



Interim Report  
12 months 2021

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# Management Director´s Statement

## Business volumes and financial results

In the 4th quarter of 2021, the number of the bank's customers increased by 7000, of which 6200 were private customers and 800 were business customers. At the end of the year, Coop Pank had 114 600 everyday banking customers. Over the year, the bank's customer base has grown by 32% or 27 900 customers.

The volume of deposits increased by 112 million euros or 11% during the quarter and reached 1,1 billion euros by the end of the year. The corporate deposit portfolio grew by 117 million, of which 51 million were demand deposits and 66 million term deposits. The volume of demand deposits of private customers increased by 10 million euros and term deposits by 1 million euros. The deposits of the international deposit raising platform Raisin decreased by 16 million euros. In an annual comparison, the share of the bank's demand deposits in total deposits has risen from 40% to 47%. The average financing cost in 2021 was 0,7%, compared to 0,9% last year.

The bank's net loan portfolio grew by 99 million euros or 12% during the quarter, reaching 953 million euros by the end of the year. The volume of business loans increased by 60 million euros during the quarter, the volume of home loans by 29 million euros, leasing by 6 million euros and consumer financing by 4 million euros. In 2021, the loan portfolio has grown by a total of 283 million euros or 42%. At the end of 2021, overdue loan portfolio was at 2%.

Coop Pank's net income in the fourth quarter of 2021 was 10,7 million euros, increasing by 3% quarter-on-quarter and 25% year-on-year. Operating expenses amounted to 5,8 million euros in the fourth quarter, increasing by 7% quarter-on-quarter and 18% year-on-year.

The bank earned a profit of 3,3 million euros in the fourth quarter of 2021, which is 23% less than in the third quarter and 36% more than in the fourth quarter of the previous year. The quarterly profitability was mostly affected by provisions due to the growth of the loan portfolio. The bank's cost / income ratio was 58% and return on equity 12,4% in the fourth quarter.

As of 31 December 2021, Coop Pank has 27 799 shareholders, and 3 224 shareholders have been added during the quarter.

## Key events and product developments

From the beginning of the Q4, we offer COVID-19 travel insurance with a monthly coverage to all our customers, who have Coop Pank's settlement package called Rahn or Rändrahn. The insurance covers travel expenses and medical expenses related to COVID-19 worldwide and extends to family members traveling with the insured person.

As a domestic bank, we want to take life forward in every corner of Estonia. From the end of the Q4, we consider the co-loan offered by the Rural Development Foundation (MES) as self-financing of a home loan, which offers significant support to home builders both in South-Eastern Estonia and Ida-Viru County.

In the Q4, Coop Pank started cooperating with the e-residency program, which supports the development and growth of the Estonian economy and helps to bring foreign investments to Estonia and create new jobs. Through the e-residency program, Coop Pank expects companies established by e-residents whose at least half of their employees are located in Estonia or whose at least half of their banking transactions are related to Estonia to use their services.

In the Q4, Coop Pank also expanded its cash transportation service and started cooperating with the cash carrier Hansab AS to offer merchants and other cash-settled businesses the opportunity to choose the most suitable cash handling service provider.

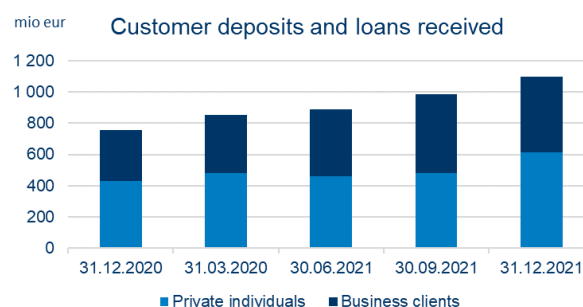
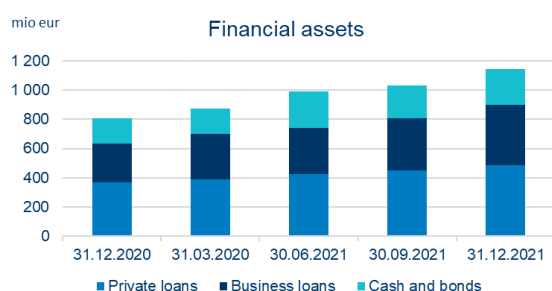
In internal bank events, we consider it important to introduce a Telia call center, which makes our customer communication even more efficient and high-quality. In addition, we adopted and approved the principles of Coop Pank's green office to reduce the burden on the environment arising from office work and to ensure a healthy and environmentally friendly working environment for the all employees.

