by main risk categories		Credit risk	Market risk	Liquidity risk	Operational risk	Real estate risk	Strategic risk	Reputational risk
		Medium	Medium	Low	Low	Low	Medium	Low
Risk control measures	Avoidance							X
	Limiting	X	X	X	X	X	X	
	Hedging	X	X		X	X	X	
	Separation	X	X	X	X		X	
	Insurance				X	X		

Regular risk reporting to the management is carried out in the Group. In the event of a large-scale realisation of risks or a significant deviation from the general risk management principles, the Management Board and the Supervisory Board shall be notified immediately.

The Group uses risk-based capital planning, ensuring that all risks are adequately covered by own funds at all times. Capital planning is based on financial forecasts that take into account the Group's strategy, future expectations and risk profile, as well as risk appetite. The existing capital buffer is sufficient to permanently cover all risks taken to achieve the Group's strategic goals.

The Group implements the mandatory crisis prevention and resolution measures established by the Financial Crisis Prevention and Resolution Act in order to ensure the financial stability of the consolidation group, the sustainability of critical functions and the sufficient protection of depositors, investors and other customers funds. Thus, a recovery plan for the Group's financial position has been prepared and the Group monitors and complies at all times with the minimum level of own funds and eligible liabilities provided by law. As financing of the Group is organized through Coop Pank AS as the parent company, then the Group does not use intra-group financial support measure. Consequently, any group undertaking hasn't entered into a financial support agreement under which it may provide financial support to another group undertaking.

## Disclosure requirement with reference to CRR Article

	Primary location in our Annual Report	Primary location in our Pillar 3 report
Article 435. Risk management objectives and policies	p 61-62	p 3-4
Article 436. Scope of application	N/A	p 5
Article 437. Own funds	p 17,63	p 5-11
Article 438. Capital requirements and RWA	p 17-18, 63-64	p 5-11
Article 439. Exposure to counterparty credit risk	N/A	p 6
Article 440. Countercyclical capital buffers	p 17	p 15
Article 441. Indicators of global systemic importance	N/A	N/A
Article 442. Credit risk adjustments	p 70-85	p 16-18
Article 443. Encumbered and unencumbered assets	N/A	p 13
Article 444. Use of the Standardised Approach	p 65	N/A
Article 445. Exposure to market risk	p 88-91	N/A
Article 446. Operational risk	p 91	N/A
Article 447. Key metrics	p 17	p 7
Article 448. Exposure to interest rate risk on positions not included in the trading book	p 89-91	N/A
Article 449. Exposure to securitisation positions	N/A	N/A
Article 449a. Disclosure of environmental, social and governance risks (ESG risks)	p 91-93	N/A
Article 450. Remuneration policy	p 38-40	N/A
Article 451. Leverage ratio	p 18	p 7, 10-11
Article 451a. Liquidity requirements	p 18, 86-87	p 7, 19-20
Article 452. Use of the IRB Approach to credit risk	N/A	N/A
Article 453. Use of credit risk mitigation techniques	N/A	p 19
Article 454. Use of the Advanced Measurement Approaches to operational risk	N/A	N/A
Article 455. Use of Internal Market Risk Models	N/A	N/A
Article 473a. Introduction of IFRS 9	p 47	p 11

## Information on the reconciliation between own funds balance sheet items

Disclosed information according to Annex VII Template EU CC2 of the commission implementing regulation (EL) nr 2021/637

The information of Coop Pank Group's own funds is provided according to corresponding CRR Regulation (EU) 575/2013 point (c) of Article 436 and Article 438. Coop Pank group's own funds tables show only those items and amounts that are relevant to the group.

