



Interim Report  
12 months 2020

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# Management Director´s Statement

## Business volumes and financial results Q4 2020

At the end of the year 2020, Coop Pank had 86 700 everyday banking customers, and in three months the bank's customer portfolio has increased by 6 800 customers or 9%. The banking group's net loan portfolio increased by 72 million euros (12%) during the quarter and reached 671 million euros by the end of September. The volume of business loans increased the most – 43 million euros, the volume of home loans increased by 24 million euros, leasing by 3 million euros and consumer financing by 2 million euros. The volume of the bank's deposits and loans received increased by 70 million euros (10%) during the quarter and reached 758 million euros by the end of the year. Demand deposits of individuals grew by 10 million euros and term deposits by 6 million euros. Demand deposits of business clients grew by 60 million euros and term deposits by 24 million euros. Deposits from Raisin platform decreased by 30 million euros. In the fourth quarter, the banking group earned a profit of 2,4 million euros, which is 53% more than in the same period last year and 20% more than in the third quarter of 2020. Net income increased by 26% year-on-year and 7% quarter-on-quarter. Operating expenses increased by 14% year-on-year and by 12% quarter-on-quarter.

## Key events and product developments

In the fourth quarter, we started to use a new digital platform, thanks to which we can offer a very simple and user-friendly way to become a customer. When making innovations, we took into account the needs and wishes of our customers and combined them with e-services. In order to increase the efficiency of the bank's internal work, we changed the leasing information system and moved the processing of home loan applications to a new technological solution.

In October, Coop Pank expanded the range of cars offered by the car dealership and KIA as well as Škodas were on offer. Coop Pank's car dealership is a partner for the largest car dealers, differentiating itself from them by offering customers a one-stop service solution online. This means that the customer can choose a new car from one place without leaving home and immediately get financing and insurance solutions.

From the beginning of November to the middle of December, we ran a big brand campaign on TV and online channels, in which we confirmed the message that we are a bank that is open to everyone, operating quickly and flexibly. In addition, we conducted several smaller and larger product-based campaigns and customer offers in the fourth quarter.

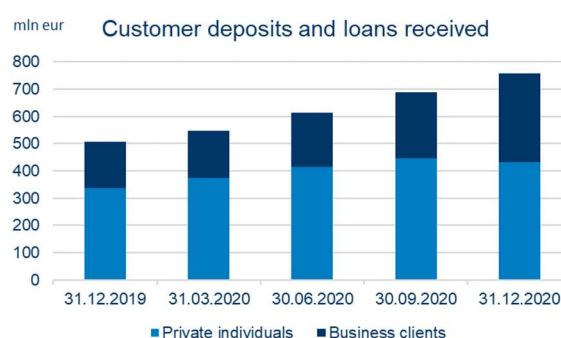
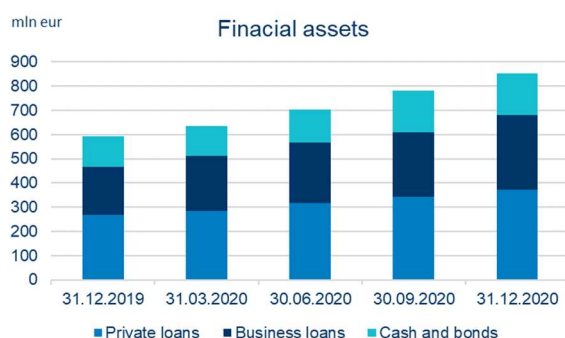
In November, the Management Board of Coop Pank was expanded by one member, whose area of responsibility became private customer banking. Rasmus Heinla, who worked as the head of Coop Pank's consumer finance business line and a member of the management board of the subsidiary Coop Finants, took on the role of the Head of Retail Banking in the Management Board. At the same time, another new member of the Management Board, Arko Kurtmann, Head of Corporate Banking, also started working. Rasmus Heinla and Arko Kurtmann are both experienced managers in banking sector, whose task is to develop key areas of Coop Pank.