Margus Rink  
Chairman of the Management Board

## Overview of financial results

Income statement EUR thousand	Q4 2021	Q3 2021	quarterly change	Q4 2020	annual change
Net interest income	9 824	9 345	5%	7 808	26%
Net fee and commissions income	902	752	20%	540	67%
Other income	-50	230	-122%	171	-129%
<b>Total net operating income</b>	<b>10 676</b>	<b>10 327</b>	<b>3%</b>	<b>8 519</b>	<b>25%</b>
Operating expenses	-6 205	-5 788	7%	-5 272	18%
Impairment costs on financial assets	-963	-10	-	-715	35%
Income tax	-213	-227	-6%	-108	97%
<b>Net profit</b>	<b>3 295</b>	<b>4 302</b>	<b>-23%</b>	<b>2 424</b>	<b>36%</b>

Business volumes, EUR thousand	Q4 2021	Q3 2021	quarterly change	Q4 2020	annual change
Net loan portfolio	953 396	854 234	12%	670 593	42%
Cash and bonds	258 731	243 308	6%	173 581	49%
Customer deposits and loans received	1 098 746	986 777	11%	757 835	45%
Owner´s equity	111 743	108 386	3%	97 567	15%



Ratios (quarterly ratios, expressed on annualised basis)	Q4 2021	Q3 2021	quarterly change	Q3 2020	annual change
Average equity (attributable to parent company), EUR thousand	110 065	106 158	3 907	95 911	14 154
Return on equity ROE % (net profit / average equity)	12,0	16,2	-4,2	10,1	1,9
Average total assets, EUR thousand	1 186 242	1 077 440	108 802	833 685	352 557
Return on assets ROA % (net profit / average total assets)	1,1	1,6	-0,5	1,2	-0,1
Cash and interest-bearing assets, average, EUR thousand	1 165 999	1 058 929	107 070	818 300	347 700
Net interest margin NIM % (net interest income / interest-bearing assets, average)	3,4	3,5	-0,1	3,8	-0,4
Cost / income ratio % (total operating costs / total net operating income)	58,1	56,0	2,1	61,9	-3,8

Group's liquidity position is strong. At 31.12.2021 the Liquidity Coverage Ratio (LCR) was 202% (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	31.12.2021	31.12.2020	31.12.2019
Net loan portfolio	953 396	670 593	460 460
Customer deposits and loans received	1 098 746	757 838	506 531
Subordinated loans	17 064	7 064	7 064
Owner´s equity	111 743	97 567	89 351
Net interest income	35 538	28 371	20 689
Net fee and commission income	3 085	2 097	2 372
Other income	615	621	658
Total net operating income	39 238	31 089	23 719
Operating expenses	-22 453	-18 796	-16 261
Impairment losses on financial assets	-2 497	-4 789	-1 931
Income tax	-825	-245	0
Net profit	13 463	7 259	5 527

