



Pillar 3 Report
2021

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General information

The information on capital adequacy and risk management published in this document and in the Annual Report 2021 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 2021 of Coop Pank AS group, published on the bank's website 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 2021.

Key ratios and indicators of exposure

In thousands of euros	31.12.2021	31.12.2020
Net loan portfolio	953 396	670 593
Credit cost per year on average loan portfolio	0.4%	0.8%
Liquid assets to total assets ratio	21%	20%
Capital adequacy	16,69%	19.50%
Capital adequacy, adjusted*	17,26%	20,18%

* Adjusted value here and below includes audited profit for 2021, which will be added to regulatory Tier 1 capital after approval by the Financial Supervisory Authority or after approval of the 2021 Annual Report by shareholders, and from which expected dividend payments have been deducted. By the end of the reporting period the 9 month interim profit 2021 is included as approved by the Financial Supervisory Authority.

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
		Medium	Medium	Low	Low
Risk control measures	Avoidance				
	Limiting	x	x	x	x
	Hedging	x	x		
	Separation	x	x	x	
	Reduction	x			x
	Insurance				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	Ik 27-30, 60-63, 108	Ik 3-4
Article 436. Scope of application	Ik 2	Ik 5
Article 437. Own funds	Ik 15	Ik 5-10
Article 438. Capital requirements and RWA	Ik 15, 62-63	Ik 5-10
Article 439. Exposure to counterparty credit risk	N/A	N/A
Article 440. Countercyclical capital buffers		Ik 15
Article 441. Indicators of global systemic importance	N/A	N/A
Article 442. Credit risk adjustments	Ik 64-68, 71-82	Ik 16-18
Article 443. Encumbered and unencumbered assets		Ik 14
Article 444. Use of the Standardised Approach	Ik 70	
Article 445. Exposure to market risk	Ik 86	
Article 446. Operational risk	Ik 91	
Article 447. Key metrics		Ik 7
Article 448. Exposure to interest rate risk on positions not included in the trading book	Ik 87-90	
Article 449. Exposure to securitisation positions	N/A	N/A
Article 449a. Disclosure of environmental, social and governance risks (ESG risks)	Ik 31-35	
Article 450. Remuneration policy	Ik 25-28	
Article 451. Leverage ratio	Ik 16	Ik 7, 12-13
Article 451a. Liquidity requirements	Ik 16	Ik 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	N/A
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	Ik 45	Ik 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 31.12.2021

Own funds	Value in the statement of financial position	Regulatory corrections	Regulatory own funds	*Adjusted	
				Regulatory corrections	Regulatory own funds
Paid-up share capital	62 186	0	62 186	0	62 186
Share premium	12 230	0	12 230	0	12 230
Reserve capital	3 165	0	3 165	0	3 165
Retained earnings	33 924	-5 451	28 473	-2 738	31 186
Other reserves	238	-253	-15	-253	-15
Tier 1 capital before adjustments	111 743	-5 704	106 039	-2 991	108 752
Adjustments:					
Goodwill as intangible asset	-6 757	0	-6 757	0	-6 757
Intangible assets	-7 457	0	-7 457	0	-7 457
Adjustment of value arising from requirements of reliable measurement	0	-6	-6	-6	-6
Other deductions from Tier 1 capital	0	-963	-963	0	0
Other adjustments of own funds resulting from transitional provisions	0	315	315	315	315
Total regulatory adjustments of Tier 1 capital	-14 214	-654	-14 868	309	-13 905
Total Tier 1 capital	97 529	-6 358	91 171	-3 300	94 847
Subordinated debt	17 000	0	17 000	0	17 000
Total Tier 2 capital	17 000	0	17 000	0	17 000
Own funds	114 529	-6 358	108 171	-3 300	111 847

* The information shown in the adjusted columns includes all audited profits for 2021, excluding calculated dividend payments in the amount of 2 738 thousand euros as well as other adjustments and own funds based on the audited 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 31.12.2021 can be found in the table 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
1. Credit risk (excluding CCR)			
2. of which the standardised approach			
Central governments and central banks	211 727	638	51
Public sector entities	102	20	2
Credit institutions, investment companies and local governments	6 251	3 114	249
Companies	87 145	63 099	5 048
Retail receivables	178 543	123 389	9 871
Receivables secured by mortgage on real estate	673 965	311 922	24 954
Receivables past due	2 768	3 033	242
Items subject to particularly high risk	26 733	40 100	3 208
Investments in equity	13	13	1
Other assets	40 831	13 508	1 081
Total balance sheet exposures	1 228 078	558 836	44 707
Off-balance sheet (standardised approach)			
Companies	6 649	2 074	166
Retail receivables	57 715	7 193	575
Receivables secured by mortgage on real estate	50 354	13 807	1 105
Items subject to particularly high risk	26 673	19 195	1 536
Total off-balance sheet exposures	141 391	42 269	3 382
Total credit risk exposure (standardised approach)	1 369 469	601 105	48 089
23 Operational risk			
EU 23a Of which basic indicator approach	n/a	47 007	3 761
29. Total risk exposure amounts and minimum capital requirement	1 369 469	648 112	51 850

