



Interim Report

9 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 139,000 customers, during the quarter the number of customers increased by 8,200 (+6%). The bank had 62,400 active customers, during the quarter the number of active customers increased by 3,700 (+6%).

In Q3 2022, volume of deposits in Coop Pank increased by 106 million euros (+8%), reaching total of 1.35 billion euros. Deposits from domestic companies showed the fastest growth, increasing by 44 million euros: demand deposits increased by 50 million euros and term deposits decreased by 6 million euros. Deposits from private clients increased by 4 million euros: demand deposits increased by 5 million euros and term deposits decreased by 1 million euros. Deposits from international deposit platform Raisin and other financing increased by 58 million euros. Compared to Q3 2021, volume of Coop Pank's deposits has increased by 368 million euros (+37%). In an annual comparison, share of demand deposits to total deposits has increased from 46% to 50%. In Q3 2022, the bank's financing cost was 0.7%, which has increased compared to the previous quarters.

In Q3 2022, net loan portfolio of Coop Pank increased by 77 million euros (+7%), reaching 1.21 billion euros. Home mortgage loan portfolio showed the fastest growth, increasing the volume by 36 million euros (+8%). Business loans portfolio increased by 29 million euros (+6%), leasing portfolio increased by 8 million euros (+7%) and consumer finance portfolio increased by 4 million euros (+7%). Compared to Q3 2021, total loan portfolio of Coop Pank has grown by 354 million euros (+41%).

In Q3 2022, overdue loan portfolio of Coop Pank decreased from the level of 1.7% to 1.4%. A year ago, it was 2.0%.

Impairment costs of financial assets in Q3 2022 were 0.7 million euros, which is usual level. In Q3 2021 no impairment costs were made, due to the release of provisions in the consumer financing portfolio, because of the pension reform.

Net income of Coop Pank in Q3 2022 was 13.9 million euros, having grown 9% over the quarter and 34% over the year. Operating expenses reached 7 million euros in Q3, having increased 5% in quarterly comparison and 20% in annual comparison.

In Q3 2022, net profit of Coop Pank was 5.7 million euros, which is 25% more than in the previous quarter and 43% more than a year ago. In Q3 2022, cost to income ratio of the bank was 50% and return on equity was 19.1%.

As of 30 September 2022, Coop Pank has ca 30 200 shareholders, number of shareholders has been stable during the quarter.

## Key events and product developments

Coop Pank is striving to move towards climate neutrality and has therefore begun mapping its impact on the environment. In order to determine the impact that its lending and investment activities have on the environment, the bank has joined the Partnership for Carbon Accounting Financials (PCAF). This will help the bank measure the carbon footprint of its loan portfolio in a way that is comparable to other banks and financial institutions around the world.

In Q3 Coop Pank also launched active sales of green leasing, thanks to which it is able to offer better leasing terms to buyers of more environmentally friendly electric and hybrid cars. In this way the bank and its clients are both taking steps towards a greener future.

As a result of the rise in interest rates, Coop Pank continued to raise the interest rates on its deposits in Q3. The interest rates on long-term deposits had already been raised to 2% in Q2, and the rates on short-term deposits were brought into line with them in Q3. Coop Pank remains the only universal bank operating in Estonia which pays its private clients 1% interest on the balance of their settlement accounts.

Coop Pank has raised the maximum amount of small loans without collateral to 25,000 euros and extended the permitted repayment period to 10 years – the most generous and flexible terms for such loans of any universal bank in Estonia today.

Coop Pank has begun offering its clients the chance to freeze their home loan interest rate for a period of five years. This gives borrowers a sense of security that their repayments will remain the same throughout that period regardless of any rises in EURIBOR.

Coop Pank has introduced changes to the travel insurance offered as part of its settlement plans: travel insurance with monthly repayments can now be entered into by Väikerahn clients in addition to Rändrahn and Rahn clients. The settlement plan travel insurance on contracts entered into as of 1 October 2022 is no longer valid in Russia, Belarus or Ukraine, and the cost of the insurance has also changed.

Due to the sanctions imposed as a result of Russia's military aggression in Ukraine, Coop Pank AS is no longer accepting payments from Russia or Belarus.

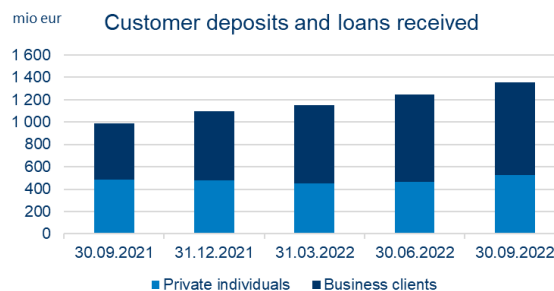
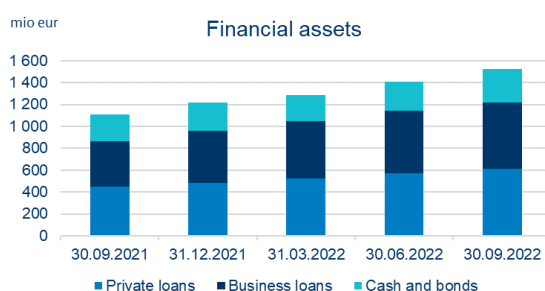
The Financial Supervision Authority (FSA) has reviewed the risk management principles of Coop Pank AS and Coop Finants AS. It noted a need to enhance them and issued precepts to this effect on 26 September 2022. Both Coop Pank AS and Coop Finants AS are maintaining a dialogue with the FSA in this regard and will rectify the shortcomings by the agreed deadline. It has always been important to the bank that all requirements arising from regulations are fulfilled.

