



Interim Report
9 months 2021

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Management Director's Statement

Business volumes and financial results

Coop Pank has 108 000 clients by the end of Q3 2021, the number of clients has increased by 7 300 over the quarter (+7%). Number of private clients with current account in the bank increased by 6 700 and number of business clients by 600 over the quarter. Over the year, client base of Coop Pank increased 35%, i.e. by 28 000 clients.

In Q3 2021, volume of deposits in Coop Pank increased by 95 million euros (+11%), reaching total of 987 million euros. Deposits from domestic companies showed the fastest growth, increasing by 77 million euros, of which 42 million were demand deposits and 35 million were term deposits. Deposits from private clients grew by 25 million euros, of which 22 million were demand deposits and 3 million were term deposits. Deposits from international deposit platform Raisin and other financing decreased by 7 million euros. Compared to Q3 2020, volume of Coop Pank's deposits has increased by 299 million euros (+43%). In an annual comparison, share of demand deposits to total deposits has increased from 34% to 44%. In Q3 2021, the bank's financing cost was 0.7%, at the same time last year the financing cost was 0.9%.

In Q3 2021, net loan portfolio of Coop Pank grew by 82 million euros (+11%), reaching 854 million euros. Business loans portfolio showed the fastest growth, increasing the volume by 57 million euros (+19%). Home loans portfolio increased by 28 million euros (+9%), leasing portfolio by 2 million euros (+3%) and consumer finance portfolio decreased by 5 million euros (-7%). Compared to Q3 2020, total loan portfolio of Coop Pank has grown by 255 million euros, i.e. 43%.

In Q3 2021, overdue loan portfolio of Coop Pank was at the level of 2%. In an annual comparison, overdue loan portfolio decreased from the level of 5% to 2%, which is the lowest level in last four years.

Impairment costs of financial assets in Q3 2021 were 0.01 million euros.

Net income of Coop Pank in Q3 2021 was 10.3 million euros, having grown 11% over the quarter and 29% over the year. Operating expenses reached 5.8 million euros in Q3, having increased by 8% over the quarter and 22% over the year.

In Q3 2021, net profit of Coop Pank was 4.3 million euros, which is 42% more than in Q2 2021 and 114% more than a year ago. In Q3 2021, cost to income ratio of the bank was 56% and return on equity was 16.2%.

As of 30 September 2021, Coop Pank has 24,575 shareholders, 6 113 shareholders have been added over the quarter.

Key events and product developments

In the third quarter of 2021, Coop Pank moved its head office and the customer center of Tallinn to the newly completed Skyon business center at Maakri 30, Tallinn. Moving to a larger and more modern area supports the growth ambition of the domestic bank. The new premises offer our people a comfortable and health-friendly work environment and meet modern energy efficiency and sustainability requirements.

The largest developments took place in the third quarter in Coop Pank's insurance business line. From the third quarter, we offer our microcredit customers microcredit insurance, which helps to reimburse loan payments in the event of a borrower's unemployment, incapacity for work and death. We started to offer leasing and home loan customers the opportunity to add insurance premiums to the loan payment schedule. In addition, preparations were made in the third quarter to add COVID-19 insurance coverage to monthly fee-based travel insurance, which came into force on October 1, 2021.

In the third quarter, Coop Pank also renewed its consolidated payment solution in its Internet bank, which creates additional opportunities for entrepreneurs to make consolidated payments and increases the speed of approval of payments.

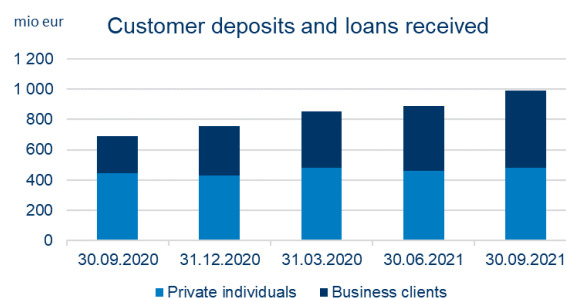
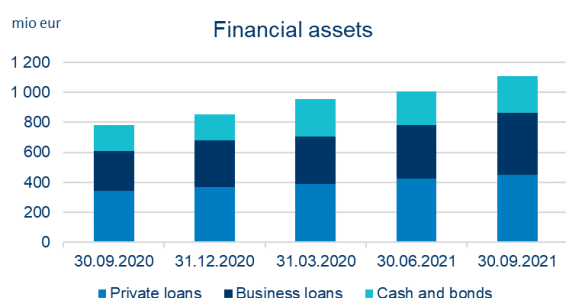
The credit card application system for private customers was updated, which makes applying for a credit card faster and more convenient for the customer and processing the application more efficient for the bank.