In thousands of euros, as of 31.12.2023

Own funds	Value in the statement of financial position	Regulatory corrections	Regulatory own funds
Paid-up share capital	69,673	0	69,673
Share premium	25,779	0	25,779
Reserve capital	4,855	0	4,855
Retained earnings*	84,484	-15,447	69,037
Other reserves	1,034	-1,493	-459
<b>Tier 1 capital before adjustments</b>	<b>185,825</b>	<b>-16,940</b>	<b>168,885</b>
Adjustments:			
Goodwill as intangible asset	-6,757	0	-6,757
Intangible assets	-10,838	0	-10,838
Adjustment of value arising from requirements of reliable measurement	0	-36	-36
Other deductions from Tier 1 capital	0	-1,148	-1,148
Other adjustments of own funds resulting from transitional provisions	0	0	0
<b>Total regulatory adjustments of Tier 1 capital</b>	<b>-17,595</b>	<b>-1,184</b>	<b>-18,779</b>
<b>Additional Tier 1 capital</b>	<b>28,100</b>	<b>0</b>	<b>28,100</b>
<b>Total Tier 1 capital</b>	<b>196,330</b>	<b>-18,124</b>	<b>178,206</b>
Subordinated debt	22,000	0	22,000
<b>Total Tier 2 capital</b>	<b>22,000</b>	<b>0</b>	<b>22,000</b>
<b>Eligible capital for capital adequacy calculation</b>	<b>218,330</b>	<b>-18,124</b>	<b>200,206</b>

\* Retained earnings include the undistributed profits of previous periods recognised in the financial statement and the profit of 2023, from which the interim profit of the IV quarter of 2023 in the amount of 8,386 and estimated dividend payments in the amount of 7,061 thousand euros have been deducted as regulatory corrections. Regulatory own funds include the undistributed profits of previous periods and Interim profit for the 9 months of 2023, which has been audited by an independent auditor and received permission from the Financial Supervision Authority to include the profit.

## Risk exposure amounts and capital requirements

The Group calculates capital requirement arising from credit risk exposures according to the standardised approach and operational risk exposure according to basic indicator approach. All the exposures, risk-weighted exposures and capital requirements per exposure class as of 31.12.2023 can be found in the tables below.

Disclosed information according to Annex I of the commission implementing regulation (EL) nr 2021/637

In thousands of euros

Template EU OV1 – Overview of total risk exposure amounts	Net exposure	Risk-weighted exposure amount	Minimum regulatory capital requirement
<b>1. Credit risk (excluding CCR)</b>			
2. of which the standardised approach			
Central governments and central banks	441,553	5,998	480
Public sector entities and local governments	4	1	0
Credit institutions, investment companies	6,689	3,084	247
Companies	142,983	109,050	8,724
Retail receivables	225,750	160,091	12,807
Receivables secured by mortgage on real estate	1,078,324	510,545	40,844
Receivables past due	8,286	8,868	709
Items subject to particularly high risk	51,759	77,638	6,211
Investments in equity	13	13	1
Other assets	13,256	10,980	878
<b>Total balance sheet exposures</b>	<b>1,968,617</b>	<b>886,268</b>	<b>70,901</b>
Off-balance sheet liabilities (the standardised approach)			
Companies	7,978	6,213	497
Retail receivables	10,727	6,517	521
Receivables secured by mortgage on real estate	21,109	14,492	1,160
Receivables past due	15	15	1
Items subject to particularly high risk	18,848	28,271	2,262
<b>Total off-balance sheet exposures</b>	<b>58,677</b>	<b>55,508</b>	<b>4,441</b>
<b>Total credit risk exposure (standardised approach)</b>	<b>2,027,294</b>	<b>941,776</b>	<b>75,342</b>
23 Operational risk	n/a	78,909	6,313
EU 23a Of which basic indicator approach	n/a	78,909	6,313
<b>29. Total risk exposure amounts and minimum capital requirement</b>	<b>2,027,294</b>	<b>1,020,685</b>	<b>81,655</b>

Template EU CR5. Standardised approach	Risk weight							
Exposure classes	0%	20%	35%	50%	75%	100%	150%	Total
Central governments	411,566	29,988	0	0	0	0	0	441,554
Local authorities	0	4	0	0	0	0	0	4
Credit institutions, investment companies	0	2,092	0	3,863	0	734	0	6,689
Corporates	0	12,798	0	0	0	138,162	0	150,960
Retail receivables	0	0	0	0	236,477	0	0	236,477
Secured by mortgages on immovable property	0	0	616,273	164,046	66,661	252,453	0	1,099,433
Exposures in default	0	0	0	0	0	7,136	1,165	8,301
Exposures associated with particularly high risk	0	0	0	0	0	0	70,606	70,606
Equity	0	0	0	0	0	13	0	13
Other items	2,276	0	0	0	0	10,981	0	13,257
<b>Total risk-weighted assets</b>	<b>413,842</b>	<b>44,882</b>	<b>616,273</b>	<b>167,909</b>	<b>303,138</b>	<b>409,479</b>	<b>71,771</b>	<b>2,027,294</b>