Margus Rink  
Chairman of the Management Board

## Overview of financial results

Income statement EUR thousand	Q3 2022	Q2 2022	quarterly change	Q3 2021	annual change
Net interest income	12 721	11 629	9%	9 345	36%
Net fee and commissions income	978	904	8%	752	30%
Other income	148	224	-34%	230	-36%
<b>Total net operating income</b>	<b>13 847</b>	<b>12 757</b>	<b>9%</b>	<b>10 327</b>	<b>34%</b>
Operating expenses	-6 929	-6 610	5%	-5 788	20%
Impairment costs on financial assets	-672	-1 181	-43%	-10	6 620%
Income tax	-499	-378	32%	-227	120%
<b>Net profit</b>	<b>5 747</b>	<b>4 588</b>	<b>25%</b>	<b>4 302</b>	<b>34%</b>

Business volumes, EUR thousand	Q3 2022	Q2 2022	quarterly change	Q3 2021	annual change
Net loan portfolio	1 208 457	1 131 367	7%	854 234	41%
Cash and bonds	301 698	266 790	13%	243 308	24%
Customer deposits and loans received	1 354 345	1 248 711	8%	986 777	37%
Owner´s equity	122 820	117 287	5%	108 386	13%



Ratios (quarterly ratios, expressed on annualised basis)	Q3 2022	Q2 2022	quarterly change	Q3 2021	annual change
Average equity (attributable to parent company), EUR thousand	120 053	116 274	3 779	106 158	13 895
Return on equity ROE % ( <i>net profit / average equity</i> )	19,1	15,8	3,4	16,2	2,9
Average total assets, EUR thousand	1 484 452	1 367 276	117 176	1 077 440	407 011
Return on assets ROA % ( <i>net profit / average total assets</i> )	1,5	1,3	0,2	1,6	-0,1
Cash and interest-bearing assets, average, EUR thousand	1 467 001	1 349 361	117 640	1 058 929	408 071
Net interest margin NIM % ( <i>net interest income / interest-bearing assets, average</i> )	3,5	3,4	0,1	3,5	0,0
Cost / income ratio % ( <i>total operating costs / total net operating income</i> )	50,0	51,8	-1,8	56,0	-6,0
Liquidity Coverage Ratio LCR %	157	160	-3	197	-40
Net Stable Funding Ratio NSFR % ( <i>as defined by the the CRD IV</i> )	137	135	2	137	0

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

EUR thousand	30.09.2022	30.09.2021	30.09.2020
Net loan portfolio	1 208 457	854 234	599 213
Customer deposits and loans received	1 354 345	986 777	688 116
Subordinated loans	43 211	17 111	7 111
Owner´s equity	122 820	108 386	94 255
Net interest income	34 945	25 714	20 563
Net fee and commission income	2 677	2 183	1 557
Other income	475	665	450
Total net operating income	38 097	28 562	22 570
Operating expenses	-19 738	-16 248	-13 524
Impairment losses on financial assets	- 3 347	-1 534	-4 074
Income tax	-1 176	-612	-137
Net profit	13 836	10 168	4 835