Margus Rink  
Chairman of the Management Board

## Overview of financial results

Income statement EUR thousand	Q4 2020	Q3 2020	quarterly change	Q4 2019	annual change
Net interest income	7 808	7 353	6%	5 819	34%
Net fee and commissions income	540	558	-3%	675	-20%
Other income	171	77	122%	262	-35%
<b>Total net operating income</b>	<b>8 519</b>	<b>7 988</b>	<b>7%</b>	<b>6 756</b>	<b>26%</b>
Operating expenses	-5 272	-4 726	12%	-4 635	14%
Impairment costs on financial assets	-715	-1 139	-37%	-538	33%
Income tax	-108	-111	-3%	0	0
<b>Net profit</b>	<b>2 424</b>	<b>2 012</b>	<b>20%</b>	<b>1 583</b>	<b>53%</b>

Business volumes, EUR thousand	Q4 2020	Q3 2020	quarterly change	Q4 2019	annual change
Net loan portfolio	670 593	599 213	12%	460 460	46%
Cash and bonds	173 581	172 068	1%	126 356	37%
Customer deposits and loans received	757 835	688 116	10%	506 531	50%
Owner's equity	97 567	94 255	4%	89 351	9%



Ratios (quarterly ratios, expressed on annualised basis)	Q4 2020	Q3 2020	quarterly change	Q4 2019	annual change
Average equity (attributable to parent company), EUR thousand	95 911	93 243	2 668	65 804	30 107
Return on equity ROE % (net profit / average equity)	10,1	8,6	1,5	9,6	0,5
Average total assets, EUR thousand	833 685	759 645	74 040	581 300	252 385
Return on assets ROA % (net profit / average total assets)	1,2	1,1	0,1	1,1	0,1
Cash and interest-bearing assets, average, EUR thousand	818 300	744 024	74 276	561 667	256 633
Net interest margin NIM % (net interest income / interest-bearing assets, average)	3,8	4,0	-0,2	4,1	-0,3
Cost / income ratio % (total operating costs / total net operating income)	61,9	59,2	2,7	68,6	-6,7

Group's liquidity position is strong. At 31.12.2020 the Liquidity Coverage Ratio (LCR) was 275% (31.12.2019 was 682%), the regulatory minimum requirement is 100%.

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

EUR thousand	31.12.2020	31.12.2019	31.12.2018
Net loan portfolio	670 593	460 460	328 723
Customer deposits and loans received	757 838	506 531	385 118
Subordinated loans	7 064	7 064	5 026
Owner´s equity	97 567	89 351	49 163
Net interest income	28 371	20 689	16 779
Net fee and commission income	2 097	2 372	2 302
Other income	621	658	687
Total net operating income	31 089	23 719	19 768
Operating expenses	-18 796	-16 261	-13 601
Impairment losses on financial assets	-4 789	-1 931	-1 392
Income tax	-245	0	-22
Net profit	7 259	5 527	4 753

## Capitalisation

Capital base, EUR thousand	31.12.2020	31.12.2020 adjusted *	31.12.2019
<b>Tier 1 capital</b>			
Paid-in share capital and share premium	73 817	73 817	72 757
Statutory reserve capital	2 802	2 802	2 526
Retained earnings	13 564	13 564	8 314
Eligible profit of the reporting period	4 835	7 259	3 944
Other accumulated comprehensive loss	-18	-18	1
Goodwill accounted for as intangible asset (-)	-6 757	-6 757	-6 757
Intangible assets (-)	-5 930	-5 930	-3 712
Adjustment of value arising from requirements of reliable measurement (-)	-3	-3	-4
Other deductions from Tier 1 capital (-)	-715	0	-538
Other transitional adjustments of own funds	441	441	535
<b>Total Tier 1 capital</b>	<b>82 036</b>	<b>85 175</b>	<b>77 066</b>
Subordinated debt	7 000	7 000	7 000
<b>Tier 2 capital</b>	<b>7 000</b>	<b>7 000</b>	<b>7 000</b>
<b>Eligible capital for capital adequacy calculation</b>	<b>89 036</b>	<b>92 175</b>	<b>84 066</b>
<b>Risk-weighted assets RWA</b>			
Central government and central banks using standardised approach	624	624	699
Credit institutions, investment companies using standardised approach	451	451	570
Companies using standardised approach	72 962	72 962	39 450
Retail claims using standardised approach	110 660	110 660	86 643
Claims secured by mortgage on real estate using standardised approach	195 622	195 622	142 311
Claims past due using standardised approach	6 612	6 612	5 972
Items subject to particularly high risk using standardised approach	22 417	22 417	29 231
Other assets using standardised approach	10 928	10 928	11 994
<b>Total credit risk and counter-party credit risk</b>	<b>420 276</b>	<b>420 276</b>	<b>316 870</b>
Operational risk using basic indicator approach	36 423	36 423	28 414
<b>Total risk-weighted assets (total risk exposure)</b>	<b>456 699</b>	<b>456 699</b>	<b>345 284</b>
<b>Capital adequacy ratio %</b>	<b>19,50%</b>	<b>20,18%</b>	<b>24,35%</b>
<b>Tier 1 capital ratio %</b>	<b>17,96%</b>	<b>18,65%</b>	<b>22,32%</b>

\* Includes unaudited profit for Q4 2020, which will be added to regulatory Tier 1 capital after approval of the profit of financial year by independent auditor and the Financial Supervisory Authority, or by approval of the 2020 Annual Report by shareholders.