## EU KM1. Key metrics template

Disclosed information according to Annex I of the commission implementing regulation (EL) nr 2021/637

In thousands of euros		31.12.2023	31.12.2022
<b>Available own funds (amounts)</b>			
1	Common Equity Tier1 (CET1) capital	150,106	121,725
2	Tier1 capital	178,206	137,825
3	Total capital	200,206	159,825
<b>Risk-weighted exposure amounts</b>			
4	Total risk-weighted assets	1,020,685	896,030
<b>Capital ratios (as a percentage of risk exposure amount)</b>			
5	Common Equity Tier1 (%)	14.71%	13.58%
6	Tier 1 ratio (%)	17.46%	15.38%
7	Total capital ratio (%)	19.61%	17.84%
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>			
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.61%	2.55%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.47%	1.43%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.96%	3.41%
EU 7d	Total SREP own funds requirements (%)	10.61%	10.55%
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>			
8	Capital conservation buffer (%)	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	1.50%	1.00%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)		
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%
11	Combined buffer requirement (%)	4.00%	3.50%
EU 11a	Overall capital requirements (%)	14.61%	14.05%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.74%	7.65%
<b>Leverage ratio (as a percentage of risk exposure amount)</b>			
13	Total exposure measure	2,112,215	1,852,098
14	Leverage ratio (%)	8.44%	7.44%
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	0.00%	0.00%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>			
EU 14d	Leverage ratio buffer requirement (%)	3.00%	3.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%
<b>Likviidsuskattekordaja</b>			
15	Total,high-quality liquid assets (HQLA) (Weighted value -average)	426,354	351,207
EU 16a	Cash outflows - Total weighted value	159,838	212,661
EU 16b	Cash inflows - Total weighted value	14,528	12,831
16	Total net cash outflows (adjusted value)	145,310	199,829
17	Liquidity coverage ratio (%)	293.41%	175.75%
<b>Net Stable Funding Ratio</b>			
18	Total available stable funding	1,510,548	1,483,282
19	Total required stable funding	1,125,101	1,029,066
20	NSFR ratio (%)	134.26%	144.14%

## EU CCA. Main features of regulatory own funds instruments and eligible liabilities instruments

Disclosed information according to Annex VII of the commission implementing regulation (EL) nr 2021/637

1	Issuer	Coop Pank AS	Coop Pank AS	Coop Pank AS	Coop Pank AS	Coop Pank AS	Coop Pank AS
2	Unique identifier (ISIN)	EE3100007857	EE3300111699	EE3300002047	EE3300002542	EE3300002641	EE3300003649
3	Governing law(s) of the instrument	Estonian	Estonian	Estonian	Estonian	Estonian	Estonian
<b>Regulatory treatment</b>							
4	Transitional CCR rules	Common equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 1	Tier 1
5	Post-transitional CRR rules	Common equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 1	Tier 1
6	Eligible at solo/(sub-) consolidated/ solo & (sub-)consolidated	solo and sub-consolidated	solo and sub-consolidated	solo and sub-consolidated	solo and sub-consolidated	solo and sub-consolidated	solo and sub-consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share, (EU) 575/2013 Articles 28,29	Tier 2 subordinated bond, (EU) 575/2013 Article 63	Tier 2 subordinated bond, (EU) 575/2013 Article 63	Tier 2 subordinated bond, (EU) 575/2013 Article 63	Tier 1 subordinated bond, (EU) 575/2013 Article 61	Tier 1 subordinated bond, (EU) 575/2013 Article 61
8	Amount recognised in regulatory capital (MEUR, as of 31.12.2023)	95 M, EUR	2 M, EUR	10 M, EUR	10 M, EUR	16.1 M, EUR	12 M, EUR
9	Nominal amount of instrument	Without nominal value, § 222 <sup>1</sup> of the Commercial Code	2 M, EUR	10 M, EUR	10 M, EUR	16.1 M, EUR	12 M, EUR
9a	Issue price	95 M, EUR	100.00%	100.00%	100.00%	100.00%	100.00%
9b	Redemption price	N/A	100.00%	100.00%	100.00%	100.00%	100.00%
10	Accounting classification	Share capital	liability – amortised cost	liability – amortised cost	liability – amortised cost	liability – amortised cost	liability – amortised cost
11	Original date of issuance	19.07.1999	29.03.2019	31.03.2021	14.03.2022	27.06.2022	18.09.2023
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Perpetual	Perpetual
13	Original maturity date	No maturity	29.03.2029	31.03.2031	10.03.2032	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	Issuer Call Option: 29.03.2024 100%	Issuer Call Option: 31.03.2026 100% or partial	Issuer Call Option: 31.03.2027 100% or partial	Issuer Call Option: 30.06.2027 100%	Issuer Call Option: 18.09.2028 100%
16	Subsequent call dates, if applicable	N/A	Any time after 29.03.2024	Any time after 31.03.2026	Any time after 31.03.2027	Any time after 30.06.2027	Any time after 18.09.2028
<b>Coupons / dividends</b>							
17	Fixed or floating dividend/coupon	fixed	fixed	fixed	fixed	fixed	fixed
18	Coupon rate and any related index	N/A	7.58% per annum	5.50% per annum	5.00% per annum	10.00% per annum	12.00% per annum