Margus Rink
Chairman of the Management Board

Overview of financial results

Income statement EUR thousand	Q3 2021	Q2 2021	quarterly change	Q3 2020	annual change
Net interest income	9 345	8 325	12%	7 353	27%
Net fee and commissions income	752	783	-4%	558	35%
Other income	230	233	-1%	77	199%
Total net operating income	10 327	9 341	11%	7 988	29%
Operating expenses	-5 788	-5 336	8%	-4 726	22%
Impairment costs on financial assets	-10	-753	-99%	-1 139	-99%
Income tax	-227	-220	3%	-111	0%
Net profit	4 302	3 032	42%	2 012	114%

Business volumes, EUR thousand	Q3 2021	Q2 2021	quarterly change	Q3 2020	annual change
Net loan portfolio	854 234	772 516	11%	599 213	43%
Cash and bonds	243 308	225 344	8%	172 068	41%
Customer deposits and loans received	986 777	891 397	11%	688 116	43%
Owner´s equity	108 386	103 930	4%	94 255	15%



Ratios (quarterly ratios, expressed on annualised basis)	Q3 2021	Q2 2021	quarterly change	Q3 2020	annual change
Average equity (attributable to parent company), EUR thousand	106 158	102 174	3 984	93 243	12 915
Return on equity ROE % (net profit / average equity)	16,2	11,9	4,3	8,6	7,6
Average total assets, EUR thousand	1 077 440	999 642	77 798	759 645	317 795
Return on assets ROA % (net profit / average total assets)	1,6	1,2	0,4	1,1	0,5
Cash and interest-bearing assets, average, EUR thousand	1 058 929	984 127	74 802	744 024	314 905
Net interest margin NIM % (net interest income / interest-bearing assets, average)	3,5	3,4	0,1	4,0	-0,4
Cost / income ratio % (total operating costs / total net operating income)	56,0	57,1	-1,1	59,2	-3,2

Group's liquidity position is strong. At 30.09.2021 the Liquidity Coverage Ratio (LCR) was 197% (31.12.2020 was 275%), the regulatory minimum requirement is 100%.

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

EUR thousand	30.09.2021	30.09.2020	30.09.2019
Net loan portfolio	854 234	599 213	417 907
Customer deposits and loans received	986 777	688 116	477 826
Subordinated loans	17 111	7 111	7 111
Owner´s equity	108 386	94 255	57 346
Net interest income	25 714	20 563	14 870
Net fee and commission income	2 183	1 557	1 697
Other income	665	450	396
Total net operating income	28 562	22 570	16 963
Operating expenses	-16 248	-13 524	-11 626
Impairment losses on financial assets	-1 534	-4 074	-1 393
Income tax	-612	-137	0
Net profit	10 168	4 835	3 944