## Capitalisation

Capital base, EUR thousand	31.12.2021	31.12.2021 adjusted *	31.12.2020
<b>Tier 1 capital</b>			
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	8 012	11 307	4 835
Other accumulated comprehensive loss	-15	-15	-18
Goodwill accounted for as intangible asset (-)	-6 757	-6 757	-6 757
Intangible assets (-)	-7 457	-7 457	-5 930
Adjustment of value arising from requirements of reliable measurement (-)	-6	-6	-3
Other deductions from Tier 1 capital (-)	-963	0	-715
Other transitional adjustments of own funds	315	315	441
<b>Total Tier 1 capital</b>	<b>91 171</b>	<b>95 429</b>	<b>82 036</b>
Subordinated debt	17 000	17 000	7 000
<b>Tier 2 capital</b>	<b>17 000</b>	<b>17 000</b>	<b>7 000</b>
<b>Eligible capital for capital adequacy calculation</b>	<b>108 171</b>	<b>112 429</b>	<b>89 036</b>
<b>Risk-weighted assets RWA</b>			
Central government and central banks using standardised approach	638	638	624
Credit institutions, investment companies using standardised approach	3 112	3 112	451
Companies using standardised approach	65 173	65 173	72 962
Retail claims using standardised approach	130 582	130 582	110 660
Claims secured by mortgage on real estate using standardised approach	325 729	325 729	195 622
Claims past due using standardised approach	3 033	3 033	6 612
Items subject to particularly high risk using standardised approach	59 295	59 295	22 417
Other assets using standardised approach	13 543	13 543	10 928
<b>Total credit risk and counter-party credit risk</b>	<b>601 105</b>	<b>601 105</b>	<b>420 276</b>
Operational risk using basic indicator approach	47 007	47 007	36 423
<b>Total risk-weighted assets (total risk exposure)</b>	<b>648 112</b>	<b>648 112</b>	<b>456 699</b>
<b>Capital adequacy ratio %</b>	<b>16,69%</b>	<b>17,35%</b>	<b>19,50%</b>
<b>Tier 1 capital ratio %</b>	<b>14,07%</b>	<b>14,72%</b>	<b>17,96%</b>

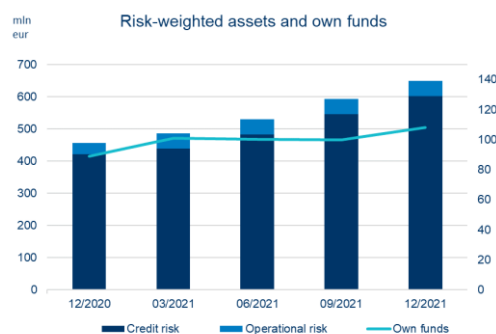
\* Includes unaudited profit for Q4 2021, which will be added to regulatory Tier 1 capital after approval of the profit of financial year by independent auditor and the Financial Supervisory Authority, or by approval of the 2021 Annual Report by shareholders, and from which expected dividend payments have been deducted. By the end of the reporting period 9month interim profit 2021 is included as approved by 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	Q4 2021	12 M 2021	Q4 2020	12 M 2020
Interest income calculated using the effective interest method		10 672	39 005	8 634	31 359
Other similar income		1 092	4 035	898	3 281
Interest expense		-1 940	-7 502	-1 724	-6 269
<b>Net interest income</b>	<b>3</b>	<b>9 824</b>	<b>35 538</b>	<b>7 808</b>	<b>28 371</b>
Fee and commission income		1 425	5 003	989	3 687
Fee and commission expense		-523	-1 918	-449	-1 590
<b>Net fee and commission income</b>	<b>4</b>	<b>902</b>	<b>3 085</b>	<b>540</b>	<b>2 097</b>
Revenue from sale of assets		1 990	2 335	0	146
Cost of assets sold		-1 987	-2 286	0	-146
Rental income from investment properties		0	3	2	15
Direct property operating expenses		0	-31	-18	-57
Change in fair value of investment property		-194	-404	0	0
Net gains/losses from non-financial asset realization		1	11	1	40
Net gains/losses from financial assets measured at fair value		-1	-68	-1	-183
Revenue from claims handling		115	819	125	516
Other income		26	236	62	290
<b>Other net income</b>		<b>-50</b>	<b>615</b>	<b>171</b>	<b>621</b>
Payroll expense		-3 182	-12 490	-2 976	-11 085
Operating expense		-1 696	-5 996	-1 544	-5 040
Depreciation		-1 327	-3 967	-752	-2 671
<b>Total operating expense</b>		<b>-6 205</b>	<b>-22 453</b>	<b>-5 272</b>	<b>-18 796</b>
<b>Net profit before impairment costs</b>		<b>4 471</b>	<b>16 785</b>	<b>3 247</b>	<b>12 293</b>
Impairment costs		-963	-2 497	-715	-4 789
<b>Profit before income tax</b>		<b>3 508</b>	<b>14 288</b>	<b>2 532</b>	<b>7 504</b>
Income tax		-213	-825	-108	-245
<b>Net profit for the reporting period</b>	<b>2</b>	<b>3 295</b>	<b>13 463</b>	<b>2 424</b>	<b>7 259</b>
Items that may subsequently be reclassified to income statement:					
Financial assets at fair value through other comprehensive income		-9	3	-16	-19
<b>Comprehensive income for the reporting period</b>		<b>3 286</b>	<b>13 466</b>	<b>2 408</b>	<b>7 240</b>
Net profit attributable to:					
Owners of parent company		3 295	13 463	2 424	7 259
<b>Net profit for the reporting period</b>		<b>3 295</b>	<b>13 463</b>	<b>2 424</b>	<b>7 259</b>
Comprehensive income attributable to:					
Owners of parent company		3 286	13 466	2 408	7 240
<b>Comprehensive income for the reporting period</b>		<b>3 286</b>	<b>13 466</b>	<b>2 408</b>	<b>7 240</b>
Basic earnings per share (in euros)		0,04	0,15	0,03	0,08
Diluted earnings per share (in euros)		0,04	0,15	0,03	0,08