19	Existence of a dividend stopper	No	N/A	N/A	N/A	N/A	N/A
20a	Fully discretionary, partially or mandatory (in terms of timing)	fully discretionary	mandatory	mandatory	mandatory	mandatory	mandatory
20b	Fully discretionary, partially or mandatory (in terms of amount)	fully discretionary	mandatory	mandatory	mandatory	mandatory	mandatory
21	Existence of step up or other incentive to redeem	N/A	No	No	No	No	No
22	Noncumulative or cumulative	cumulative	cumulative	cumulative	cumulative	cumulative	cumulative
23	Convertible or non-convertible	non-convertible	non-convertible	non-convertible	non-convertible	non-convertible	non-convertible
30	Write-down features	No	No	No	No	Yes	Yes
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	Contractual and statutory. Decision by the Resolution authority	Contractual and statutory. Decision by the Resolution authority
32	If write-down, full or partial	N/A	N/A	N/A	N/A	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	Temporary	Temporary
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	Contractual Reinstatement Procedure	Contractual Reinstatement Procedure
35	Positioning subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	other debt obligation	other debt obligation	other debt obligation	Tier 2	Tier 2
36	Non-compliant transitioned features	No	No	No	No	No	No

## EU CC1. Composition of regulatory own funds

Disclosed information according to Annex VII of the commission implementing regulation (EL) nr 2021/637

The items and amounts of Coop Bank Group's own funds are presented as referred to in points (a), (d), (e) and (f) of Article 437 of CRR Regulation (EU) 575/2013 by following the instructions provided in the Annex VIII of (EL) nr 2021/637.

Coop Bank group's own funds tables show only those items and amounts that are relevant to the group.

In thousands of euros

Common Equity Tier 1 (CET1) capital: instruments and reserves		31.12.2023	31.12.2022
1	Capital instruments and the related share premium accounts	95,452	94,583
	of which: Instrument type 1	95,452	94,583
2	Retained earnings	69,037	41,282
3	Accumulated other comprehensive income (and other reserves to cover retained earnings on the basis of applied accounting procedures)	-459	-883
3a	Funds for general banking risk	4,855	3,838
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>168,885</b>	<b>138,820</b>
Common Equity Tier 1 (CET1) capital: regulatory adjustments		31.12.2023	31.12.2022
7	Additional value adjustments (negative amount)	-36	-18
8	Intangible assets (net of related tax liability) (negative amount)	-17,595	-15,336
12	Negative amounts resulting from the calculation of expected loss amounts	-1,148	-1,898
12a	IFRS 9 transitional arrangements	0	157
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-18,779</b>	<b>-17,095</b>
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>150,106</b>	<b>121,725</b>
30	<b>Additional Tier 1 (CET1)</b>	<b>28,100</b>	<b>16,100</b>
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>178,206</b>	<b>137,825</b>
Tier 2 (T2) capital: instruments		31.12.2023	31.12.2022
46	Capital instruments and the related share premium accounts	22,000	22,000
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>22,000</b>	<b>22,000</b>
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>0</b>	<b>0</b>
58	<b>Tier 2 (T2) capital</b>	<b>22,000</b>	<b>22,000</b>
59	<b>Total capital (TC = T1 + T2)</b>	<b>200,206</b>	<b>159,825</b>
60	<b>Total risk-weighted assets</b>	<b>1,020,685</b>	<b>896,030</b>
Capital ratios and requirements including buffers		31.12.2023	31.12.2022
61	Common Equity Tier 1 capital (as a percentage of total risk exposure amount)	14.71%	13.58%
62	Tier 1 capital (as a percentage of total risk exposure amount)	17.46%	15.38%
63	<b>Total capital (as a percentage of total risk exposure amount)</b>	<b>19.61%</b>	<b>17.84%</b>
64	Institution CET1 overall capital requirements	10.97%	10.93%
65	of which: capital conservation buffer requirement	2.50%	2,50%
66	of which: countercyclical buffer requirement	1.50%	1.00%
67	of which: systemic risk buffer requirement	0.00%	0.00%
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	8.74%	9.08%