## Capitalisation

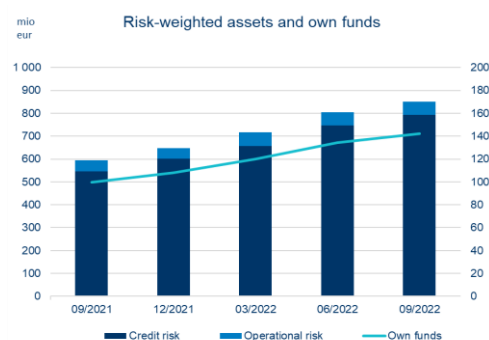
Capital base, EUR thousand	30.09.2022	30.09.2022 adjusted *	31.12.2021
<b>Tier 1 capital</b>			
Paid-in share capital and share premium	74 493	74 493	74 416
Statutory reserve capital	3 838	3 838	3 165
Retained earnings	30 513	30 513	20 461
Eligible profit of the reporting period	6 272	10 833	8 012
Other accumulated comprehensive loss	-426	-426	-15
Goodwill accounted for as intangible asset (-)	-6 757	-6 757	-6 757
Intangible assets (-)	-8 304	-8 304	-7 457
Adjustment of value arising from requirements of reliable measurement (-)	-14	-14	-6
Other deductions from Tier 1 capital (-)	-672	0	-963
Other transitional adjustments of own funds	157	157	315
<b>Common Equity Tier 1 (CET1)</b>	<b>99 100</b>	<b>104 333</b>	<b>91 171</b>
Additional Tier 1 capital	16 100	16 100	0
<b>Total Tier 1 capital</b>	<b>115 200</b>	<b>120 433</b>	<b>91 171</b>
Subordinated debt	27 000	27 000	17 000
<b>Tier 2 capital</b>	<b>27 000</b>	<b>27 000</b>	<b>17 000</b>
<b>Eligible capital for capital adequacy calculation</b>	<b>142 200</b>	<b>147 433</b>	<b>108 171</b>
<b>Risk-weighted assets RWA</b>			
Central government and central banks using standardised approach	1 908	1 908	638
Credit institutions, investment companies using standardised approach	1 930	1 930	3 112
Companies using standardised approach	90 549	90 549	65 173
Retail claims using standardised approach	155 345	155 345	130 582
Claims secured by mortgage on real estate using standardised approach	413 444	413 444	325 729
Claims past due using standardised approach	4 260	4 260	3 033
Items subject to particularly high risk using standardised approach	111 802	111 802	59 295
Other assets using standardised approach	12 850	12 850	13 543
<b>Total credit risk and counter-party credit risk</b>	<b>792 088</b>	<b>792 088</b>	<b>601 105</b>
Operational risk using basic indicator approach	59 360	59 360	47 007
<b>Total risk-weighted assets (total risk exposure)</b>	<b>851 448</b>	<b>851 448</b>	<b>648 112</b>
<b>CET1 capital ratio %</b>	<b>11,64%</b>	<b>12,25%</b>	<b>14,07%</b>
<b>Tier 1 capital ratio %</b>	<b>13,53%</b>	<b>14,14%</b>	<b>14,07%</b>
<b>Capital adequacy ratio %</b>	<b>16,70%</b>	<b>17,32%</b>	<b>16,69%</b>

\* Includes unaudited profit for Q3 2022 which will be added to regulatory Tier 1 capital after approval of the interim profit by independent auditor and the Financial Supervisory Authority and 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.



# Consolidated financial statements

## Consolidated statement of comprehensive income

EUR thousand	Note	Q3 2022	9 M 2022	Q3 2021	9 M 2021
Interest income calculated using the effective interest method		13 634	37 036	10 151	28 333
Other similar income		1 377	3 782	1 033	2 943
Interest expense		-2 290	-5 873	-1 839	-5 562
<b>Net interest income</b>	<b>3</b>	<b>12 721</b>	<b>34 945</b>	<b>9 345</b>	<b>25 714</b>
Fee and commission income		1 651	4 496	1 246	3 578
Fee and commission expense		-673	-1 819	-494	-1 395
<b>Net fee and commission income</b>	<b>4</b>	<b>978</b>	<b>2 677</b>	<b>752</b>	<b>2 183</b>
Rental income from investment properties		0	0	345	345
Direct property operating expenses		0	0	-299	-299
Rental income from investment properties		0	0	0	3
Direct property operating expenses		0	-1	-21	-44
Change in fair value of investment property		0	0	-196	-210
Net gains/losses from non-financial asset realization		0	6	10	10
Net gains/losses from financial assets measured at fair value		0	4	-9	-67
Revenue from claims handling		125	332	384	704
Other income		23	134	16	223
<b>Other net income</b>		<b>148</b>	<b>475</b>	<b>230</b>	<b>665</b>
Payroll expense		-4 057	-11 286	-3 364	-9 308
Operating expense		-1 774	-5 245	-1 449	-4 300
Depreciation		-1 098	-3 207	-975	-2 640
<b>Total operating expense</b>		<b>-6 929</b>	<b>-19 738</b>	<b>-5 788</b>	<b>-16 248</b>
<b>Net profit before impairment costs</b>		<b>6 918</b>	<b>18 359</b>	<b>4 539</b>	<b>12 314</b>
Impairment costs		-672	-3 347	-10	-1 534
<b>Profit before income tax</b>		<b>6 246</b>	<b>15 012</b>	<b>4 529</b>	<b>10 780</b>
Income tax		-499	-1 176	-227	-612
<b>Net profit for the reporting period</b>	<b>2</b>	<b>5 747</b>	<b>13 836</b>	<b>4 302</b>	<b>10 168</b>
Items that may subsequently be reclassified to income statement:					
Financial assets at fair value through other comprehensive income		-363	-411	16	12
<b>Comprehensive income for the reporting period</b>		<b>5 384</b>	<b>13 425</b>	<b>4 318</b>	<b>10 180</b>
Net profit attributable to:					
Owners of parent company		5 747	13 836	4 302	10 168
<b>Net profit for the reporting period</b>		<b>5 747</b>	<b>13 836</b>	<b>4 302</b>	<b>10 168</b>
Comprehensive income attributable to:					
Owners of parent company		5 384	13 425	4 318	10 180
<b>Comprehensive income for the reporting period</b>		<b>5 384</b>	<b>13 425</b>	<b>4 318</b>	<b>10 180</b>
Basic earnings per share (in euros)		0.06	0.15	0.05	0.11
Diluted earnings per share (in euros)		0.06	0.15	0.05	0.11