### 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

Systemic risk buffer was changed 01.05.2020 from 1% to 0%.

By the end of the reporting period, the Group is compliant with all regulative capital requirements. Capital adequacy decrease is caused by growth of loan portfolio and related risk weighted assets. Until auditing of the interim profit, current loan losses are deducted from eligible capital.



# Consolidated financial statements

## Consolidated statement of comprehensive income

EUR thousand	Note	Q4 2020	12 M 2020	Q4 2019	12 M 2019
Interest income calculated using the effective interest method		8 634	31 359	6 609	23 298
Other similar income		898	3 281	671	2 280
Interest expense		-1 724	-6 269	-1 461	-4 889
<b>Net interest income</b>	<b>3</b>	<b>7 808</b>	<b>28 371</b>	<b>5 819</b>	<b>20 689</b>
Fee and commission income		989	3 687	1 039	3 725
Fee and commission expense		-449	-1 590	-364	-1 353
<b>Net fee and commission income</b>	<b>4</b>	<b>540</b>	<b>2 097</b>	<b>675</b>	<b>2 372</b>
Revenue from sale of assets		0	146	0	140
Cost of assets sold		0	-146	-25	-159
Rental income from investment properties		2	15	5	32
Direct property operating expenses		-18	-57	-13	-79
Change in fair value of investment property		0	0	0	-20
Net gains/losses from non-financial asset realization		1	40	0	0
Net gains/losses from financial assets measured at fair value		-1	-183	0	7
Revenue from claims handling		125	516	144	536
Other income		62	290	151	201
<b>Other net income</b>		<b>171</b>	<b>621</b>	<b>262</b>	<b>658</b>
Payroll expense		-2 976	-11 085	-2 710	-9 880
Operating expense		-1 544	-5 040	-1 382	-4 577
Depreciation		-752	-2 671	-543	-1 804
<b>Total operating expense</b>		<b>-5 272</b>	<b>-18 796</b>	<b>-4 635</b>	<b>-16 261</b>
<b>Net profit before impairment costs</b>		<b>3 247</b>	<b>12 293</b>	<b>2 121</b>	<b>7 458</b>
Impairment costs		-715	-4 789	-538	-1 931
<b>Profit before income tax</b>		<b>2 532</b>	<b>7 504</b>	<b>1 583</b>	<b>5 527</b>
Income tax		-108	-245	0	0
<b>Net profit for the reporting period</b>	<b>2</b>	<b>2 424</b>	<b>7 259</b>	<b>1 583</b>	<b>5 527</b>
Items that may subsequently be reclassified to income statement:					
Financial assets at fair value through other comprehensive income		-16	-19	35	155
<b>Comprehensive income for the reporting period</b>		<b>2 408</b>	<b>7 240</b>	<b>1 618</b>	<b>5 682</b>
Net profit attributable to:					
Owners of parent company		2 424	7 259	1 583	5 527
<b>Net profit for the reporting period</b>		<b>2 424</b>	<b>7 259</b>	<b>1 583</b>	<b>5 527</b>
Comprehensive income attributable to:					
Owners of parent company		2 408	7 240	1 618	5 682
<b>Comprehensive income for the reporting period</b>		<b>2 408</b>	<b>7 240</b>	<b>1 618</b>	<b>5 682</b>
Basic earnings per share (in euros)		0,03	0,08	0,02	0,09
Diluted earnings per share (in euros)		0,03	0,08	0,02	0,09