## Consolidated statement of financial position

EUR thousand	Note	31.12.2021	31.12.2020
<b>Assets</b>			
Cash and cash equivalents	5	252 799	170 750
Debt securities at fair value through other comprehensive income	6	5 932	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	953 396	670 593
Other financial assets		1 311	999
Other assets		927	1 117
Assets held for sale		3 725	6 734
Investment property		0	594
Right-of-use assets		6 625	1 017
Tangible assets		3 034	2 327
Intangible assets		7 457	5 930
Goodwill		6 757	6 757
<b>Total assets</b>		<b>1 241 976</b>	<b>869 909</b>
<b>Liabilities</b>			
Customer deposits and loans received	11	1 098 746	757 835
Lease liabilities		6 639	1 018
Other financial liabilities		1 637	1 509
Other liabilities		6 147	4 916
Subordinated debt		17 064	7 064
<b>Total liabilities</b>		<b>1 130 233</b>	<b>772 342</b>
<b>Shareholder's equity</b>			
Share capital		62 186	61 756
Share premium		12 230	12 061
Statutory reserve capital		3 165	2 802
Retained earnings		33 924	20 824
Other reserves		238	124
<b>Shareholders' equity attributable to owners of the parent company</b>		<b>111 743</b>	<b>97 567</b>
<b>Total shareholder's equity</b>		<b>111 743</b>	<b>97 567</b>
<b>Total liabilities and shareholders' equity</b>		<b>1 241 976</b>	<b>869 909</b>



