Company	Coop Pank AS
Type	Company Release
Category	Other corporate action
Disclosure time	19 Dec 2023 16:30:00 +0200

Currency	
Title	Coop Pank AS raises capital from the European Energy Efficiency Fund

Coop Pank AS and European Energy Efficiency Fund S.A. SICAV-SIF (hereafter eeef) signed an agreement on 19.12.2023, on the basis of which the Coop Pank takes unsecured subordinated loan from eeef in the amount of 15 million euros, with an interest rate of 6 months euribor + 3.25% per annum. In the form of a subordinated loan agreement, it is a capital instrument included in the bank's Tier 2 own funds.

The subordinated loan is repayable in one installment and the term of the agreement is 10 years. The bank has the right to repay the subordinated loan early with the permission of the Financial Supervision Authority after 5 years have passed since it was issued.

According to Paavo Truu, CFO of Coop Pank, he is first happy that in the current interest rate environment, we managed to raise capital for the bank's growth on such favourable terms. "Furthermore, cooperation with eeef is an important step in the decarbonization of the bank's loan portfolio. For two years, we have been thoroughly measuring the CO2 footprint of both direct and indirect activities of Coop Pank and we know very precisely the CO2 impact from across our different activity fields. It is clear that the largest environmental impact for banks comes from their lending activities, and therefore we consider it very important to reduce the CO2 footprint of our loan portfolio, thereby contributing to Estonia's energy independence and green goals," said Truu.

The proceeds from the loan agreement will be used for continued implementation of the bank's growth strategy by channelling the funds primarily into projects that promote energy efficiency or renewable energy production, such as:

* microgeneration of electricity, heat and cooling based on renewable and/or local energy sources including relevant networks and energy storage solutions;
* public transport based on electricity including the infrastructure needed to maintain these;
* investments to improve the energy efficiency of the regional infrastructure,

public and private buildings, including energy storage and smart metering solutions.

In 2022 we also became a member of the United Nations Environment Programme Finance Initiative (UNEP FI) and approved the Responsible Banking Principles, bringing the bank's business strategy in line with the UN Sustainable Development Goals and the objectives of the Paris Climate Agreement so as to increase our positive impact on society.

Coop Pank, based on Estonian capital, is one of the five universal banks operating in Estonia. The number of clients using Coop Pank for their daily banking reached 180,300. Coop Pank aims to put the synergy generated by the interaction of retail business and banking to good use and to bring everyday banking services closer to people's homes. The strategic shareholder of the bank is the domestic retail chain Coop Eesti, comprising of 320 stores.

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