## Consolidated statement of financial position

EUR thousand	Note	31.01.2020	31.12.2019
<b>Assets</b>			
Cash and cash equivalents	5	170 750	122 295
Debt securities at fair value through other comprehensive income	6	3 011	4 061
Equity instruments at fair value through profit or loss		67	0
Equity instruments at fair value through other comprehensive income		13	13
Loans and advances to customers	7,8,9,10	670 593	460 460
Other financial assets		999	1 263
Assets held for sale		6 734	6 756
Right-of-use assets		1 017	1 722
Other property, plant and equipment		2 327	2 504
Intangible assets		5 930	3 712
Investment property		594	594
Goodwill		6 757	6 757
Other assets		1 117	1 165
<b>Total assets</b>		<b>869 909</b>	<b>611 302</b>
<b>Liabilities</b>			
Customer deposits and loans received	11	757 835	506 531
Lease liabilities		1 018	1 725
Other financial liabilities		1 930	3 462
Other liabilities		4 495	3 169
Subordinated debt		7 064	7 064
<b>Total liabilities</b>		<b>772 342</b>	<b>521 951</b>
<b>Shareholder's equity</b>			
Share capital		61 756	60 960
Share premium		12 061	11 797
Statutory reserve capital		2 802	2 526
Retained earnings		20 824	13 841
Other reserves		124	227
<b>Total equity</b>		<b>97 567</b>	<b>89 351</b>
<b>Total liabilities and equity</b>		<b>869 909</b>	<b>611 302</b>



## Consolidated statement of cash flows

EUR thousand	Note	12 M 2020	12 M 2019
<b>Cash flows from operating activities</b>			
Interest received		33 953	25 171
Interest paid		-5 678	-4 086
Service fee and commission received		3 687	3 725
Service fee and commission paid		-1 590	-1 353
Other received income		804	671
Salaries paid		-10 719	-9 743
Other operating expenses paid		-5 040	-4 577
Income tax paid		-137	0
<b>Cash flows from operating activities before change in assets and liabilities related to operating activities</b>		<b>15 280</b>	<b>9 808</b>
<b>Change in operating assets:</b>			
Loan receivables from customers		-214 218	-133 184
Change of statutory reserve in central bank		-2 218	-1 151
Other assets		650	-1 118
<b>Change in operating liabilities:</b>			
Change in client deposits and loans received		250 713	120 648
Other liabilities		-1 303	-639
<b>Net cash flows from operating activities</b>		<b>48 904</b>	<b>-5 636</b>
<b>Cash flows from investment activities</b>			
Acquisition of property, plant and equipment		-4 166	-2 746
Sale of property, plant and equipment		67	212
Sale and redemption of debt instruments		782	4 999
<b>Total cash flows from investment activities</b>		<b>-3 317</b>	<b>2 465</b>
<b>Cash flows from financing activities</b>			
Issue of subordinated bonds		0	2 000
Contribution to share capital		853	34 383
<b>Total cash flows from financing activities</b>		<b>853</b>	<b>36 383</b>
Effect of exchange rate fluctuations to cash and cash equivalents		-3	-7
<b>Change in cash and cash equivalents</b>		<b>46 437</b>	<b>33 205</b>
Cash and cash equivalents at the beginning of period		118 002	84 797
<b>Cash and cash equivalents at the end of period</b>	5	<b>164 439</b>	<b>118 002</b>
<b>Cash and cash equivalents balance is comprised of:</b>			
Cash on hand		26 199	21 531
Demand deposits in central bank		130 589	94 019
Demand and short-term deposits in credit institutions and other financial institutions		7 651	2 452

## 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 31.12.2018</b>	<b>38 199</b>	<b>175</b>	<b>2 288</b>	<b>103</b>	<b>-154</b>	<b>8 552</b>	<b>49 163</b>
Increase of share capital at the expense of share premium	175	-175	0	0	0	0	0
Contribution to share capital	22 586	11 797	0	0	0	0	34 383
Change in reserves	0	0	238	0	0	-238	0
Share options	0	0	0	123	0	0	123
Net profit	0	0	0	0	0	5 527	5 527
Other comprehensive income	0	0	0	0	155	0	155
Total comprehensive income	0	0	0	0	155	5 527	5 682
<b>Equity as at 31.12.2019</b>	<b>60 960</b>	<b>11 797</b>	<b>2 526</b>	<b>226</b>	<b>1</b>	<b>13 841</b>	<b>89 351</b>
Contribution to share capital	796	264	0	-207	0	0	853
Change in reserves	0	0	276	0	0	-276	0
Share options	0	0	0	123	0	0	123
Net profit	0	0	0	0	0	7 259	7 259
Other comprehensive income	0	0	0	0	-19	0	-19
Total comprehensive income	0	0	0	0	-19	7 259	7 240
<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>

## 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 interim report should be read parallel to the Annual Report 2019, prepared in conformity with International Financial Reporting Standards (IFRS).

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.