Capitalisation

Capital base, EUR thousand	30.09.2021	30.09.2021 adjusted *	31.12.2020
Tier 1 capital			
Paid-in share capital and share premium	74 416	74 416	73 817
Statutory reserve capital	3 165	3 165	2 802
Retained earnings	20 461	20 461	13 564
Eligible profit of the reporting period	0	10 168	7 259
Other accumulated comprehensive loss	-6	-6	-18
Goodwill accounted for as intangible asset (-)	-6 757	-6 757	-6 757
Intangible assets (-)	-7 143	-7 143	-5 930
Adjustment of value arising from requirements of reliable measurement (-)	-4	-4	-3
Other deductions from Tier 1 capital (-)	-1 534	0	0
Other transitional adjustments of own funds	315	315	441
Total Tier 1 capital	82 913	94 615	85 175
Subordinated debt	17 000	17 000	7 000
Tier 2 capital	17 000	17 000	7 000
Eligible capital for capital adequacy calculation	99 913	111 615	92 175
Risk-weighted assets RWA			
Central government and central banks using standardised approach	624	624	624
Credit institutions, investment companies using standardised approach	3 319	3 319	451
Companies using standardised approach	78 485	78 485	72 962
Retail claims using standardised approach	126 833	126 833	110 660
Claims secured by mortgage on real estate using standardised approach	278 718	278 718	195 622
Claims past due using standardised approach	3 457	3 457	6 612
Items subject to particularly high risk using standardised approach	37 716	37 716	22 417
Other assets using standardised approach	17 152	17 152	10 928
Total credit risk and counter-party credit risk	546 304	546 304	420 276
Operational risk using basic indicator approach	47 007	47 007	36 423
Total risk-weighted assets (total risk exposure)	593 311	596 311	456 699
Capital adequacy ratio %	16,84%	18,81%	20,18%
Tier 1 capital ratio %	13,97%	15,95%	18,65%

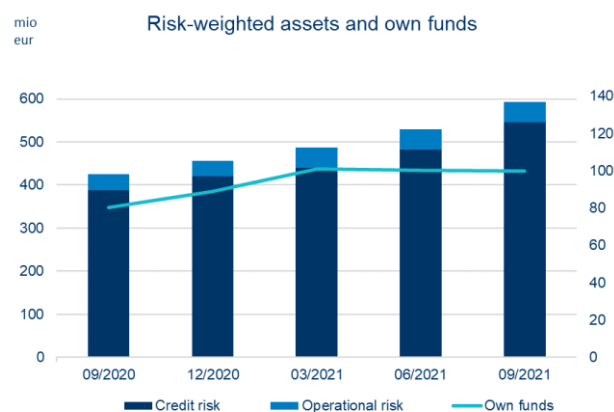
* Includes unaudited profit for Q1, Q2 and Q3 2021, which will be added to regulatory Tier 1 capital after approval of the interim profit by independent auditor and the Financial Supervisory Authority.

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. In Q1, to support the growth of business volumes the Bank included subordinated debt in the amount of EUR 10 million in Tier 2 capital.



Consolidated financial statements

Consolidated statement of comprehensive income

EUR thousand	Note	Q3 2021	9 M 2021	Q3 2020	9 M 2020
Interest income calculated using the effective interest method		10 151	28 333	8 130	22 725
Other similar income		1 033	2 943	855	2 383
Interest expense		-1 839	-5 562	-1 632	-4 545
Net interest income	3	9 345	25 714	7 353	20 563
Fee and commission income		1 246	3 578	961	2 698
Fee and commission expense		-494	-1 395	-403	-1 141
Net fee and commission income	4	752	2 183	558	1 557
Revenue from sale of assets		345	345	0	146
Cost of assets sold		-299	-299	0	-146
Rental income from investment properties		0	3	3	13
Direct property operating expenses		-21	-44	-11	-39
Change in fair value of investment property		-196	-210	0	0
Net gains/losses from non-financial asset realization		10	10	0	39
Net gains/losses from financial assets measured at fair value		-9	-67	-136	-182
Revenue from claims handling		384	704	138	391
Other income		16	223	83	228
Other net income		230	665	77	450
Payroll expense		-3 364	-9 308	-2 844	-8 109
Operating expense		-1 449	-4 300	-1 200	-3 496
Depreciation		-975	-2 640	-682	-1 919
Total operating expense		-5 788	-16 248	-4 726	-13 524
Net profit before impairment costs		4 539	12 314	3 262	9 046
Impairment costs		-10	-1 534	-1 139	-4 074
Profit before income tax		4 529	10 780	2 123	4 972
Income tax		-227	-612	-111	-137
Net profit for the reporting period	2	4 302	10 168	2 012	4 835
Financial assets at fair value through other comprehensive income		16	12	-26	-35
Comprehensive income for the reporting period		4 318	10 180	1 986	4 800
Net profit attributable to:					
Owners of parent company		4 302	10 168	2 012	4 835
Net profit for the reporting period		4 302	10 168	2 012	4 835
Comprehensive income attributable to:					
Owners of parent company		4 318	10 180	1 986	4 800
Comprehensive income for the reporting period		4 318	10 180	1 986	4 800
Basic earnings per share (in euros)		0,05	0,11	0,02	0,05
Diluted earnings per share (in euros)		0,05	0,11	0,02	0,05

