



Interim Report
9 months 2020

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Management report

Structure of the Group	Country	Activity	Holding
Coop Pank AS	Estonia	banking	parent company
Coop Liising AS	Estonia	leasing	100%
Coop Finants AS	Estonia	other lending activities	100%
Coop Kindlustusmaakler AS	Estonia	insurance brokerage	100%
AS Martinoza	Estonia	real estate management	100%
SIA Prana Property	Latvia	real estate management	100%

At the end of the quarter, Coop Pank had 79 900 everyday banking customers, and in three months the bank's customer portfolio has increased by 5 400 customers or 7%. The banking group's net loan portfolio increased by 40 million euros (7%) during the quarter and reached 599 million euros by the end of September. The volume of home loans increased the most, ie 19 million euros, the volume of business loans increased by 14 million euros, leasing by 6 million euros and consumer financing by 1 million euros. The volume of the bank's deposits and loans received increased by 73 million euros (12%) during the quarter and reached 688 million euros by the end of September. Demand deposits of individuals grew by 8 mln euros and term deposits by 4 mln euros. Demand deposits of business clients grew by 26 mln euros and term deposits by 17 mln euros. 18 mln euros was attracted via Raisin platform. In the third quarter, the banking group earned a profit of 2 million euros, which is 32% more than in the same period last year and 48% more than in the second quarter of 2020. Net income increased by 30% year-on-year and 7% quarter-on-quarter. Operating expenses increased by 17% year-on-year and by 9% quarter-on-quarter.

One of the most important events of Coop Pank in the third quarter of 2020 is that at the end of August, the international rating agency Moody's gave the bank a stable investment grade rating of Baa2. The investment grade rating now also gives the Estonian state and local governments the opportunity to become a customer of Coop Pank and keep their money in a domestic financial institution, where we pay the best interest on the market.

In the third quarter, a new Internet-based car dealership was further developed: in addition to Škodas, we supplemented the car dealership selection with new KIAs in August. We also started using a new leasing platform.

From 1 July, Coop Pank will allow its customers to make instant payments of up to 100,000 euros, and Eesti Pank's statistics published in September show that 96% of domestic interbank payments initiated by Coop Pank's customers were instant payments in August. With this, we were the bank with the largest share of instant payments in Estonia in August.

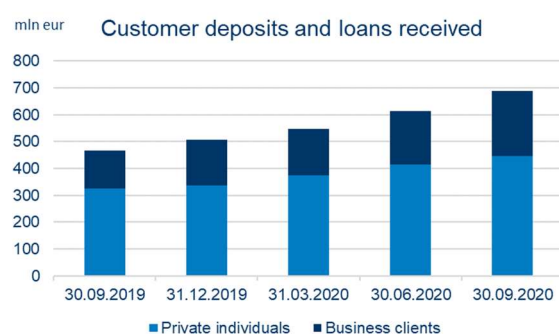
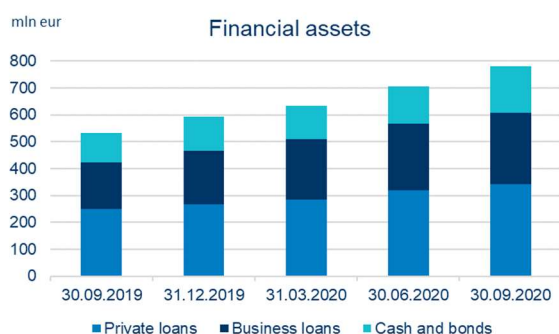
Our renewed credit card was also completed in July, with several good benefits that make it the most flexible credit card on the market. In the third quarter, we also made it significantly more convenient for our customers to open an additional account: if previously customers had to visit the office, now it is possible to open an additional account quickly and easily in the Internet bank.

In July, the Supervisory Board of Coop Pank decided to supplement the Management Board of the Bank by one member, whose area of responsibility will be private banking. The new Management Board has five members and, in addition to the Chairman of the Management Board, includes the Chief Financial Officer, the Risk Manager, the Head of Corporate Banking and the Head of Private Banking. The term of office of the current head of corporate banking, Hans Pajoma, expires on October 31. In October, the Supervisory Board decided to elect new members of the Management Board - Arko Kurtmann will be responsible for corporate banking and Rasmus Heinla will be responsible for private banking as of 1 November.

Overview of financial results

Income statement EUR thousand	Q3 2020	Q2 2020	quarterly change	Q3 2019	annual change
Net interest income	7 353	6 852	7%	5 431	35%
Net fee and commissions income	558	477	17%	540	3%
Other income	77	135	43%	159	-52%
Total net operating income	7 988	7 464	7%	6 130	30%
Operating expenses	-4 726	-4 355	9%	-4 039	17%
Loan losses	-1 139	-1 721	-34%	-572	99%
Income tax	-111	-26	327%	0	
Net profit	2 012	1 362	48%	1 519	32%

Business volumes, EUR thousand	Q3 2020	Q2 2020	quarterly change	Q3 2019	annual change
Loan portfolio	599 213	559 295	7%	417 907	43%
Cash and bonds	172 068	137 587	25%	109 647	57%
Customer deposits and loans received	688 116	615 153	12%	477 826	44%
Equity	94 255	92 232	2%	57 346	64%



Ratios (quarterly ratios, expressed on annualised basis)	Q3 2020	Q2 2020	quarterly change	Q3 2019	annual change
Average equity (attributable to parent company), EUR thousand	93 243	91 352	1 891	56 576	36 667
Return on equity ROE % (net profit / average equity)	8,6	6,0	2,6	10,7	-2,1
Average total assets, EUR thousand	759 645	687 253	73 391	516 417	243 228
Return on assets ROA % (net profit / average total assets)	1,1	0,8	0,3	1,2	-0,1
Cash and interest-bearing assets, average, EUR thousand	744 024	671 003	73 022	499 985	244 039
Net interest margin NIM % (net interest income / interest-bearing assets, average)	4,0	4,1	-0,1	4,3	-0,3
Cost / income ratio % (total operating costs / total net operating income)	59,2	58,3	0,9	65,9	-6,7

Group's liquidity position is strong. At 30.09.2020 the Liquidity Coverage Ratio (LCR) was 417% (31.12.2019 was 682%), the regulatory minimum requirement is 100%.