## Consolidated statement of financial position

EUR thousand	Note	30.09.2022	31.12.2021
<b>Assets</b>			
Cash and cash equivalents	5	287 158	252 799
Debt securities at fair value through other comprehensive income	6	14 540	5 932
Equity instruments at fair value through other comprehensive income		13	13
Loans and advances to customers	7,8,9,10	1 208 457	953 396
Other financial assets		964	1 311
Other assets		1 134	927
Assets held for sale		3 764	3 725
Right-of-use assets		6 341	6 625
Tangible assets		2 603	3 034
Intangible assets		8 304	7 457
Goodwill		6 757	6 757
<b>Total assets</b>		<b>1 540 035</b>	<b>1 241 976</b>
<b>Liabilities</b>			
Customer deposits and loans received	11	1 354 345	1 098 746
Lease liabilities		6 345	6 639
Other financial liabilities		6 081	3 221
Other liabilities		7 233	4 563
Subordinated debt		43 211	17 064
<b>Total liabilities</b>		<b>1 417 215</b>	<b>1 130 233</b>
<b>Shareholder's equity</b>			
Share capital		62 233	62 186
Share premium		12 260	12 230
Statutory reserve capital		3 838	3 165
Retained earnings		44 349	33 924
Other reserves		140	238
<b>Shareholders' equity attributable to owners of the parent company</b>		<b>122 820</b>	<b>111 743</b>
<b>Total shareholder's equity</b>		<b>122 820</b>	<b>111 743</b>
<b>Total liabilities and shareholders' equity</b>		<b>1 540 035</b>	<b>1 241 976</b>

## Consolidated statement of cash flows

EUR thousand	Note	9 M 2022	9 M 2021
<b>Cash flows from operating activities</b>			
Interest received		40 188	31 351
Interest paid		-5 845	-5 224
Service fee and commission received		4 496	3 578
Service fee and commission paid		-1 819	-1 395
Other received income		483	937
Salaries paid		-11 278	-9 472
Other operating expenses paid		-5 245	-4 300
Income tax paid		-890	-493
<b>Cash flows from operating activities before change in assets and liabilities related to operating activities</b>		<b>20 090</b>	<b>14 982</b>
<b>Change in operating assets:</b>			
Loan receivables from customers		-257 883	-185 213
Term deposits in credit institutions		2 001	-15 000
Change of statutory reserve in central bank		-3 224	-2 281
Other assets		-221	-228
<b>Change in operating liabilities:</b>			
Change in client deposits and loans received		255 618	228 651
Other liabilities		5 531	4 607
<b>Net cash flows from operating activities</b>		<b>21 912</b>	<b>45 518</b>
<b>Cash flows from investment activities</b>			
Acquisition of property, plant and equipment		-3 028	-4 288
Sale of property, plant and equipment and investment properties		0	687
Acquisition of debt securities		-10 339	-825
Sale and redemption of debt instruments		1 472	489
<b>Total cash flows from investment activities</b>		<b>-11 895</b>	<b>-3 937</b>
<b>Cash flows from financing activities</b>			
Issue of subordinated bonds		26 100	10 000
Contribution to share capital		59	486
Dividends paid		-2 738	0
Repayment of principal of lease liabilities		-294	-368
<b>Total cash flows from financing activities</b>		<b>23 127</b>	<b>10 118</b>
Effect of exchange rate fluctuations to cash and cash equivalents		-8	5
<b>Change in cash and cash equivalents</b>		<b>33 136</b>	<b>51 704</b>
Cash and cash equivalents at the beginning of period		241 286	164 439
<b>Cash and cash equivalents at the end of period</b>	<b>5</b>	<b>274 422</b>	<b>216 143</b>
<b>Cash and cash equivalents balance is comprised of:</b>			
Cash on hand		2 144	26 978
Demand deposits in central bank		258 250	182 072
Demand and short-term deposits in credit institutions and other financial institutions		14 028	7 093