Consolidated statement of financial position

EUR thousand	Note	30.09.2021	31.12.2020
Assets			
Cash and cash equivalents	5	239 735	170 750
Debt securities at fair value through other comprehensive income	6	3 573	3 011
Equity instruments at fair value through profit or loss		0	67
Equity instruments at fair value through other comprehensive income		13	13
Loans and advances to customers	7,8,9,10	854 234	670 593
Other financial assets		885	999
Assets held for sale		6 486	6 734
Other assets		1 691	1 117
Investment property		0	594
Right-of-use assets		6 787	1 017
Tangible assets		3 203	2 327
Intangible assets		7 143	5 930
Goodwill		6 757	6 757
Total assets		1 130 507	869 909
Liabilities			
Customer deposits and loans received	11	986 777	757 835
Lease liabilities		6 791	1 018
Other financial liabilities		7 257	1 509
Other liabilities		4 185	4 916
Subordinated debt		17 111	7 064
Total liabilities		1 022 121	772 342
Shareholder's equity			
Share capital		62 186	61 756
Share premium		12 230	12 061
Statutory reserve capital		3 165	2 802
Retained earnings		30 629	20 824
Other reserves		176	124
Shareholders' equity attributable to owners of the parent company		108 386	97 567
Total shareholder's equity		108 386	97 567
Total liabilities and shareholders' equity		1 130 507	869 909

Consolidated statement of cash flows

EUR thousand	Note	9 M 2021	9 M 2020
Cash flows from operating activities			
Interest received		31 351	24 645
Interest paid		-5 224	-4 226
Service fee and commission received		3 578	2 698
Service fee and commission paid		-1 395	-1 141
Other received income		937	638
Salaries paid		-9 472	-8 361
Other operating expenses paid		-4 300	-3 496
Income tax paid		-493	-26
Cash flows from operating activities before change in assets and liabilities related to operating activities		14 982	10 731
Change in operating assets:			
Loan receivables from customers		-185 213	-142 326
Term deposits in credit institutions		-15 000	0
Change of statutory reserve in central bank		-2 281	-1 646
Other assets		-228	-284
Change in operating liabilities:			
Change in client deposits and loans received		228 651	181 313
Other liabilities		4 607	102
Net cash flows from operating activities		45 518	47 890
Cash flows from investment activities			
Acquisition of property, plant and equipment		-4 288	-3 129
Sale of property, plant and equipment		687	52
Acquisition of debt securities		-825	0
Sale and redemption of debt instruments		489	749
Total cash flows from investment activities		-3 937	-2 328
Cash flows from financing activities			
Issue of subordinated bonds		10 000	0
Contribution to share capital		486	0
Repayment of principal of lease liabilities		-368	-490
Total cash flows from financing activities		10 118	-490
Effect of exchange rate fluctuations to cash and cash equivalents		5	-6
Change in cash and cash equivalents		51 704	45 066
Cash and cash equivalents at the beginning of period		164 439	118 002
Cash and cash equivalents at the end of period	5	216 143	163 068
Cash and cash equivalents balance is comprised of:			
Cash on hand		26 978	26 748
Demand deposits in central bank		182 072	128 035
Demand and short-term deposits in credit institutions and other financial institutions		7 093	8 285

Consolidated statement of changes in equity

EUR thousand	Share capital	Share premium	Statutory reserve capital	Other reserves	Revaluation reserve	Retained earnings	Total equity
Equity as at 31.12.2019	60 960	11 797	2 526	226	1	13 841	89 351
Change in reserves	0	0	276	0	0	-276	0
Share options	0	0	0	67	0	0	67
Net profit 01.01. – 30.06.2020	0	0	0	0	0	2 823	2 823
Other comprehensive income 01.01. – 30.06.2020	0	0	0	0	-9	0	-9
Total comprehensive income	0	0	0	0	-9	2 823	2 814
Equity as at 30.06.2020	60 960	11 797	2 802	293	-8	16 388	92 232
Contribution to share capital	796	264	0	-207	0	0	853
Share options	0	0	0	56	0	0	56
Net profit 01.07. – 31.12.2020	0	0	0	0	0	4 436	4 436
Other comprehensive income 01.07. – 31.12.2020	0	0	0	0	-10	0	-10
Total comprehensive income	0	0	0	0	-10	4 436	4 426
Equity as at 31.12.2020	61 756	12 061	2 802	142	-18	20 824	97 567
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
Equity as at 30.09.2021	62 186	12 230	3 165	182	-6	30 629	108 386

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 2020.