EU KM1. Key metrics template

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

		31.12.2021	31.12.2020
Available own funds (amounts)			
1	Common Equity Tier1 (CET1) capital	91 171	82 036
2	Tier1 capital	91 171	82 036
3	Total capital	108 171	89 036
Risk-weighted exposure amounts			
4	Total risk-weighted assets	648 112	456 699
Capital ratios (as a percentage of risk exposure amount)			
5	Common Equity Tier1 (%)	14,07%	17,96%
6	Tier 1 ratio (%)	14,07%	17,96%
7	Total capital ratio (%)	16,69%	19,50%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3,99%	3,99%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1,96%	1,96%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2,16%	2,16%
EU 7d	Total SREP own funds requirements (%)	11,99%	11,99%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)			
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 (%)	0,00%	0,00%
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 (%)	2,50%	2,50%
EU 11a	Overall capital requirements (%)	14,49%	14,49%
12	CET1 available after meeting the total SREP own funds requirements (%)	7,61%	8,17%
Leverage ratio (as a percentage of risk exposure amount)			
13	Total exposure measure	1 368 815	933 181
14	Leverage ratio (%)	6,66%	8,79%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
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%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)	3,00%	3,00%
EU 14e	Overall leverage ratio requirement (%)	3,00%	3,00%
Likviidsuskattekordaja			
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	229 542	158 411
EU 16a	Cash outflows - Total weighted value	128 358	67 252
EU 16b	Cash inflows - Total weighted value	14 529	9 658
16	Total net cash outflows (adjusted value)	113 829	57 594
17	Liquidity coverage ratio (%)	201,66%	275,05%
Net Stable Funding Ratio			
18	Total available stable funding	997 243	869 909
19	Total required stable funding	746 828	765 343
20	NSFR ratio (%)	133,53%	113,66%

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
2	Unique Identifier (ISIN)	EE3100007857	EE3300111384	EE3300111699	EE3300002047
3	Governing law(s) of the instrument	Estonian	Estonian	Estonian	Estonian
Regulatory treatment					
4	Transitional CCR rules	Common equity Tier 1	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Common equity Tier 1	Tier 2	Tier 2	Tier 2
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
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
8	Amount recognised in regulatory capital (MEUR, as of 31.12.2021)	74 M, EUR	5 M, EUR	2 M, EUR	10 M, EUR
9	Nominal amount of instrument	Without nominal value, § 222 ¹ of the Commercial Code	5 M, EUR	2 M, EUR	10 M, EUR
9a	Issue price	74 M, EUR	100,00%	100,00%	100,00%
9b	Redemption price	N/A	100,00%	100,00%	100,00%
10	Accounting classification	Share capital	liability – amortised cost	liability – amortised cost	liability – amortised cost
11	Original date of issuance	19.07.1999	04.12.2017	29.03.2019	31.03.2021
12	Perpetual or dated	Perpetual	Dated	Dated	Dated
13	Original maturity date	No maturity	04.12.2027	29.03.2029	31.03.2031
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	Issuer Call Option: 04.12.2022 100,00%	Issuer Call Option: 29.03.2024 100,00%	N/A
16	Subsequent call dates, if applicable	N/A	Any time after 04.12.2022	Any time after 29.03.2024	N/A
Coupons / dividends					
17	Fixed or floating dividend/coupon	fixed	fixed	fixed	fixed
18	Coupon rate and any related index	N/A	6,75% per annum	7,58% per annum	5,5% per annum
19	Existence of a dividend stopper	No	N/A	N/A	N/A
20a	Fully discretionary, partially or mandatory (in terms of timing)	fully discretionary	mandatory	mandatory	mandatory
20b	Fully discretionary, partially or mandatory (in terms of amount)	fully discretionary	mandatory	mandatory	mandatory
21	Existence of step up or other incentive to redeem	N/A	No	No	No

22	Noncumulative or cumulative	cumulative	cumulative	cumulative	cumulative
23	Convertible or non-convertible	non-convertible	non-convertible	non-convertible	non-convertible
30	Write-down features	No	No	No	No
35	Positioning subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	other debt obligation	other debt obligation	other debt obligation
36	Non-compliant transitioned features	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 Pank 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 Pank group's own funds tables show only those items and amounts that are relevant to the group.