## Consolidated statement of changes in equity

EUR thousand	Share capital	Share premium	Statutory reserve capital	Other reserves	Revaluation reserve	Retained earnings	Total equity
<b>Equity as at 31.12.2020</b>	<b>61 756</b>	<b>12 061</b>	<b>2 802</b>	<b>142</b>	<b>-18</b>	<b>20 824</b>	<b>97 567</b>
Contribution to share capital	430	169	0	-113	0	0	486
Share options	0	0	0	153	0	0	153
Change in reserves	0	0	363	0	0	-363	0
Net profit 01.01. – 30.09.2021	0	0	0	0	0	10 168	10 168
Other comprehensive income 01.01. – 30.09.2021	0	0	0	0	12	0	12
Total comprehensive income	0	0	0	0	12	10 168	10 180
<b>Equity as at 30.09.2021</b>	<b>62 186</b>	<b>12 230</b>	<b>3 165</b>	<b>182</b>	<b>-6</b>	<b>30 629</b>	<b>108 386</b>
Contribution to share capital	0	0	0	0	0	0	0
Share options	0	0	0	71	0	0	71
Net profit 01.10. – 31.12.2021	0	0	0	0	0	3 295	3 295
Other comprehensive income 01.10. – 31.12.2021	0	0	0	0	-9	0	-9
Total comprehensive income	0	0	0	0	-9	3 295	3 286
<b>Equity as at 31.12.2021</b>	<b>62 186</b>	<b>12 230</b>	<b>3 165</b>	<b>253</b>	<b>-15</b>	<b>33 924</b>	<b>111 743</b>
Contribution to share capital	47	30	0	-18	0	0	59
Dividends paid	0	0	0	0	0	-2 738	-2 738
Share options	0	0	0	331	0	0	331
Change in reserves	0	0	673	0	0	-673	0
Net profit 01.01. – 30.09.2022	0	0	0	0	0	13 836	13 836
Other comprehensive income 01.01. – 30.09.2022	0	0	0	0	-411	0	-411
Total comprehensive income	0	0	0	0	-411	13 836	13 425
<b>Equity as at 30.09.2022</b>	<b>62 233</b>	<b>12 260</b>	<b>3 838</b>	<b>566</b>	<b>-426</b>	<b>44 349</b>	<b>122 820</b>

## 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%
CP Varad AS	Estonia	real estate management	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, Q3 2022, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	7 387	4 011	3 418	1 262	304	-1 371	15 011
Incl. external income	6 535	3 673	3 418	1 262	123	0	15 011
Incl. internal income	852	338	0	0	181	-1 371	0
Interest expense	-1 558	-1 341	-240	-354	-168	1 371	-2 290
<b>Net interest income</b>	<b>5 829</b>	<b>2 670</b>	<b>3 178</b>	<b>908</b>	<b>136</b>	<b>0</b>	<b>12 721</b>
Commission income	411	613	419	62	146	0	1 651
Commission expense	-154	-438	-57	-3	-21	0	-673
<b>Net commission income</b>	<b>257</b>	<b>175</b>	<b>362</b>	<b>59</b>	<b>125</b>	<b>0</b>	<b>978</b>
Other net income	23	15	93	18	-1	0	148
<b>Net income</b>	<b>6 109</b>	<b>2 860</b>	<b>3 633</b>	<b>985</b>	<b>260</b>	<b>0</b>	<b>13 847</b>
Total operating expense	-2 030	-2 515	-1 355	-722	-307	0	-6 929
<b>Profit before credit losses and income tax</b>	<b>4 079</b>	<b>345</b>	<b>2 278</b>	<b>263</b>	<b>-47</b>	<b>0</b>	<b>6 918</b>
Impairment losses (-) or reversals (+)	-439	-21	-238	26	0	0	-672
Income tax expense	-357	-135	0	0	-7	0	-499
<b>Net profit</b>	<b>3 283</b>	<b>189</b>	<b>2 040</b>	<b>289</b>	<b>-54</b>	<b>0</b>	<b>5 747</b>

Segment profits, 9M 2022, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	19 926	10 852	9 695	3 458	638	-3 751	40 818
Incl. external income	17 596	9 879	9 695	3 458	190	0	40 818
Incl. internal income	2 330	973	0	0	448	-3 751	0
Interest expense	-4 112	-3 521	-642	-937	-412	3 751	-5 873
<b>Net interest income</b>	<b>15 814</b>	<b>7 331</b>	<b>9 053</b>	<b>2 521</b>	<b>226</b>	<b>0</b>	<b>34 945</b>
Commission income	1 096	1 666	1 191	179	364	0	4 496
Commission expense	-410	-1 148	-169	-8	-84	0	-1 819
<b>Net commission income</b>	<b>686</b>	<b>518</b>	<b>1 022</b>	<b>171</b>	<b>280</b>	<b>0</b>	<b>2 677</b>
Other net income	64	82	262	72	-5	0	475
<b>Net income</b>	<b>16 564</b>	<b>7 931</b>	<b>10 337</b>	<b>2 764</b>	<b>501</b>	<b>0</b>	<b>38 097</b>
Total operating expense	-5 677	-7 141	-3 959	-2 122	-839	0	-19 738
<b>Profit before credit losses and income tax</b>	<b>10 887</b>	<b>790</b>	<b>6 378</b>	<b>642</b>	<b>-338</b>	<b>0</b>	<b>18 359</b>
Impairment losses	-2 027	-135	-1 223	38	0	0	-3 347
Income tax expense	-872	-297	0	0	-7	0	-1 176
<b>Net profit</b>	<b>7 988</b>	<b>358</b>	<b>5 155</b>	<b>680</b>	<b>-345</b>	<b>0</b>	<b>13 836</b>