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 (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, 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
Net interest income	3 720	1 940	2 956	681	48	0	9 345
Commission income	305	462	363	51	65	0	1 246
Commission expense	-125	-304	-57	-2	-6	0	-494
Net commission income	180	158	306	49	59	0	752
Other net income	260	24	100	25	-179	0	230
Net income	4 160	2 122	3 362	755	-72	0	10 327
Total operating expense	-1 502	-2 127	-1 292	-636	-231	0	-5 788
Profit before credit losses and income tax	2 658	-5	2 070	119	-303	0	4 539
Impairment losses (-) or reversals (+)	-308	2	340	101	-145	0	-10
Income tax expense	-227	0	0	0	0	0	-227
Net profit	2 123	-3	2 410	220	-448	0	4 302

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
Net interest income	9 852	5 174	8 655	1 892	141	0	25 714
Commission income	934	1 275	1 090	123	156	0	3 578
Commission expense	-333	-869	-180	-7	-6	0	-1 395
Net commission income	601	406	910	116	150	0	2 183
Other net income	466	85	267	73	-226	0	665
Net income	10 919	5 665	9 832	2 081	65	0	28 562
Total operating expense	-4 111	-6 077	-3 571	-1 809	-680	0	-16 248
Profit before credit losses and income tax	6 808	-412	6 261	272	-615	0	12 314
Impairment losses (-) or reversals (+)	-815	-110	-601	137	-145	0	-1 534
Income tax expense	-612	0	0	0	0	0	-612
Net profit	5 381	-522	5 660	409	-760	0	10 168

Assets and liabilities as at 30.06.2021, 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
Total assets	556	435	93	121	231	-305	1 131
Total liabilities	510	394	84	109	230	-305	1 022

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

Segment profits, Q3 2020, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	3 198	2 274	3 084	855	590	-1 016	8 985
Incl. external income	2 932	2 090	3 084	855	24	0	8 985
Incl. internal income	266	184	0	0	566	-1 016	0
Interest expense	-756	-827	-244	-284	-537	1 016	-1 632
Net interest income	2 442	1 447	2 840	571	53	0	7 353
Commission income	155	364	389	42	11	0	961
Commission expense	-96	-241	-62	-4	0	0	-403
Net commission income	59	123	327	38	11	0	558
Other net income	11	36	97	57	-124	0	77
Net income	2 512	1 606	3 264	666	-60	0	7 988
Total operating expense	-1 126	-1 821	-1 054	-542	-183	0	-4 726
Profit before credit losses and income tax	1 386	-215	2 210	124	-243	0	3 262
Impairment losses	-199	-2	-878	-60	0	0	-1 139
Income tax expense	-111	0	0	0	0	0	-111
Net profit	1 076	-217	1 332	64	-243	0	2 012

Segment profits, 9M 2020, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	8 569	6 279	9 049	2 383	1 575	-2 747	25 108
Incl. external income	7 897	5 700	9 049	2 383	79	0	25 108
Incl. internal income	672	579	0	0	1 496	-2 747	0
Interest expense	-2 067	-2 299	-716	-802	-1 408	-2 747	-4 545
Net interest income	6 502	3 980	8 333	1 581	167	0	20 563
Commission income	390	1 007	1 179	98	24	0	2 698
Commission expense	-284	-665	-183	-9	0	0	-1 141
Net commission income	106	342	996	89	24	0	1 557
Other net income	67	116	281	148	-162	0	450
Net income	6 675	4 438	9 610	1 818	29	0	22 570
Total operating expense	-3 154	-5 269	-3 014	-1 511	-576	0	-13 524
Profit before credit losses and income tax	3 521	-831	6 596	307	-547	0	9 046
Impairment losses	-710	-217	-2 838	-209	-100	0	-4 074
Income tax expense	-137	0	0	0	0	0	-137
Net profit	2 674	-1 048	3 758	98	-647	0	4 835