The accounting principles used in 12 months Interim Report 2020 are generally in conformity with accounting principles used in Annual Report 2019.

Due to the effects of the coronavirus and in accordance with the guidelines of the European Banking Authority, the Bank did not treat loans with a principal payment holiday as restructured loans up until 30.09.2020. The principal payment grace period of these loans has not been treated as a significant increase in credit risk and therefore the loans have not been recognized in stage 2 according to IFRS. With regard to payment holidays added after 30.09.2020, the bank proceeds from the features of restructuring due to payment difficulties and the requirements of IFRS9. In addition, the Bank assesses corporate customers payment grace periods and the potential significant increase in credit risk individually depending on the financial strength of the counterparties, the nature of the business and the potential longer-term impact on credit risk.

The Bank's bond portfolio is measured at fair value through other comprehensive income. There was a restructuring to one bond in second quarter and the bank recognized impairment loss on this financial asset according to IFRS9 stage 2 principles.

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%
AS Martinoza	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, Q4 2020, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	3 652	2 426	3 107	899	496	-1 048	9 532
Interest expense	-868	-907	-251	-298	-448	1 048	-1 724
<b>Net interest income</b>	<b>2 784</b>	<b>1 519</b>	<b>2 856</b>	<b>601</b>	<b>48</b>	<b>0</b>	<b>7 808</b>
Commission income	177	385	386	35	6	0	989
Commission expense	-119	-278	-51	-1	0	0	-449
<b>Net commission income</b>	<b>58</b>	<b>107</b>	<b>335</b>	<b>34</b>	<b>6</b>	<b>0</b>	<b>540</b>
Other net income	5	27	92	31	16	0	171
<b>Net income</b>	<b>2 847</b>	<b>1 653</b>	<b>3 283</b>	<b>666</b>	<b>70</b>	<b>0</b>	<b>8 519</b>
Total operating expense	-1 276	-2 008	-1 145	-621	-222	0	-5 272
<b>Profit before credit losses and income tax</b>	<b>1 571</b>	<b>-355</b>	<b>2 138</b>	<b>45</b>	<b>-152</b>	<b>0</b>	<b>3 247</b>
Impairment losses	-784	539	-374	-96	0	0	-715
Income tax expense	-108	0	0	0	0	0	-108
<b>Net profit</b>	<b>679</b>	<b>184</b>	<b>1 764</b>	<b>-51</b>	<b>-152</b>	<b>0</b>	<b>2 424</b>

Segment profits, 12M 2020, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	12 221	8 705	12 156	3 282	2 071	-3 795	34 640
Interest expense	-2 935	-3 206	-967	-1 100	-1 856	3 795	-6 269
<b>Net interest income</b>	<b>9 286</b>	<b>5 499</b>	<b>11 189</b>	<b>2 182</b>	<b>215</b>	<b>0</b>	<b>28 371</b>
Commission income	567	1 392	1 565	133	30	0	3 687
Commission expense	-403	-943	-234	-10	0	0	-1 590
<b>Net commission income</b>	<b>164</b>	<b>449</b>	<b>1 331</b>	<b>123</b>	<b>30</b>	<b>0</b>	<b>2 097</b>
Other net income	72	143	373	179	-146	0	621
<b>Net income</b>	<b>9 522</b>	<b>6 091</b>	<b>12 893</b>	<b>2 484</b>	<b>99</b>	<b>0</b>	<b>31 089</b>
Total operating expense	-4 430	-7 277	-4 159	-2 132	-798	0	-18 796
<b>Profit before credit losses and income tax</b>	<b>5 092</b>	<b>-1 186</b>	<b>8 734</b>	<b>352</b>	<b>-699</b>	<b>0</b>	<b>12 293</b>
Impairment losses	-1 494	322	-3 212	-305	-100	0	-4 789
Income tax expense	-245	0	0	0	0	0	-245
<b>Net profit</b>	<b>3 353</b>	<b>-864</b>	<b>5 522</b>	<b>47</b>	<b>-799</b>	<b>0</b>	<b>7 259</b>

Assets and liabilities as at 31.12.2020, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Total assets	340	333	95	107	192	-197	870
Total liabilities	303	295	85	95	191	-197	772