## Consolidated statement of cash flows

EUR thousand	Note	12 M 2021	12 M 2020
<b>Cash flows from operating activities</b>			
Interest received		42 902	33 953
Interest paid		-7 152	-5 678
Service fee and commission received		5 003	3 687
Service fee and commission paid		-1 918	-1 590
Other received income		1 004	804
Salaries paid		-12 874	-10 719
Other operating expenses paid		-5 996	-5 040
Income tax paid		-720	-137
<b>Cash flows from operating activities before change in assets and liabilities related to operating activities</b>		<b>20 249</b>	<b>15 280</b>
<b>Change in operating assets:</b>			
Loan receivables from customers		-286 954	-214 218
Change of statutory reserve in central bank		-3 401	-2 218
Other assets		252	650
<b>Change in operating liabilities:</b>			
Change in client deposits and loans received		340 561	250 713
Other liabilities		853	-645
<b>Net cash flows from operating activities</b>		<b>71 560</b>	<b>49 562</b>
<b>Cash flows from investment activities</b>			
Acquisition of property, plant and equipment		-5 574	-4 166
Sale of property, plant and equipment		3 695	67
Acquisition of debt securities		-3 141	0
Sale and redemption of debt instruments		499	782
<b>Total cash flows from investment activities</b>		<b>-4 521</b>	<b>-3 317</b>
<b>Cash flows from financing activities</b>			
Contribution to share capital		486	0
Issue of subordinated bonds		10 000	853
Repayment of principal of lease liabilities		-674	-658
<b>Total cash flows from financing activities</b>		<b>9 812</b>	<b>195</b>
Effect of exchange rate fluctuations to cash and cash equivalents		-4	-3
<b>Change in cash and cash equivalents</b>		<b>76 847</b>	<b>46 437</b>
Cash and cash equivalents at the beginning of period		164 439	118 002
<b>Cash and cash equivalents at the end of period</b>	<b>5</b>	<b>241 286</b>	<b>164 439</b>
<b>Cash and cash equivalents balance is comprised of:</b>			
Cash on hand		27 192	26 199
Demand deposits in central bank		200 670	130 589
Demand and short-term deposits in credit institutions and other financial institutions		13 424	7 651

## 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 31.12.2019</b>	60 960	11 797	2 526	226	1	13 841	89 351
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>	61 756	12 061	2 802	142	-18	20 824	97 567
Contribution to share capital	430	169	0	-113	0	0	486
Change in reserves	0	0	363	0	0	-363	0
Share options	0	0	0	224	0	0	224
Net profit	0	0	0	0	0	13 463	13 463
Other comprehensive income	0	0	0	0	3	0	3
Total comprehensive income	0	0	0	0	3	13 463	13 466
<b>Equity as at 31.12.2021</b>	62 186	12 230	3 165	253	-15	33 924	111 743

## 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, Q4 2021, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	5 571	3 196	2 996	1 020	266	-1 285	11 764
Incl. external income	4 797	2 911	2 996	1 020	40	0	11 764
Incl. internal income	774	285	0	0	226	-1 285	0
Interest expense	-1 300	-1 165	-228	-322	-210	1 285	-1 940
<b>Net interest income</b>	<b>4 271</b>	<b>2 031</b>	<b>2 768</b>	<b>698</b>	<b>56</b>	<b>0</b>	<b>9 824</b>
Commission income	332	583	362	59	89	0	1 425
Commission expense	-124	-334	-53	-2	-10	0	-523
<b>Net commission income</b>	<b>208</b>	<b>249</b>	<b>309</b>	<b>57</b>	<b>79</b>	<b>0</b>	<b>902</b>
Other net income	9	34	68	19	-180	0	-50
<b>Net income</b>	<b>4 488</b>	<b>2 314</b>	<b>3 145</b>	<b>774</b>	<b>-45</b>	<b>0</b>	<b>10 676</b>
Total operating expense	-1 623	-2 250	-1 368	-689	-275	0	-6 205
<b>Profit before credit losses and income tax</b>	<b>2 865</b>	<b>64</b>	<b>1 777</b>	<b>85</b>	<b>-320</b>	<b>0</b>	<b>4 471</b>
Impairment losses (-) or reversals (+)	-760	42	-211	-34	0	0	-963
Income tax expense	-213	0	0	0	0	0	-213
<b>Net profit</b>	<b>1 892</b>	<b>106</b>	<b>1 566</b>	<b>51</b>	<b>-320</b>	<b>0</b>	<b>3 295</b>