## Information regarding transitional arrangements that mitigate the impact of IFRS 9 on own funds

The transition period for the introduction of IFRS 9 was valid from 2018 to 2022. The Group used a static approach during this period. Changes in the indicators of the group's capital requirements, related to the application of IFRS 9 credit loss transition period, were not significant. In 2023, CET1 capital and risk exposures have not been adjusted.

### Disclosure of CRR leverage ratio

Disclosed information according to Annex XI of the Commission implementing regulation (EL) nr 2021/637. Coop Pank group's leverage tables show only those items and amounts that are relevant to the group.

In thousands of euros

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures		31.12.2023	31.12.2022
1	Total assets as per published financial statements	1,986,212	1,714,176
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	144,782	154,749
12	Other adjustments	-18,779	-16,826
13	Leverage ratio total exposure measure	2,112,215	1,852,098

Template EU LR2 - LRCom: Leverage ratio common disclosure		31.12.2023	31.12.2022
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,968,617	1,698,998
6	(Asset amounts deducted in determining Tier 1 capital)	-1,184	-1,648
7	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	1,967,433	1,697,350
13	Total derivatives exposures	0	0
18	Total securities financing transaction exposures	0	0
19	Off-balance sheet exposures at gross notional amount	144,782	154,749
20	(Adjustments for conversion to credit equivalent amounts)	0	0
22	Other off-balance sheet exposures	144,782	154,749
EU-22k	(Total exempted exposures)	0	0
23	Tier 1 capital	178,206	137,825
24	Leverage ratio total exposure measure	2,112,215	1,852,098
25	Leverage ratio	8.44%	7.44%
27	Leverage ratio buffer requirement (%)	3.00%	3.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%

**CRR leverage ratio exposures**

EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)		31.12.2023	31.12.2022
1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	1,968,617	1,698,998
2	Trading book exposures	0	0
3	Banking book exposures, of which:	1,968,617	1,698,998
4	Covered bonds		0
5	Exposures treated as sovereigns	441,551	361,691
6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	4	37
7	Institutions	6,689	4,034
8	Secured by mortgages of immovable properties	1,078,325	941,831
9	Retail exposures	225,750	201,349
10	Corporate	142,983	117,782
11	Exposures in default	8,286	3,964
12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	65,029	68,310

**Table EU LRA: Disclosure of LR qualitative information**

- Description of the processes used for excessive leverage risk management:**  
 In managing the risk of excessive leverage, the Group follows the requirements provided for in § 82<sup>2</sup> of the Credit Institutions Act. The Group monitors the dynamics of leverage risk quantitatively, mainly using the leverage indicator in accordance with Regulation (EU) No 575/2013. In order to manage the risk of excessive leverage, the Bank's Management Board and the Assets and Liabilities Management Committee monitor the leverage ratio, analyze changes in the balance sheet structure and forecasts and, if necessary, approve an action plan to respond to the changes in leverage ratio. When preparing the strategy and financial forecasts, it is taken into account that the leverage ratio normative would be met in a sustainable manner.
- Description of factors that had an impact on the leverage ratio during the reporting period:**  
 The leverage ratio of the Coop Pank Group calculated in accordance with Article 1 of commission delegated regulation (EU) 2015/62 is 8.44% as of 31.12.2023 and 7.44% as of 31.12.2022. During 2023, the Group's business volumes have grown significantly, resulting in increased exposures, which in turn is the main reason for the increase in the leverage ratio in 2023.