Assets and liabilities as at 30.09.2022 EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Loan portfolio	769	471	80	123	373	-608	1 208
Other assets	133	118	30	31	20	0	332
<b>Total assets</b>	<b>902</b>	<b>589</b>	<b>110</b>	<b>154</b>	<b>393</b>	<b>-608</b>	<b>1 540</b>
Total liabilities	846	544	102	141	392	-608	1 417

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

Segment profits, Q3 2021, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	4 843	3 009	3 195	984	268	-1 115	11 184
Incl. external income	4 216	2 755	3 195	984	34	0	11 184
Incl. internal income	627	254	0	0	234	-1 115	0
Interest expense	-1 123	-1 069	-239	-303	-220	1 115	-1 839
<b>Net interest income</b>	<b>3 720</b>	<b>1 940</b>	<b>2 956</b>	<b>681</b>	<b>48</b>	<b>0</b>	<b>9 345</b>
Commission income	305	462	363	51	65	0	1 246
Commission expense	-125	-304	-57	-2	-6	0	-494
<b>Net commission income</b>	<b>180</b>	<b>158</b>	<b>306</b>	<b>49</b>	<b>59</b>	<b>0</b>	<b>752</b>
Other net income	260	24	100	25	-179	0	230
<b>Net income</b>	<b>4 160</b>	<b>2 122</b>	<b>3 362</b>	<b>755</b>	<b>-72</b>	<b>0</b>	<b>10 327</b>
Total operating expense	-1 502	-2 127	-1 292	-636	-231	0	-5 788
<b>Profit before credit losses and income tax</b>	<b>2 658</b>	<b>-5</b>	<b>2 070</b>	<b>119</b>	<b>-303</b>	<b>0</b>	<b>4 539</b>
Impairment losses (-) or reversals (+)	-308	2	340	101	-145	0	-10
Income tax expense	-227	0	0	0	0	0	-227
<b>Net profit</b>	<b>2 123</b>	<b>-3</b>	<b>2 410</b>	<b>220</b>	<b>-448</b>	<b>0</b>	<b>4 302</b>

Segment profits, 9M 2021, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	12 987	8 307	9 406	2 821	1 070	-3 315	31 276
Incl. external income	11 363	7 605	9 406	2 821	81	0	31 276
Incl. internal income	1 624	702	0	0	989	-3 315	0
Interest expense	-3 135	-3 133	-751	-929	-929	3 315	-5 562
<b>Net interest income</b>	<b>9 852</b>	<b>5 174</b>	<b>8 655</b>	<b>1 892</b>	<b>141</b>	<b>0</b>	<b>25 714</b>
Commission income	934	1 275	1 090	123	156	0	3 578
Commission expense	-333	-869	-180	-7	-6	0	-1 395
<b>Net commission income</b>	<b>601</b>	<b>406</b>	<b>910</b>	<b>116</b>	<b>150</b>	<b>0</b>	<b>2 183</b>
Other net income	466	85	267	73	-226	0	665
<b>Net income</b>	<b>10 919</b>	<b>5 665</b>	<b>9 832</b>	<b>2 081</b>	<b>65</b>	<b>0</b>	<b>28 562</b>
Total operating expense	-4 111	-6 077	-3 571	-1 809	-680	0	-16 248
<b>Profit before credit losses and income tax</b>	<b>6 808</b>	<b>-412</b>	<b>6 261</b>	<b>272</b>	<b>-615</b>	<b>0</b>	<b>12 314</b>
Impairment losses	-815	-110	-601	137	-145	0	-1 534
Income tax expense	-612	0	0	0	0	0	-612
<b>Net profit</b>	<b>5 381</b>	<b>-522</b>	<b>5 660</b>	<b>409</b>	<b>-760</b>	<b>0</b>	<b>10 168</b>

Assets and liabilities as at 30.09.2021, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Loan portfolio	450	335	63	92	219	-305	854
Other assets	106	100	30	29	12	0	277
<b>Total assets</b>	<b>556</b>	<b>435</b>	<b>93</b>	<b>121</b>	<b>231</b>	<b>-305</b>	<b>1 131</b>
Total liabilities	510	394	84	109	230	-305	1 022

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

### Note 3 Net interest income

Interest income	Q3 2022	9M 2022	Q3 2021	9M 2021
Interest income calculated using the effective interest method:				
Loans to legal entities	6 396	17 198	4 168	11 241
Consumer loans and hire-purchase loans	3 417	9 695	3 195	9 406
Loans to private individuals	3 673	9 879	2 754	7 604
Debt securities	68	184	33	79
Interest income on liabilities	0	0	0	1
Other Assets	80	80	1	2
	13 634	37 036	10 151	28 333
Other similar interest income:				
Leasing	1 377	3 782	1 033	2 943
<b>Total interest revenues</b>	<b>15 011</b>	<b>40 818</b>	<b>11 184</b>	<b>31 276</b>
Customer deposits and loans received	-1 418	-3 933	-1 414	-4 355
Subordinated debt	-790	-1 464	-262	-646
Interest expense on assets	-62	-416	-154	-546
Lease liabilities	-20	-60	-9	-15
<b>Total interest expenses</b>	<b>-2 290</b>	<b>-5 873</b>	<b>-1 839</b>	<b>-5 562</b>
<b>Net interest income</b>	<b>12 721</b>	<b>34 945</b>	<b>9 345</b>	<b>25 714</b>