Assets and liabilities as at 30.09.2020, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Loan portfolio	216	238	65	81	207	-207	600
Other assets	63	70	30	25	10	0	198
Total assets	279	308	95	106	217	-207	798
Total liabilities	244	273	84	93	216	-207	703

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

Note 3 Net interest income

Interest income	Q3 2021	9 M 2021	Q3 2020	9 M 2020
Interest income calculated using the effective interest method:				
Loans to legal entities	4 168	11 241	2 929	7 893
Consumer loans and hire-purchase loans	3 195	9 406	3 084	9 049
Loans to private individuals	2 754	7 604	2 090	5 700
Bonds	33	79	24	77
Interest income on liabilities	0	1	2	4
Other assets	1	2	1	2
	10 151	28 333	8 130	22 725
Other similar interest income:				
Leasing	1 033	2 943	855	2 383
Total	11 184	31 276	8 985	25 108
Customer deposits and loans received	-1 414	-4 355	-1 371	-3 869
Subordinated debt	-262	-646	-125	-372
Interest expense on assets	-154	-546	-132	-290
Lease liabilities	-9	-15	-4	-14
Total	-1 839	-5 562	-1 632	-4 545
Net interest income	9 345	25 714	7 353	20 563

Note 4 Net fee and commission income

Fee and commission income	Q3 2021	9 M 2021	Q3 2020	9 M 2020
Fees on card transactions	391	1 087	365	1 006
Account opening and management fees	239	671	186	548
Monthly fees on cards	214	644	221	672
Bank transfer fees	78	196	65	188
Gains from foreign exchange transactions	16	36	22	47
Other fee and commission income	308	944	102	237
Total	1 246	3 578	961	2 698
Charges on card transactions	-353	-1 010	-278	-791
Bank transfer fees	-57	-145	-61	-166
Other fee and commission expense	-84	-240	-64	-184
Total	-494	-1 395	-403	-1 141
Net fee and commission income	752	2 183	558	1 557

In Q3 2021, the Group earned 87% of fee and commission income from Estonian residents and 13% from residents of other countries (mainly from residents of EU countries); In Q2 2021, the Group earned 88% of fee and commission income from Estonian residents and 12% from residents of other countries. All fee and commission income is recognized as incurred.

Note 5 Cash and cash equivalents

	30.09.2021	31.12.2020
Cash	26 978	26 199
Mandatory reserve at the central bank *	8 392	6 111
Demand deposits at central bank	182 072	130 589
Demand deposits at credit institutions and other financial institutions	7 093	7 651
Term deposits at credit institutions *	15 200	200
Total	239 735	170 750

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

Note 6 Financial investments

	30.09.2021	31.12.2019
Government debt securities	1 247	1 249
Debt securities of other non-financial companies	2 326	1 762
Total of debt securities	3 573	3 011
Shares of other non-financial companies	13	80
Total of equity instruments	13	80
Total of financial investments	3 586	3 091

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

	30.09.2021	31.12.2020
Total receivables from private individuals	449 609	370 649
incl. consumers loans	67 012	70 881
incl. lease financing	47 301	37 307
incl. mortgage loans and other loans	335 296	262 461
Total receivables from legal entities	413 239	308 687
incl. lease financing	51 111	47 104
incl. other loans to legal entities	362 128	261 583
Total receivables	862 848	679 336
Loss allowances of loans and advances	-8 614	-8 743
Total	854 234	670 593

Note 8 Loss allowances of loans and advances

	30.09.2021	31.12.2020
Balance at the beginning of the reporting period	-8 743	-5 340
Allowances during the reporting period	-1 477	-4 851
Derecognized during reporting period	1 606	1 448
Balance of allowance at the end of the reporting period	-8 614	-8 743