In thousands of euros

	31.12.2021	31.12.2021 adjusted*	31.12.2020
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1 Capital instruments and the related share premium accounts	74 416	74 416	73 817
of which: Instrument type 1	74 416	74 416	73 817
2 Retained earnings	28 473	31 186	18 399
3 Accumulated other comprehensive income (and other reserves to cover retained earnings on the basis of applied accounting procedures)	-15	-15	-18
3a Funds for general banking risk	3 165	3 165	2 802
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	106 039	108 752	95 000
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7 Additional value adjustments (negative amount)	-6	-6	-3
8 Intangible assets (net of related tax liability) (negative amount)	-14 214	-14 214	-12 687
12 Negative amounts resulting from the calculation of expected loss amounts	-963	0	-715
12a IFRS 9 transitional arrangements	315	315	441
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	-14 868	-13 905	-12 964
29 Common Equity Tier 1 (CET1) capital	91 171	94 847	82 036
45 Tier 1 capital (T1 = CET1 + AT1)	91 171	94 847	82 036
Tier 2 (T2) capital: instruments			
46 Capital instruments and the related share premium accounts	17 000	17 000	17 000
51 Tier 2 (T2) capital before regulatory adjustments	17 000	17 000	17 000
57 Total regulatory adjustments to Tier 2 (T2) capital	0	0	0
58 Tier 2 (T2) capital	17 000	17 000	17 000
59 Total capital (TC = T1 + T2)	108 171	111 847	89 036
60 Total risk-weighted assets	648 112	648 112	456 699
Capital ratios and requirements including buffers			
61 Common Equity Tier 1 capital (as a percentage of total risk exposure amount)	14,07%	14,63%	17,96%
62 Tier 1 capital (as a percentage of total risk exposure amount)	14,07%	14,63%	17,96%
63 Total capital (as a percentage of total risk exposure amount)	16,69%	17,26%	19,50%
64 Institution CET1 overall capital requirements	7,00%	7,00%	7,00%
65 of which: capital conservation buffer requirement	2,50%	2,50%	2,50%
66 of which: countercyclical buffer requirement	0,00%	0,00%	0,00%
67 of which: systemic risk buffer requirement	0,00%	0,00%	0,00%
68 Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	9,57%	10,13%	13,46%

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

Disclosed information according to Annex I of the EBA guidelines EBA/GL/2018/01

In thousands of euros

Available capital		31.12.2021	31.12.2021 adjusted*
1	Common Equity Tier1 (CET1) capital	91 171	94 847
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	90 856	94 532
3	Tier1 capital	91 171	94 847
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	90 856	94 532
5	Total capital	108 171	111 847
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	107 856	111 532
Risk-weighted assets			
7	Total risk-weighted assets	648 112	648 112
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	647 797	647 797
Capital ratios (as a percentage of risk exposure amount)			
9	Common Equity Tier1	14,07 %	14,63 %
10	Common Equity Tier 1 as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14,02 %	14,59 %
11	Tier1	14,07 %	14,63 %
12	Tier 1 as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14,02 %	14,59 %
13	Total capital	16,69 %	17,26 %
14	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16,64 %	17,21 %
Leverage ratio (as a percentage of risk exposure amount)			
15	Leverage ratio total exposure measure, amount	1 368 815	1 369 463
16	Leverage ratio	6,66 %	6,93 %
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,64 %	6,90 %

The Bank has decided to apply the transitional period for the adoption of IFRS 9 using the static approach set out in Article 473a (7) (b) of Regulation (EU) No 575/2013 established by EU Regulation 2017/2395 and not to apply Article 473a (4) of that Regulation.

In the case of the static approach, the exposures shall be adjusted in accordance with Article 473a (7) (b) of that Regulation as follows: when calculating the exposure value (CRR Article 111), the amount of write-down, deducted from the gross position, shall be multiplied by the factor calculated the gross position shall be multiplied by a factor calculated using the equation:

$sf = 1 - (ABsa / RAsa)$ where:

ABsa – amount added to own funds (after taxes)

RAsa – total amount of specific write-down, deducted from the gross position

The specific write-down shall be adjusted by the ratio between the amount added to own funds and the initial amount of the specific write-down.

Changes in Coop Pank's prudential ratios resulting from the application of IFRS 9 or analogous ECLs transitional arrangements are not significant.