Segment profits, 12M 2021, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	18 558	11 503	12 402	3 841	1 336	-4 600	43 040
Incl. external income	16 160	10 516	12 402	3 841	121	0	43 040
Incl. internal income	2 398	987	0	0	1 215	-4 600	0
Interest expense	-4 435	-4 298	-979	-1 251	-1 139	4 600	-7 502
<b>Net interest income</b>	<b>14 123</b>	<b>7 205</b>	<b>11 423</b>	<b>2 590</b>	<b>197</b>	<b>0</b>	<b>35 538</b>
Commission income	1 266	1 858	1 452	182	245	0	5 003
Commission expense	-457	-1 203	-233	-9	-16	0	-1 918
<b>Net commission income</b>	<b>809</b>	<b>655</b>	<b>1 219</b>	<b>173</b>	<b>229</b>	<b>0</b>	<b>3 085</b>
Other net income	475	119	335	92	-406	0	615
<b>Net income</b>	<b>15 407</b>	<b>7 979</b>	<b>12 977</b>	<b>2 855</b>	<b>20</b>	<b>0</b>	<b>39 238</b>
Total operating expense	-5 734	-8 327	-4 939	-2 498	-955	0	-22 453
<b>Profit before credit losses and income tax</b>	<b>9 673</b>	<b>-348</b>	<b>8 038</b>	<b>357</b>	<b>-935</b>	<b>0</b>	<b>16 785</b>
Impairment losses	-1 575	-68	-812	103	-145	0	-2 497
Income tax expense	-825	0	0	0	0	0	-825
<b>Net profit</b>	<b>7 273</b>	<b>-416</b>	<b>7 226</b>	<b>460</b>	<b>-1 080</b>	<b>0</b>	<b>13 463</b>

Assets and liabilities as at 31.12.2021, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Loan portfolio	556	362	67	98	251	-381	953
Other assets	117	103	30	28	11	0	289
<b>Total assets</b>	<b>673</b>	<b>465</b>	<b>97</b>	<b>126</b>	<b>262</b>	<b>-381</b>	<b>1 242</b>
Total liabilities	623	423	89	115	261	-381	1 130

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

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
Incl. external income	3 277	2 228	3 107	899	22	0	9 532
Incl. internal income	376	198	0	0	474	-1 048	0
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	3 281	2 072	-3 795	34 640
Incl. external income	11 173	7 928	12 156	3 281	102	0	34 640
Incl. internal income	1 048	777	0	0	1 970	-3 795	0
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>2 181</b>	<b>216</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
Loan portfolio	272	263	66	84	182	-197	670
Other assets	68	70	29	23	10	0	200
<b>Total assets</b>	<b>340</b>	<b>333</b>	<b>95</b>	<b>107</b>	<b>192</b>	<b>-197</b>	<b>870</b>
Total liabilities	303	295	85	95	191	-197	772

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

### Note 3 Net interest income

Interest income	IV kv 2021	12 kuud 2021	IV kv 2020	12 kuud 2020
Interest income calculated using the effective interest method:				
Loans to legal entities	4 725	15 966	3 273	11 166
Consumer loans and hire-purchase loans	2 996	12 402	3 107	12 156
Loans to private individuals	2 912	10 516	2 228	7 928
Bonds	38	117	23	100
Interest income on liabilities	0	1	3	7
Other assets	1	3	0	2
	10 672	39 005	8 634	31 359
Other similar interest income:				
Leasing	1 092	4 035	898	3 281
<b>Total interest revenues</b>	<b>11 764</b>	<b>43 040</b>	<b>9 532</b>	<b>34 640</b>
Customer deposits and loans received	-1 425	-5 780	-1 437	-5 306
Subordinated debt	-262	-908	-125	-497
Interest expense on assets	-232	-778	-158	-448
Lease liabilities	-21	-36	-4	-18
<b>Total interest expenses</b>	<b>-1 940</b>	<b>-7 502</b>	<b>-1 724</b>	<b>-6 269</b>
<b>Net interest income</b>	<b>9 824</b>	<b>35 538</b>	<b>7 808</b>	<b>28 371</b>