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

Segment profits, Q4 2019, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	2 296	1 798	2 834	671	534	-853	7 280
Interest expense	-624	-729	-252	-255	-454	853	-1 461
<b>Net interest income</b>	<b>1 672</b>	<b>1 069</b>	<b>2 582</b>	<b>416</b>	<b>80</b>	<b>0</b>	<b>5 819</b>
Commission income	208	370	424	28	9	0	1 039
Commission expense	-94	-202	-65	-3	0	0	-364
<b>Net commission income</b>	<b>114</b>	<b>168</b>	<b>359</b>	<b>25</b>	<b>9</b>	<b>0</b>	<b>675</b>
Other net income	59	64	130	32	-23	0	262
<b>Net income</b>	<b>1 845</b>	<b>1 301</b>	<b>3 071</b>	<b>473</b>	<b>66</b>	<b>0</b>	<b>6 756</b>
Total operating expense	-1 156	-1 812	-1 038	-479	-150	0	-4 635
<b>Profit before credit losses and income tax</b>	<b>689</b>	<b>-511</b>	<b>2 033</b>	<b>-6</b>	<b>-84</b>	<b>0</b>	<b>2 121</b>
Impairment losses	-134	44	-445	-3	0	0	-538
Income tax expense	0	0	0	0	0	0	0
<b>Net profit</b>	<b>555</b>	<b>-467</b>	<b>1 588</b>	<b>-9</b>	<b>-84</b>	<b>0</b>	<b>1 583</b>

Segment profits, 12M 2019, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	7 782	6 475	10 017	2 280	1 744	-2 720	25 578
Interest expense	-2 010	-2 501	-867	-839	-1 392	2 720	-4 889
<b>Net interest income</b>	<b>5 772</b>	<b>3 974</b>	<b>9 150</b>	<b>1 441</b>	<b>352</b>	<b>0</b>	<b>20 689</b>
Commission income	712	1 210	1 630	99	74	0	3 725
Commission expense	-396	-686	-260	-11	0	0	-1 353
<b>Net commission income</b>	<b>316</b>	<b>524</b>	<b>1 370</b>	<b>88</b>	<b>74</b>	<b>0</b>	<b>2 372</b>
Other net income	121	141	360	114	-78	0	658
<b>Net income</b>	<b>6 209</b>	<b>4 639</b>	<b>10 880</b>	<b>1 643</b>	<b>348</b>	<b>0</b>	<b>23 719</b>
Total operating expense	-3 828	-6 295	-3 935	-1 626	-577	0	-16 261
<b>Profit before credit losses and income tax</b>	<b>2 381</b>	<b>-1 656</b>	<b>6 945</b>	<b>17</b>	<b>-229</b>	<b>0</b>	<b>7 458</b>
Impairment losses	-556	461	-1 600	-236	0	0	-1 931
Income tax expense	5	-5	0	0	0	0	0
<b>Net profit</b>	<b>1 830</b>	<b>-1 200</b>	<b>5 345</b>	<b>-219</b>	<b>-229</b>	<b>0</b>	<b>5 527</b>

Assets and liabilities as at 31.12.2019, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Total assets	201	262	85	81	187	-205	611
Total liabilities	170	229	74	69	185	-205	522

\* "Other" includes *Treasury*, subsidiaries *Martinoza* and *Prana Property*

### Note 3 Net interest income

Interest income	Q4 2020	12 M 2020	Q4 2019	12 M 2019
Interest income calculated using the effective interest method:				
Consumer loans and hire-purchase loans	3 107	12 156	2 834	10 017
Loans to legal entities	3 273	11 166	2 128	7 181
Loans to private individuals	2 228	7 928	1 606	5 836
Bonds	23	100	39	225
Interest income on liabilities	3	7	1	36
Other assets	0	2	1	3
Other similar interest income:				
Leasing	898	3 281	671	2 280
<b>Total</b>	<b>9 532</b>	<b>34 640</b>	<b>7 280</b>	<b>25 578</b>
Customer deposits and loans received	-1 437	-5 306	-1 241	-4 140
Subordinated debt	-125	-497	-125	-458
Interest expense on assets	-158	-448	-90	-270
Lease liabilities	-4	-18	-5	-21
<b>Total</b>	<b>-1 724</b>	<b>-6 269</b>	<b>-1 461</b>	<b>-4 889</b>
<b>Net interest income</b>	<b>7 808</b>	<b>28 371</b>	<b>5 819</b>	<b>20 689</b>