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		31.12.2021	31.12.2021 adjusted*	31.12.2020
1	Total assets as per published financial statements	1 241 976	1 241 976	869 909
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	141 391	141 391	76 236
12	Other adjustments	-14 868	-13 905	-12 964
13	Leverage ratio total exposure measure	1 368 499	1 369 462	933 181
Template EU LR2 - LRCom: Leverage ratio common disclosure		31.12.2021	31.12.2021 adjusted*	31.12.2020
On-balance sheet exposures (excluding derivatives and SFTs)				
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1 228 078	1 228 078	857 663
6	(Asset amounts deducted in determining Tier 1 capital)	-654	-6	-718
7	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	1 227 424	1 228 072	856 945
Derivative exposures				
13	Total derivatives exposures	0	0	0
Securities financing transaction (SFT) exposures				
18	Total securities financing transaction exposures	0	0	0
Other off-balance sheet exposures				
19	Off-balance sheet exposures at gross notional amount	141 391	141 391	76 236
20	(Adjustments for conversion to credit equivalent amounts)	0	0	0
22	Other off-balance sheet exposures	141 391	141 391	76 236
Excluded exposures				
EU-22k	(Total exempted exposures)	0	0	0
Capital and total exposure measure				
23	Tier 1 capital	91 171	94 847	82 036
24	Leverage ratio total exposure measure	1 368 815	1 369 463	933 181
Leverage ratio				
25	Leverage ratio	6,66%	6,93%	8,79%
27	Leverage ratio buffer requirement (%)	3,00%	3,00%	0%
EU-27a	Overall leverage ratio requirement (%)	3,00%	3,00%	0%
Choice on transitional arrangements and amount of derecognised fiduciary items				
EU-27b	Choice on transitional arrangements for the definition of the capital measure	fully implemented		

CRR leverage ratio exposures

EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)		31.12.2021	31.12.2020
1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	1 228 078	857 663
2	Trading book exposures		
3	Banking book exposures, of which:	1 228 078	857 663
4	Covered bonds		
5	Exposures treated as sovereigns	211 727	138 504
6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	110	0
7	Institutions	6 243	2 256
8	Secured by mortgages of immovable properties	673 965	412 901
9	Retail exposures	178 543	154 442
10	Corporate	87 145	93 047
11	Exposures in default	2 768	5 731
12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	67 577	50 782

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 § 82² 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 6,66% (adjusted 6,93%) as of 31.12.2021 and 8,79% as of 31.12.2020. During 2021, the Group's business volumes have grown significantly, resulting in increased exposures, which in turn is the main reason for the decline in the leverage ratio in 2021.

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 31.12.2021

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	314	314	1 241 662	1 252 162
030	Equity instruments	0	0	13	13
040	Debt securities	0	0	5 932	5 932
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	1 277	1 277
080	of which: issued by financial corporations	0	0	2 329	2 329
090	of which: issued by non-financial corporations	0	0	2 326	2 326
120	Other assets	314	314	1 235 717	1 246 217
121	of which: loans on demand	0	0	225 607	225 607
122	of which: loans and advances	0	0	953 396	963 896

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
250	Total assets, collateral received and own debt Securities issued	969 828
		314

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 314 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 31.12.2021

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 exposures	Of which: Trading book exposures	Of which: Securitisation exposures	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	1 034 414						46 706			46 706	0,977	0,00
	France	11 511						184			184	0,004	0,00
	Latvia	7 369						455			455	0,010	0,00
	Switzerland	5 497						356			356	0,007	0,00
	USA	1 111						57			57	0,001	0,00
	Other	879						29			29	0,001	0,00
020	Total	1 060 781	n/a	n/a	n/a	n/a	n/a	47 787	n/a	n/a	47 787	1	0,00

EU CCyB2 - Amount of institution-specific countercyclical capital buffer		31.12.2021
Row		Column 010
1	Total risk exposure amount (EUR, thousand)	648 112
2	Institution specific countercyclical buffer rate (%)	0,00
3	Institution specific countercyclical buffer requirement (EUR, thousand)	0

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 31.12.2021

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 impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Of which defaulted							
1	Loans and advances	12 599	2 294	3	2 291	-491	-693	2 294	3
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	5 700	2 291	0	2 291	-345	-692	2 291	0
7	<i>Households</i>	6 899	3	3	0	-146	-1	3	3
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	12 599	2 294	3	2 291	-491	-693	2 294	3