## Disclosure of encumbered and unencumbered assets

Disclosed information according to Annex XXXV of the Commission delegated regulation (EL) nr 2021/637

In thousands of euros, as of 31.12.2023

### Template EU AE1 - Encumbered and unencumbered assets

	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
	010	040	060	090
010 Assets of the reporting institution	318	318	1,985,895	1,987,137
030 Equity instruments	0	0	13	13
040 Debt securities	0	0	36,421	36,421
050 of which: covered bonds	0	0	0	0
060 of which: asset-backed securities	0	0	0	0
070 of which: issued by general governments	0	0	29,988	29,988
080 of which: issued by financial corporations	0	0	4,596	4,596
090 of which: issued by non-financial corporations	0	0	1,837	1,837
120 Other assets	318	318	1,949,461	1,950,703

### Template EU AE2 - Collateral received and own debt securities issued

	Fair value of encumbered collateral received or own debt securities issued	Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance
	010	040
Total assets, collateral received and own debt		
250 Securities issued	318	n/a

### Template EU AE3 - Sources of encumbrance

	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
	010	030
010 Carrying amount of selected financial liabilities	n/a	n/a

### Table EU AE4 - Accompanying narrative information

The Group's business strategy focuses mainly on the day-to-day banking (incl. deposits) and financing (incl. mortgage loans, unsecured loans and leasing) of private customers and small and medium-sized enterprises.

Mainly demand and term deposits and other long-term liabilities (e.g. debt Securities issued) serve as Resources for investments that require financing.

Thus, the group's assets are mostly unencumbered, except for deposits set to secure various settlements in the total amount of 318 thousand euros.

## Disclosure of the countercyclical buffer requirement

Disclosed information according to Annex IX of the Commission delegated regulation (EL) nr 2021/637

In thousands of euros, as of 31.12.2023

### EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposure		Own funds requirements					
		Exposure value for SA	Exposure Value for IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure Value for IRB	Of which: General credit exposure	Of which: Trading book exposure	Of which: Securitisation exposure	Total	Own funds requirement weights (1/100)	Counter-cyclical capital buffer rate (%)
010	By country	010	020	030	040	050	060	070	080	090	100	110	120
	Estonia	1,550,262						73,398			73,398	0.984	0.00
	Switzerland	12,067						798			798	0.011	0.00
	France	12,481						200			200	0.003	0.00
	Latvia	2,136						161			161	0.002	0.00
	Finland	1,024						31			31	0.000	0.00
	Other	1,078						28			28	0.000	0.00
020	Total	1,579,048	n/a	n/a	n/a	n/a	n/a	74,616	n/a	n/a	74,616	1.000	0.00

### EU CCyB2 - Amount of institution-specific countercyclical capital buffer

31.12.2023

Row		Column 010
010	Total risk exposure amount (EUR, thousand)	1,020,685
020	Institution specific countercyclical buffer rate (%)	1.50
030	Institution specific countercyclical buffer requirement (EUR, thousand)	15,310

## Disclosure of non-performing and forborne exposures

Disclosed information according to Annex XV of the Commission delegated regulation (EL) nr 2021/637

In thousands of euros, as of 31.12.2023

### Template EU CQ1: Credit quality of forborne exposures

		a	b	c	d	e		f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
		Performing forborne	Non-performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
1	Loans, and advances	10,869	835	0	0	-582	-148	9,818	671	
2	Central banks	0	0	0	0	0	0	0	0	
3	General governments	0	0	0	0	0	0	0	0	
4	Credit institutions	0	0	0	0	0	0	0	0	
5	Other financial corporations	0	0	0	0	0	0	0	0	
6	Non-financial corporations	1,170	73	0	0	-6	-8	1,229	65	
7	Households	9,699	762	0	0	-576	-140	8,589	606	
8	Debt securities	0	0	0	0	0	0	0	0	
9	Loan commitments given	0	0	0	0	0	0	0	0	
10	Total	10,869	835	0	0	-582	-148	9,818	671	