## Note 4 Net fee and commission income

Fee and commission income	Q3 2022	9M 2022	Q3 2021	9M 2021
Fees from consumer loans	437	1 233	363	1 090
Monthly account fees and transaction fees	344	995	316	867
Fees from cards	369	971	251	651
Insurance brokerage commission	117	293	58	139
Foreign exchange transactions	21	57	16	36
Other fee and commission income	363	946	242	795
<b>Total fee and commission income</b>	<b>1 651</b>	<b>4 496</b>	<b>1 246</b>	<b>3 578</b>
Expenses related to cards	-510	-1 332	-353	-1 010
Transaction costs	-68	-183	-57	-145
Other fee and commission expense	-95	-303	-84	-240
<b>Total fee and commission expense</b>	<b>-673</b>	<b>-1 819</b>	<b>-494</b>	<b>-1 395</b>
<b>Net fee and commission income</b>	<b>978</b>	<b>2 677</b>	<b>752</b>	<b>2 183</b>

In Q3 2022, the Group earned 85% of fee and commission income from Estonian residents and 15% from residents of other countries (mostly EU countries). In Q2 2022, 86% of fee and commission income was earned from Estonian residents and 14% from residents of other countries. All fee and commission income are recognized point in time.

## Note 5 Cash and cash equivalents

	30.09.2022	31.12.2021
Cash	2 144	27 192
Mandatory reserve at the central bank *	12 736	9 512
Demand deposits at central bank	258 250	200 670
Demand deposits at credit institutions and other financial institutions	14 028	13 424
Term deposits at credit institutions *	0	2 001
<b>Total</b>	<b>287 158</b>	<b>252 799</b>

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

## Note 6 Financial investments

	30.09.2022	31.12.2021
Government debt securities	9 540	1 277
<b>Credit institutions</b>	<b>2 257</b>	<b>2 329</b>
Debt securities of other non-financial companies	2 743	2 326
<b>Total of debt securities</b>	<b>14 540</b>	<b>5 932</b>
Shares of other non-financial companies	13	13
<b>Total of equity instruments</b>	<b>13</b>	<b>13</b>
<b>Total of financial investments</b>	<b>14 553</b>	<b>5 945</b>

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

	30.09.2022	31.12.2021
Total receivables from private individuals	614 582	485 882
incl. consumers loans	83 281	70 380
incl. lease financing	59 446	50 903
incl. mortgage loans and other loans	471 855	364 599
Total receivables from legal entities	604 410	476 341
incl. lease financing	75 751	57 844
incl. other loans to legal entities	528 659	418 497
Total receivables	1 218 992	962 223
Loss allowances of loans and advances	-10 535	-8 827
Total	1 208 457	953 396

## Note 8 Loss allowances of loans and advances

	30.09.2022	31.12.2021
Balance at the beginning of the reporting period	-8 827	-8 743
Allowances during the reporting period	-3 347	-2 440
Derecognized during reporting period	1 639	2 356
Balance of allowance at the end of the reporting period	-10 535	-8 827

## Note 9 Allocation of past due loans

	30.09.2022			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	4 345	5 400	2 735	3 519	3 690	9 511
31-60 days	851	764	338	772	598	451
61-90 days	600	289	468	440	132	8
over 90 days	1 648	185	169	1 919	283	122
Total	7 444	6 638	3 710	6 650	4 703	10 092

## Note 10 Loans and advances to customers by economic sector

	30.09.2022	%	31.12.2021	%
Private individuals	610 854	50,55%	482 049	50,56%
L – activities related to real estate	255 608	21,15%	204 299	21,43%
G – wholesale and retail	68 834	5,70%	37 581	3,94%
A – agriculture, forestry and fishing	24 529	2,03%	34 267	3,59%
D – power and heat generation	41 611	3,44%	31 756	3,33%
K – finance and insurance activities	45 132	3,73%	30 948	3,25%
N – administrative and support services	11 817	0,98%	28 390	2,98%
C – manufacturing	51 936	4,30%	20 469	2,15%
H – transportation and storage	19 041	1,58%	17 193	1,80%
I – hospitality and food service	7 854	0,65%	16 373	1,72%
F – construction	28 902	2,39%	15 698	1,65%
S – other services	3 759	0,31%	14 907	1,56%
M – professional, scientific and technical activities	14 494	1,20%	6 256	0,65%
Other	24 086	1,99%	13 210	1,39%
Total	1 208 457	100%	953 396	100%