### Note 4 Net fee and commission income

Fee and commission income	IV kv 2021	12 kuud 2021	IV kv 2020	12 kuud 2020
Fees from consumer loans	362	1 452	386	1 565
Monthly account fees and transaction fees	324	1 191	274	1 009
Fees from cards	388	1 039	199	717
Insurance brokerage commission	77	216	0	0
Foreign exchange transactions	16	52	13	60
Other fee and commission income	258	1 053	117	336
<b>Total fee and commission income</b>	<b>1 425</b>	<b>5 003</b>	<b>989</b>	<b>3 687</b>
Expenses related to cards	-377	-1 387	-337	-1 128
Transaction costs	-59	-204	-53	-219
Other fee and commission expense	-87	-327	-59	-243
<b>Total fee and commission expense</b>	<b>-523</b>	<b>-1 918</b>	<b>-449</b>	<b>-1 590</b>
<b>Net fee and commission income</b>	<b>902</b>	<b>3 085</b>	<b>540</b>	<b>2 097</b>

In 2021, the Group earned 87% of fee and commission income from Estonian residents and 13% from residents of other countries (mostly EU countries). In 2020, 88% of fee and commission income was earned from Estonian residents and 12% from residents of other countries. All fee and commission income are recognized point in time.

### Note 5 Cash and cash equivalents

	31.12.2021	31.12.2020
Cash	27 192	26 199
Mandatory reserve at the central bank *	9 512	6 111
Demand deposits at central bank	200 670	130 589
Demand deposits at credit institutions and other financial institutions	13 424	7 651
Term deposits at credit institutions *	2 001	200
<b>Total</b>	<b>252 799</b>	<b>170 750</b>

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

## Note 6 Financial investments

	31.12.2021	31.12.2020
Government debt securities	1 277	1 249
<b>Credit institutions</b>	2 329	0
Debt securities of other non-financial companies	2 326	1 762
<b>Total of debt securities</b>	<b>5 932</b>	<b>3 011</b>
Shares of other non-financial companies	13	80
<b>Total of equity instruments</b>	<b>13</b>	<b>80</b>
<b>Total of financial investments</b>	<b>5 945</b>	<b>3 091</b>

All debt securities and equity instruments in amount of 13 thousand euros are recognized at fair value through changes in other comprehensive income.

## Note 7 Loans and advances to customers

	31.12.2021	31.12.2020
<b>Total receivables from private individuals</b>	<b>485 882</b>	<b>370 649</b>
incl. consumers loans	70 380	70 881
incl. lease financing	50 903	37 307
incl. mortgage loans and other loans	364 599	262 461
<b>Total receivables from legal entities</b>	<b>476 341</b>	<b>308 687</b>
incl. lease financing	57 844	47 104
incl. other loans to legal entities	418 497	261 583
<b>Total receivables</b>	<b>962 223</b>	<b>679 336</b>
Loss allowances of loans and advances	-8 827	-8 743
<b>Total</b>	<b>953 396</b>	<b>670 593</b>

## Note 8 Loss allowances of loans and advances

	31.12.2021	31.12.2020
Balance at the beginning of the reporting period	-8 743	-5 340
Allowances during the reporting period	-2 440	-4 851
Derecognized during reporting period	2 356	1 448
<b>Balance of allowance at the end of the reporting period</b>	<b>-8 827</b>	<b>-8 743</b>

## Note 9 Allocation of past due loans

	31.12.2021			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	3 519	3 690	9 511	4 146	4 233	3 963
31-60 days	772	598	451	903	560	224
61-90 days	440	132	8	512	147	298
over 90 days	1 919	283	122	3 189	525	4 273
<b>Total</b>	<b>6 650</b>	<b>4 703</b>	<b>10 092</b>	<b>8 750</b>	<b>5 465</b>	<b>8 758</b>