In thousands of euros, as of 31.12.2023

Template EU CQ3: Credit quality of performing and non-performing exposures by past due days													
	a	b	c	d	e	f	g	h	i	j	k	l	
	Gross carrying amount/nominal amount												
	Performing exposures			Non-performing exposures									
		Not past due or past due ≤30 days	Past due >30 days ≤90 days		Unlikely to pay that are not past due or are past due ≤90 days	Past due >90 days ≤180 days	Past due >180 days ≤1 year	Past due >1 year ≤2 years	Past due >2 year ≤5 years	Past due >5 year ≤7 years	Past due >7 years	Of which defaulted	
05	Cash balances at the Central Bank and other demand deposits	413,279	413,279	0	0	0	0	0	0	0	0	0	0
1	Loans and advances	1,507,721	1,501,250	6,471	12,344	8,287	935	1,597	851	581	27	66	4,057
2	Central banks	0	0	0	0	0	0	0	0	0	0	0	0
3	General governments	4	4	0	0	0	0	0	0	0	0	0	0
4	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0
5	Other financial corporations	67,130	67,130	0	0	0	0	0	0	0	0	0	0
6	Non-financial corporations	655,898	654,762	1,136	6,875	5,523	419	772	75	78	8	0	1,352
7	Of which SMEs	655,879	654,743	1,136	6,875	5,523	419	772	75	78	8	0	1,352
8	Households	784,689	779,354	5,335	5,469	2,764	516	825	776	503	19	66	2,705
9	Debt securities	36,421	36,421	0	0	0	0	0	0	0	0	0	0
10	Central banks	0	0										
11	General governments	29,988	29,988										
12	Credit institutions	4,596	4,596										
13	Other financial corporations	0	0										
14	Non-financial corporations	1,837	1,837										
15	Off-balance-sheet exposures	144,717			65								0
16	Central banks	0			0								
17	General governments	5			0								
18	Credit institutions	0			0								
19	Other financial corporations	4,372			0								
20	Non-financial corporations	114,250			61								
21	Households	26,090			4								
22	Total	2,102,138	1,950,950	6,471	12,409	8,287	935	1,597	851	581	27	66	4,057



**Template EU CR1: Performing and non-performing exposures and related provisions.**

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received		
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures	
		Of which: stage 1.	Of which: stage 2		Of which: stage 2	Of which: stage 3		Of which: stage 1.	Of which: stage 2		Of which: stage 2	Of which: stage 3				
05	Cash balances at the Central Bank and other demand deposits	413,279	413,279	0	0	0	0	0	0	0	0	0	0	0	0	
1	Loans and advances	1,507,721	1,433,570	67,296	12,345	0	12,073	-12,336	-6,820	-5,516	-4,058	0	-4,058	0	1,381,902	7,946
2	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	General governments	4	4	0	0	0	0	0	0	0	0	0	0	0	4	0
4	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Other financial corporations	67,130	67,130	0	0	0	0	-308	-308	0	0	0	0	0	54,024	0
6	Non-financial corporations	655,898	609,865	46,033	6,876	0	6,875	-7,958	-4,039	-3,919	-1,887	0	-1,887	0	647,844	4,987
7	of which SMEs	655,879	609,846	46,033	6,876	0	6,875	-7,958	-4,039	-3,919	-1,887	0	-1,887	0	647,844	4,987
8	Households	784,689	756,571	21,263	5,469	0	5,198	-4,070	-2,473	-1,597	-2,171	0	-2,171	0	680,030	2,959
9	Debt securities	36,421	36,421	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	General governments	29,988	29,988	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Credit institutions	4,596	4,596	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Other fin. corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Non-fin. corporations	1,837	1,837	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Off-balance-sheet exposures	144 717	143 023	1 695	65	0	65	-461	-461	0	0	0	0	0	0	0
16	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	General governments	5	5	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Other financial corporations	4,372	4,372	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Non-financial corporations	114,250	112,693	1558	61	0	61	-461	-461	0	0	0	0	0	0	0
21	Households	26,090	25,953	137	4	0	4	0	0	0	0	0	0	0	0	0
22	Total	2,102,138	2,026,293	68,991	12,410	0	12,138	-12,797	-7,281	-5,516	-4,058	0	-4,058	0	1,381,902	7,946

Template EU CQ7: Collateral obtained by taking possession and execution processes

As of the end of the reporting period, the Group has no collateral obtained by taking possession and execution processes