## Note 11 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

30.09.2022	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>					
Cash and cash equivalents	285 014	0	0	0	285 014
Debt securities at fair value	0	930	1 813	11 797	14 540
Equity instruments	0	0	0	13	13
Loans and advances to customers	70 544	152 490	785 784	530 568	1 539 386
Other financial assets	943	0	21	0	964
<b>Total financial assets</b>	<b>356 501</b>	<b>153 420</b>	<b>787 618</b>	<b>542 378</b>	<b>1 839 917</b>
<b>Liabilities</b>					
Customer deposits and loans received	868 918	392 621	94 075	2 551	1 358 165
Lease liabilities	222	665	3 077	2 721	6 685
Other financial liabilities	5 770	311	0	0	6 081
Subordinated debt	790	2 395	28 293	31 438	62 916
<b>Total financial liabilities</b>	<b>875 700</b>	<b>395 992</b>	<b>125 445</b>	<b>36 710</b>	<b>1 433 847</b>
<b>Off-balance sheet liabilities</b>					
Undrawn lines of credit and overdraft facilities	164 139	0	0	0	164 139
Financial guarantees	16 522	0	0	0	16 522
<b>Total on-balance / off-balance-sheet liabilities</b>	<b>1 056 361</b>	<b>395 992</b>	<b>125 445</b>	<b>36 710</b>	<b>1 614 508</b>
<b>Duration gap of financial assets and financial liabilities</b>	<b>-699 860</b>	<b>-242 572</b>	<b>662 173</b>	<b>505 668</b>	<b>225 409</b>

31.12.2021	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>					
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
<b>Total financial assets</b>	<b>304 295</b>	<b>150 741</b>	<b>601 981</b>	<b>395 035</b>	<b>1 452 052</b>
<b>Liabilities</b>					
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
<b>Total financial liabilities</b>	<b>652 131</b>	<b>343 845</b>	<b>109 188</b>	<b>31 645</b>	<b>1 136 809</b>
<b>Off-balance sheet liabilities</b>					
Undrawn lines of credit and overdraft facilities	124 838	0	0	0	124 838
Financial guarantees	16 553	0	0	0	16 553
<b>Total on-balance / off-balance-sheet liabilities</b>	<b>793 522</b>	<b>343 845</b>	<b>109 188</b>	<b>31 645</b>	<b>1 278 200</b>
<b>Duration gap of financial assets and financial liabilities</b>	<b>-489 227</b>	<b>-193 104</b>	<b>492 793</b>	<b>363 390</b>	<b>173 852</b>

## Note 12 Customer deposits and loans received

Due to customers	30.09.2022	31.12.2021
Private individuals	524 543	477 383
Legal entities	829 802	621 363
<b>Total</b>	<b>1 354 345</b>	<b>1 098 746</b>
Demand deposits	672 363	518 122
Term deposits	673 969	571 452
Special purpose loans	8 013	9 172
<b>Total</b>	<b>1 354 345</b>	<b>1 098 746</b>

## Note 13 Contingent liabilities

	30.09.2022	31.12.2021
Financial guarantees	16 522	16 553
Credit lines and overdrafts	164 139	124 838
<b>Total</b>	<b>180 661</b>	<b>141 391</b>

## 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	30.09.2022	31.12.2021
Shareholders:		
Loans	0	0
Deposits	6 670	8 972
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Loans	715	705
Deposits	710	1 308

Transactions	30.09.2022	31.12.2021
Shareholders:		
Interest expense	2	16
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Interest income of the reporting period	20	51
Interest expense of the reporting period	5	12
Other goods and services sold	0	5
Compensation paid to members of the Management Board and Supervisory Board	549	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.

	Q3 2022	9 M 2022	Q3 2021	9 M 2021
Profit attributable to the owners of the parent (in th. euros)	5 747	13 836	4 302	10 168
Weighted average number of shares (in th. of units)	91 324	91 289	91 209	90 917
Basic earnings per share (euros)	0,06	0,15	0.05	0.11
Adjustments for calculation of diluted earnings per share – share options (in th. of units)	2 213	1 944	1 800	1 665
Weighted average number of shares used for calculating the diluted earnings per share (in th. of units)	93 537	93 233	93 009	92 582
Diluted earnings per share (euros)	0,06	0,15	0.05	0.11

## Note 16 Events after balance sheet date

After the balance sheet date of the interim report, the Management board of Coop Pank AS has called the extraordinary General Meeting of Company's shareholders, which will take place on November 1, 2022.

On the agenda of extraordinary General Meeting is the decision of the conditional increase of the Company's share capital by 6 914 813.16 euros, i.e. from the amount 62,233,279.82 euros up to the amount 69 148 092.98 euros. The new conditional amount of the Company's share capital shall be 69 148 092.98 euros.

## Shareholders, Supervisory Board and Management Board of Coop Pank AS

As at 30.09.2022 shareholders with holding over 5% are:

Coop Investeeringud OÜ	24,79%
Andres Sonn	8,33%
CM Capital OÜ	5,19%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 17,92% of the total amount of shares, however, separately none of them holds over 5%.

Members of Supervisory Board hold 74 thousand shares of Coop Pank and Members of Management Board hold 654 thousand shares of Coop Pank, which in total accounts for 0,80% 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.

19.10.2022

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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