## Note 10 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

31.12.2021	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>					
Cash and cash equivalents	252 799	0	0	0	252 799
Debt securities at fair value	1 277	202	2 124	2 329	5 932
Equity instruments	0	0	0	13	13
Loans and advances to customers	49 253	150 597	600 032	392 523	1 192 405
Other financial assets	976	0	21	314	1 311
<b>Total financial assets</b>	<b>304 305</b>	<b>150 799</b>	<b>602 177</b>	<b>395 179</b>	<b>1 452 460</b>
<b>Liabilities</b>					
Customer deposits and loans received	648 424	342 412	102 092	8 395	1 101 323
Lease liabilities	226	647	2 911	3 251	7 035
Other financial liabilities	1 637	0	0	0	1 637
Subordinated debt	260	786	4 185	19 999	25 230
<b>Total financial liabilities</b>	<b>650 547</b>	<b>343 845</b>	<b>109 188</b>	<b>31 645</b>	<b>1 135 225</b>
<b>Off-balance sheet liabilities</b>					
Undrawn lines of credit and overdraft facilities	124 838	0	0	0	124 838
Financial guarantees	16 553	0	0	0	16 553
<b>Total on-balance / off-balance-sheet liabilities</b>	<b>791 938</b>	<b>343 845</b>	<b>109 188</b>	<b>31 645</b>	<b>1 276 616</b>
<b>Duration gap of financial assets and financial liabilities</b>	<b>-487 633</b>	<b>-193 046</b>	<b>492 989</b>	<b>363 534</b>	<b>175 844</b>

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>

## Note 11 Customer deposits and loans received

Due to customers	31.12.2021	31.12.2020
Private individuals	477 383	431 343
Legal entities	621 363	326 492
<b>Total</b>	<b>1 098 746</b>	<b>757 835</b>
Demand deposits	518 122	302 179
Term deposits	571 452	435 363
Issued debt securities	0	9 712
Special purpose loans	9 172	10 581
<b>Total</b>	<b>1 098 746</b>	<b>757 835</b>

## Note 12 Contingent liabilities

	31.12.2021	31.12.2020
Financial guarantees	16 553	10 545
Credit lines and overdrafts	124 838	65 691
<b>Total</b>	<b>141 391</b>	<b>76 236</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 (31.12.2020: 237).

Balances	31.12.2021	31.12.2020
Shareholders:		
Loans	0	4
Deposits	8 972	15 827
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Loans	705	458
Deposits	1 308	503

Transactions	2021	2020
Shareholders:		
Interest expense	16	19
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Interest income of the reporting period	51	22
Interest expense of the reporting period	12	6
Other goods and services sold	5	4
Compensation paid to members of the Management Board and Supervisory Board	636	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.

	Q4 2021	12 M 2021	Q4 2020	12 M 2020
Profit attributable to the owners of the parent (in th. euros)	3 294	13 463	2 424	7 259
Weighted average number of shares (in th. of units)	91 254	90 984	90 040	89 690
Basic earnings per share (euros)	0,04	0,15	0,03	0,08
Adjustments for calculation of diluted earnings per share – share options (in th. of units)	1 720	1 676	2 154	2 197
Weighted average number of shares used for calculating the diluted earnings per share (in th. of units)	92 974	92 660	92 194	91 887
Diluted earnings per share (euros)	0,04	0,15	0,03	0,08

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

As at 31.12.2021 shareholders with holding over 5% are:

Coop Investeeringud OÜ	24,81%
Andres Sonn	8,13%
CM Capital OÜ	5,19%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 17,93% of the total amount of shares, however, separately none of them holds over 5%.

Members of Supervisory Board hold 73 thousand shares of Coop Pank and Members of Management Board hold 753 thousand shares of Coop Pank, which in total accounts for 0,90% of the total amount of shares.

Members of the Supervisory board:

Alo Ivask (Chairman), Viljar Arakas, Jaan Marjundi, Roman Provotorov, Raul Parusk, Silver Kuus

Members of the Management board:

Margus Rink (Chairman), Heikko Mäe, Arko Kurtmann, Rasmus Heinla, Kerli Lõhmus (mandate is valid until 24.01.2022)

## 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

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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