Note 9 Allocation of past due loans

	30.09.2021			31.12.2020		
	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	3 202	4 327	4 965	4 146	4 233	3 963
31-60 days	403	427	425	903	560	224
61-90 days	259	64	114	512	147	298
over 90 days	2 510	332	312	3 189	525	4 273
Total	6 374	5 150	5 816	8 750	5 465	8 758

Note 10 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

30.09.2021	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Assets					
Cash and cash equivalents	237 734	2 002	0	0	239 736
Debt securities at fair value	0	1 247	2 326	0	3 573
Equity instruments	0	0	0	13	13
Loans and advances to customers	46 047	131 783	538 472	359 425	1 075 727
Other financial assets	575	0	0	310	885
Total financial assets	284 356	135 032	540 798	359 748	1 319 934
Liabilities					
Customer deposits and loans received	573 075	293 029	115 099	8 402	989 605
Lease liabilities	225	640	2 917	3 425	7 207
Other financial liabilities	6 747	510	0	0	7 257
Subordinated debt	262	784	4 185	20 262	25 493
Total financial liabilities	580 309	294 963	122 201	32 089	1 029 562
Off-balance sheet liabilities					
Undrawn lines of credit and overdraft facilities	128 238	0	0	0	128 238
Financial guarantees	14 848	0	0	0	14 848
Total on-balance / off-balance-sheet liabilities	723 395	294 963	122 201	32 089	1 172 648
Duration gap of financial assets and financial liabilities	-439 039	-159 931	418 597	327 659	147 286

31.12.2020	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Assets					
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
Total financial assets	216 954	107 001	422 562	281 837	1 028 354
Liabilities					
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
Total financial liabilities	437 079	206 579	103 100	21 715	768 473
Off-balance sheet liabilities					
Undrawn lines of credit and overdraft facilities	65 691	0	0	0	65 691
Financial guarantees	10 545	0	0	0	10 545
Total on-balance / off-balance-sheet liabilities	513 315	206 579	103 100	21 715	844 709
Duration gap of financial assets and financial liabilities	-296 361	-99 578	319 462	260 122	183 645

Note 11 Customer deposits and loans received

Due to customers	30.09.2021	31.12.2020
Private individuals	482 152	431 343
Legal entities	504 625	326 492
Total	986 777	757 835
Demand deposits	456 708	302 179
Term deposits	520 850	435 363
Issued debt securities	0	9 712
Special purpose loans	9 219	10 581
Total	986 777	757 835

Note 12 Contingent liabilities

	30.09.2021	31.12.2020
Financial guarantees	14 848	10 545
Credit lines and overdrafts	128 238	65 691
Total	143 086	76 236

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 (31.12.2020: 237).

Balances	30.09.2021	31.12.2020
Shareholders:		
Loans	0	4
Deposits	8 545	15 827
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Loans	904	458
Deposits	747	503

Transactions	30.09.2021	31.12.2020
Shareholders:		
Interest expense	15	19
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Interest income of the reporting period	37	22
Interest expense of the reporting period	11	6
Other goods and services sold	1	4
Compensation paid to members of the Management Board and Supervisory Board	498	639

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.

	Q2 2021	6 M 2021	Q2 2020	6 M 2020
Profit attributable to the owners of the parent (in th. euros)	4 302	10 168	2 012	4 835
Weighted average number of shares (in th. of units)	91 209	90 917	89 456	89 456
Basic earnings per share (euros)	0,05	0,11	0,02	0,05
Adjustments for calculation of diluted earnings per share – share options (in th. of units)	1 800	1 665	2 763	2 360
Weighted average number of shares used for calculating the diluted earnings per share (in th. of units)	93 009	92 582	92 219	91 816
Diluted earnings per share (euros)	0,05	0,11	0,02	0,05

Shareholders, Supervisory Board and Management Board of Coop Pank AS

As at 30.09.2021 shareholders with holding over 5% are:

Coop Investeeringud OÜ	24,83%
Andres Sonn	8,14%
CM Capital OÜ	5,19%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 17,95% 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 756 thousand shares of Coop Pank, which in total accounts for 0,91% of the total amount of shares.

Chairman of the Supervisory Board: Alo Ivask

Members of the Supervisory Board: Jaan Marjundi, Roman Provotorov, Raul Parusk, Silver Kuus, Viljar Arakas

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.

20.10.2021

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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