### Note 4 Net fee and commission income

Fee and commission income	Q4 2020	12 M 2020	Q4 2019	12 M 2019
Fees on card transactions	363	1 369	368	1 345
Monthly fees on cards	221	893	220	906
Account opening and management fees	210	758	230	668
Bank transfer fees	63	251	79	354
Gains from foreign exchange transactions	13	60	18	146
Other fee and commission income	119	356	124	306
<b>Total</b>	<b>989</b>	<b>3 687</b>	<b>1 039</b>	<b>3 725</b>
Charges on card transactions	-337	-1 128	-252	-890
Bank transfer fees	-53	-219	-52	-233
Other fee and commission expense	-59	-243	-60	-230
<b>Total</b>	<b>-449</b>	<b>-1 590</b>	<b>-364</b>	<b>-1 353</b>
<b>Net fee and commission income</b>	<b>540</b>	<b>2 097</b>	<b>675</b>	<b>2 372</b>

In Q4 2020, the Group earned 88% of fee and commission income from Estonian residents and 12% from residents of other countries (mainly from residents of EU countries); in Q3 2020, 89% of fee and commission income was earned from Estonian residents and 11% from residents of other countries. All fee and commission income is recognized as incurred.

### Note 5 Cash and cash equivalents

	31.12.2020	31.12.2019
Cash	26 199	21 531
Mandatory reserve at the central bank *	6 111	3 893
Demand deposits at central bank	130 589	94 019
Demand deposits at credit institutions and other financial institutions	7 651	2 452
Term deposits at credit institutions *	200	400
<b>Total **</b>	<b>170 750</b>	<b>122 295</b>

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

## Note 6 Debt securities at fair value through other comprehensive income

	31.12.2020	31.12.2019
Government debt securities	1 249	1 398
Debt securities of other non-financial companies	1 762	2 663
<b>Total</b>	<b>3 011</b>	<b>4 061</b>

## Note 7 Loans and advances to customers

	31.012.2020	31.12.2019
Total receivables from private individuals	370 649	268 329
incl. consumers loans	70 881	62 218
incl. lease financing	37 307	26 424
incl. mortgage loans and other loans	262 461	179 687
Total receivables from legal entities	308 687	197 471
incl. lease financing	47 104	38 127
incl. other loans to legal entities	261 583	159 344
<b>Total receivables</b>	<b>679 336</b>	<b>465 800</b>
Loss allowances of loans and advances	-8 743	-5 340
<b>Total</b>	<b>670 593</b>	<b>460 460</b>

## Note 8 Loss allowances of loans and advances

	31.12.2020	31.12.2019
Balance at the beginning of the reporting period	-5 340	-3 838
Allowances during the reporting period	-4 851	-2 460
Derecognized during reporting period	1 448	958
<b>Balance of allowance at the end of the reporting period</b>	<b>-8 743</b>	<b>-5 340</b>

## Note 9 Allocation of past due loans

	31.12.2020			31.12.2019		
	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	4 146	4 233	3 963	3 796	4 993	6 328
31-60 days	903	560	224	918	568	961
61-90 days	512	147	298	516	305	333
over 90 days	3 189	525	4 273	1 133	400	5 138
<b>Total</b>	<b>8 750</b>	<b>5 465</b>	<b>8 758</b>	<b>6 363</b>	<b>6 266</b>	<b>12 760</b>



## Note 10 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

31.12.2020	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>					
Cash and cash equivalents	170 550	200	0	0	170 750
Debt securities at fair value	0	407	2 604	0	3 011
Equity instruments	67	0	0	13	80
Loans and advances to customers	45 660	106 394	419 936	281 524	853 514
Other financial assets	677	0	22	300	999
<b>Total financial assets</b>	<b>216 954</b>	<b>107 001</b>	<b>422 562</b>	<b>281 837</b>	<b>1 028 354</b>
<b>Liabilities</b>					
Customer deposits and loans received	435 377	205 291	100 649	13 557	754 874
Lease liabilities	147	417	467	0	1 031
Other financial liabilities	1 433	497	0	0	1 930
Subordinated debt	122	374	1 984	8 158	10 638
<b>Total financial liabilities</b>	<b>437 079</b>	<b>206 579</b>	<b>103 100</b>	<b>21 715</b>	<b>768 473</b>
<b>Off-balance sheet liabilities</b>					
Undrawn lines of credit and overdraft facilities	65 691	0	0	0	65 691
Financial guarantees	10 545	0	0	0	10 545
<b>Total on-balance / off-balance-sheet liabilities</b>	<b>513 315</b>	<b>206 579</b>	<b>103 100</b>	<b>21 715</b>	<b>844 709</b>
<b>Duration gap of financial assets and financial liabilities</b>	<b>-296 361</b>	<b>-99 578</b>	<b>319 462</b>	<b>260 122</b>	<b>183 645</b>