In thousands of euros, as of 31.12.2021

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
1	Loans and advances	1 182 597	1 180 496	2 102	5 233	2 909	363	398	856	578	95	33	2 324
2	Central banks	212 095	212 095	0	0	0	0	0	0	0	0	0	0
3	General governments	13	13	0	0	0	0	0	0	0	0	0	0
4	Credit institutions	2 001	2 001	0	0	0	0	0	0	0	0	0	0
5	Other financial corporations	42 648	42 648	0	0	0	0	0	0	0	0	0	0
6	Non-financial corporations	438 253	437 933	320	2 637	2 515	0	49	31	41	0	0	122
7	Of which SMEs	438 241	437 921	320	2 637	2 515	0	49	31	41	0	0	122
8	Households	487 587	485 806	1 781	2 596	394	363	349	825	537	95	33	2 202
9	Debt securities	5 932	5 932	0	0	0	0	0	0	0	0	0	0
10	Central banks	0	0										
11	General governments	1 277	1 277										
12	Credit institutions	2 329	2 329										
13	Other financial corporations	0	0										
14	Non-financial corporations	2 326	2 326										
15	Off-balance-sheet exposures	141 391			0								0
16	Central banks	0											
17	General governments	0											
18	Credit institutions	0											
19	Other financial corporations	2 009											
20	Non-financial corporations	105 462											
21	Households	33920											
22	Total	1 329 920	1 186 428	2 102	5 233	2 909	363	398	856	578	95	33	2 324

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 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				
1	Loans and advances	1 182 597	1 147 412	26 078	5 233	0	5 233	-6 271	-4 563	-1 708	-2 556	0	-2 556	0	881 953	2 320
2	Central banks	212 095	212 095	0	0		0	0	0	0	0	0	0	0	0	0
3	General governments	13	13	0	0		0	0	0	0	0	0	0	0	0	0
4	Credit institutions	2 001	2 001	0	0		0	0	0	0	0	0	0	0	0	0
5	Other financial corporations	42 648	42 648	0	0		0	-189	-189	0	0	0	0	0	30 949	0
6	Non-financial corporations	438 253	424 543	13 710	2 637		2 637	-3 946	-2 990	-956	-823	0	-823	0	434 196	1 813
7	of which SMEs	438 241	424 531	13 710	2 637		2 637	-3 946	-2 990	-956	-823	0	-823	0	434 196	1 813
8	Households	487 587	466 112	12 368	2 596		2 596	-2 136	-1 384	-752	-1 733	0	-1 733	0	416 808	507
9	Debt securities	5 932	5 932	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
11	General governments	1 277	1 277	0	0		0	0	0	0	0	0	0	0	0	0
12	Credit institutions	2 329	2 329	0	0		0	0	0	0	0	0	0	0	0	0
13	Other financial corporations	0	0	0	0		0	0	0	0	0	0	0	0	0	0
14	Non-financial corporations	2 326	2 326	0	0		0	0	0	0	0	0	0	0	0	0
15	Off-balance-sheet exposures	141 391	136 152	5 239	0		0	0	0	0	0	0	0		0	0
16	Central banks	0	0	0	0		0	0	0	0	0	0	0		0	0
17	General governments	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
19	Other financial corporations	2 009	2 009	0	0		0	0	0	0	0	0	0		0	0
20	Non-financial corporations	105 462	100 229	5 233	0		0	0	0	0	0	0	0		0	0
21	Households	33 920	33 914	6	0		0	0	0	0	0	0	0		0	0
22	Total	1 329 920	1 289 496	31 317	5 233	0	5 233	-6 271	-4 563	-1 708	-2 556	0	-2 556	0	881 953	2 320

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

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"> • planning the short-term and long-term liquidity of the group and planning and implementing the measures to be used; • 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; • optimizing the maturity, profitability and liquidity ratio of the Group's assets and liabilities to achieve the Bank's strategic objectives; • 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.
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"> • Liquidity Coverage Ratio (LCR); • survival period in a liquidity crisis situation; • concentration of financing; • the ratio of liquid assets to demand deposits; • the ratio of long-term liabilities to investments requiring stable financing.
Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants	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.

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 31.12.2021 was 21% (2020: 20%); the share of liquid assets in customer demand deposits 50% (2020:58%) and the share of demand deposits in total deposits was 45% (2020: 40%). 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		Total adjusted value			
		31.03.2021	30.06.2021	30.09.2021	31.12.2021
EU-21	LIQUIDITY BUFFER	236 958	194 784	210 693	229 542
22	TOTAL NET CASH OUTFLOWS	69 150	108 337	106 996	113 829
23	LIQUIDITY COVERAGE RATIO	343%	180%	197%	202%

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