Template EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	527,107	1,389,844	1,383,776	6,068	0
2	Debt securities	36,421	0	0	0	0
3	<b>Total</b>	<b>563,528</b>	<b>1,389,844</b>	<b>1,383,776</b>	<b>6,068</b>	<b>0</b>
4	<i>Of which non-performing exposures</i>	340	7,946	7,707	239	0
EU-5	<i>Of which defaulted</i>	290	1,380	-	-	-

## Disclosure of liquidity coverage ratio and information on liquidity risk management

Disclosed information according to Annex XIII of the Commission delegated regulation (EL) nr 2021/637

**Table EU LIQA - Liquidity risk management in accordance with Article 451a(4) CRR.**

Strategies and processes in the management of the liquidity risk	The aim of the Group's liquidity management strategy is to ensure the timely and full fulfilment of the Group's obligations at all times, while optimizing liquidity risk so as to achieve maximum and stable profitability from investments of different durations. A more detailed overview of liquidity management is provided in the Group's annual report "Note 2 Risk Management" and its subchapter "Liquidity Risk Management".
Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)	<p>The main liquidity management body is the Assets and Liabilities Management Committee (ALCO), whose functions and areas of responsibility in liquidity management are:</p> <ul style="list-style-type: none"> <li>• planning the short-term and long-term liquidity of the group and planning and implementing the measures to be used;</li> <li>• analysis of information concerning the Group's assets and liabilities, interest income and expenses, liquidity and investment management and, if necessary, preparation of strategic decisions concerning liquidity management for the Management Board;</li> <li>• optimizing the maturity, profitability and liquidity ratio of the Group's assets and liabilities to achieve the Bank's strategic objectives;</li> <li>• regulation of the Group's required level of liquidity, acceptable interest rate risk and acceptable level of risk of changes in the value of assets and liabilities.</li> </ul>
Scope and nature of liquidity risk reporting and measurement systems	<p>The Group's liquidity position is managed using the maturity analysis of assets and liabilities. The model also captures the main observable liquidity ratios and fixed-term ratios of assets and liabilities and liquidity stress tests are conducted. Limits have been set for all key liquidity ratios. The following indicators are used to measure liquidity risk:</p> <ul style="list-style-type: none"> <li>• Liquidity Coverage Ratio (LCR);</li> <li>• survival period in a liquidity crisis situation;</li> <li>• concentration of financing;</li> <li>• the ratio of liquid assets to demand deposits;</li> <li>• the ratio of long-term liabilities to investments requiring stable financing.</li> </ul>
Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants	<p>The Group's liquidity policy is based on the principle of conservatism and the formed liquidity buffers are sufficient to cover the large-scale outflow of deposits. The Group has established a business continuity and recovery plan for dealing with liquidity crisis situations, which includes activities to cover cash flow deficits in emergency situations. In order to manage the liquidity position, the Group's Management Board has established an internal investment resource model that takes into account the ratio of issued loans and Resources involved. Different coefficients have been assigned to resources in the model, to the extent to which the respective resource can be used for lending activities. The Group diversifies the maturity of resources and avoids large concentrations of one counterparty.</p>

A concise liquidity risk statement approved by the management body, succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement includes key ratios and figures, providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, (incl the risk profile of the institution and the risk tolerance set by the management body)

Liquidity risk management is an important part of the Group's overall risk management and planning process. The Group's risk appetite for liquidity risk is low, but due to the growth strategy, the Group's actual liquidity risk profile is higher than recommended. Therefore, the management actively and continuously monitors the free resource based on the internal investment resource model. The share of the Group's liquid assets in total assets as of 31.12.2023 was 23% (2022: 22%); the share of liquid assets in customer demand deposits 71% (2021:52%) and the share of demand deposits in total deposits was 29% (2021: 48%). The Management Board has established a system of early warning indicators to help identify an increase in risk or financing needs.

In thousands of euros

Template EU LIQ1 - Quantitative information of LCR (Scope of consolidation: (solo/consolidated))

Row number		31.03.2023	30.06.2023	30.09.2023	Total adjusted value 31.12.2023
EU-21	LIQUIDITY BUFFER	320,149	452,385	400,760	426,354
22	TOTAL NET CASH OUTFLOWS	182,509	202,121	157,422	145,310
23	LIQUIDITY COVERAGE RATIO	175%	224%	255%	293%

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