31.12.2019	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>					
Cash and cash equivalents	121 893	400	0	0	122 293
Debt securities at fair value	0	0	4 061	0	4 061
Equity instruments	0	0	0	13	13
Loans and advances to customers	39 180	85 284	272 935	193 242	590 641
Other financial assets	1 263	0	0	314	1 577
<b>Total financial assets</b>	<b>162 336</b>	<b>85 684</b>	<b>276 996</b>	<b>193 569</b>	<b>718 585</b>
<b>Liabilities</b>					
Customer deposits and loans received	220 608	184 616	91 986	16 786	513 996
Lease liabilities	157	472	1 090	41	1 760
Other financial liabilities	3 658	24	0	0	3 682
Subordinated debt	149	374	1 985	8 653	11 161
<b>Total financial liabilities</b>	<b>224 572</b>	<b>185 486</b>	<b>95 061</b>	<b>25 480</b>	<b>530 599</b>
<b>Off-balance sheet liabilities</b>					
Undrawn lines of credit and overdraft facilities	38 414	0	0	0	38 414
Financial guarantees	4 161	0	0	0	4 161
<b>Total on-balance / off-balance-sheet liabilities</b>	<b>267 037</b>	<b>185 486</b>	<b>95 061</b>	<b>25 480</b>	<b>573 064</b>
<b>Duration gap of financial assets and financial liabilities</b>	<b>-104 811</b>	<b>-99 802</b>	<b>181 935</b>	<b>168 089</b>	<b>145 411</b>

## Note 11 Customer deposits and loans received

Due to customers	31.12.2020	31.12.2019
Private individuals	431 343	338 137
Legal entities	326 492	165 693
Credit institutions	0	2 701
<b>Total</b>	<b>757 835</b>	<b>506 531</b>
Demand deposits	302 179	152 189
Term deposits	435 363	327 431
Issued debt securities	9 712	14 103
Special purpose loans	10 581	12 808
<b>Total</b>	<b>757 835</b>	<b>506 531</b>

## Note 12 Contingent liabilities

	31.12.2020	31.12.2019
Financial guarantees	10 545	4 161
Credit lines and overdrafts	65 691	38 414
<b>Total</b>	<b>76 236</b>	<b>42 575</b>

## Note 13 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 237 thousand euros (31.12.2019: 175).

Balances	31.12.2020	31.12.2019
Shareholders:		
Loans	4	58
Deposits	15 827	275
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Loans	458	167
Deposits	503	2 736

Transactions	31.12.2020	31.12.2019
Shareholders:		
Interest expense	19	1
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Interest income of the reporting period	22	3
Interest expense of the reporting period	6	10
Other goods and services sold	4	2
Other goods and services purchased	0	23
Compensation paid to members of the Management Board and Supervisory Board	639	537

## Note 14 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.

	Q4 2020	12 M 2020	Q4 2019	12 M 2019
Profit attributable to the owners of the parent (in th. euros)	2 424	7 259	1 583	5 527
Weighted average number of shares (in th. of units)	90 040	89 690	71 299	62 572
Basic earnings per share (euros)	0,03	0,08	0,02	0,09
Adjustments for calculation of diluted earnings per share – share options (in th. of units)	2 154	2 197	2 015	2 015
Weighted average number of shares used for calculating the diluted earnings per share (in th. of units)	92 194	91 887	73 313	64 587
Diluted earnings per share (euros)	0,03	0,08	0,02	0,09

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

As at 31.12.2020 shareholders with holding over 5% are:

Coop Investeeringud OÜ	24,98%
Andres Sonn	9,32%
CM Capital OÜ	6,80%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 18,06% of the total amount of shares, however, separately none of them holds over 5%.

Members of Supervisory Board hold 71 thousand shares of Coop Pank and Members of Management Board hold 639 thousand shares of Coop Pank, which in total accounts for 0,78% of the total amount of shares.

Chairman of the Supervisory Board: Alo Ivask

Members of the Supervisory Board: Ardo Hillar Hansson, Jaan Marjundi, Roman Provotorov, Raul Parusk, Silver Kuus

Chairman of the Management Board: Margus Rink

Members of the Management Board: Kerli Lõhmus, Heikko Mäe, Arko Kurtmann, Rasmus Heinla

## 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.

10.02.2021

Margus Rink

Chairman of the Management Board

Kerli Lõhmus

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

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