Capitalisation

Capital base, EUR thousand	30.09.2020	30.09.2020 adjusted *	31.12.2019
Tier 1 capital			
Paid-in share capital and share premium	72 757	72 757	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	0	4 835	3 944
Other accumulated comprehensive loss	-34	-34	1
Goodwill accounted for as intangible asset (-)	-6 757	-6 757	-6 757
Intangible assets (-)	-5 389	-5 389	-3 712
Adjustment of value arising from requirements of reliable measurement (-)	-3	-3	-4
Other deductions from Tier 1 capital (-)	-4 074	0	-538
Other transitional adjustments of own funds	441	441	535
Total Tier 1 capital	73 307	82 216	77 066
Subordinated debt	7 000	7 000	7 000
Tier 2 capital	7 000	7 000	7 000
Eligible capital for capital adequacy calculation	80 307	89 216	84 066
Risk-weighted assets RWA			
Central government and central banks using standardised approach	651	651	699
Credit institutions, investment companies using standardised approach	615	615	570
Companies using standardised approach	42 472	42 472	39 450
Retail claims using standardised approach	99 532	99 532	86 643
Claims secured by mortgage on real estate using standardised approach	201 672	201 672	142 311
Claims past due using standardised approach	8 581	8 581	5 972
Items subject to particularly high risk using standardised approach	22 873	22 873	29 231
Other assets using standardised approach	11 605	11 605	11 994
Total credit risk and counter-party credit risk	388 001	388 001	316 870
Operational risk using basic indicator approach	36 423	36 423	28 414
Total risk-weighted assets (total risk exposure)	424 424	424 424	345 284
Capital adequacy ratio %	18,92%	21,02%	24,35%
Tier 1 capital ratio %	17,27%	19,37%	22,32%

* Includes unaudited profit for Q1, Q2 and Q3 2020, 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	0.00%	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	Q3 2020	9 M 2020	Q3 2019	9 M 2019
Interest income calculated using the effective interest method		8 130	22 725	5 950	16 295
Other similar income		855	2 383	737	2 003
Interest expense		-1 632	-4 545	-1 256	-3 428
Net interest income	3	7 353	20 563	5 431	14 870
Fee and commission income		961	2 698	928	2 686
Fee and commission expense		-403	-1 141	-388	-989
Net fee and commission income	4	558	1 557	540	1 697
Revenue from sale of assets		0	146	40	140
Cost of assets sold		0	-146	-41	-134
Rental income from investment properties		3	13	5	27
Direct property operating expenses		-11	-39	-14	-67
Change in fair value of investment property		0	0	0	-20
Net gains/losses from non-financial asset realization		0	39	0	0
Net gains/losses from financial assets measured at fair value		-136	-182	12	7
Revenue from claims handling		138	391	139	391
Other income		83	228	18	52
Other net income		77	450	159	396
Payroll expense		-2 844	-8 109	-2 567	-7 169
Operating expense		-1 200	-3 496	-1 025	-3 197
Depreciation		-682	-1 919	-447	-1 260
Total operating expense		-4 726	-13 524	-4 039	-11 626
Net profit before impairment losses		3 262	9 046	2 091	5 337
Impairment losses on financial assets		-1 139	-4 074	-572	-1 393
Profit before income tax		2 123	4 972	1 519	3 944
Income tax		-111	-137	0	0
Net profit for the reporting period	2	2 012	4 835	1 519	3 944
Items that may subsequently be reclassified to income statement:					
Financial assets at fair value through other comprehensive income		-26	-35	-11	121
Comprehensive income for the reporting period		1 986	4 800	1 508	4 065
Net profit attributable to:					
Owners of parent company		2 012	4 835	1 519	3 944
Net profit for the reporting period		2 012	4 835	1 519	3 944
Comprehensive income attributable to:					
Owners of parent company		1 986	4 800	1 508	4 065
Comprehensive income for the reporting period		1 986	4 800	1 508	4 065
Basic earnings per share (in euros)		0,02	0,05	0,02	0,07
Diluted earnings per share (in euros)		0,02	0,05	0,02	0,06

Consolidated statement of financial position

EUR thousand	Note	30.09.2020	31.12.2019
Assets			
Cash and cash equivalents	5	168 984	122 295
Debt securities at fair value through other comprehensive income	6	3 084	4 061
Equity instruments at fair value through profit or loss		68	0
Equity instruments at fair value through other comprehensive income		13	13
Loans and advances to customers	7,8,9,10	599 213	460 460
Other financial assets		1 154	1 263
Assets held for sale		6 462	6 756
Goodwill		6 757	6 757
Right-of-use assets		1 232	1 722
Other property, plant and equipment		2 446	2 504
Intangible assets		5 389	3 712
Investment property		594	594
Other assets		2 064	1 165
Total assets		797 460	611 302
Liabilities			
Customer deposits and loans received	11	688 116	506 531
Lease liabilities		1 235	1 725
Other financial liabilities		3 652	3 462
Other liabilities		3 091	3 169
Subordinated debt		7 111	7 064
Total liabilities		703 205	521 951
Shareholder's equity			
Share capital		60 960	60 960
Share premium		11 797	11 797
Statutory reserve capital		2 802	2 526
Retained earnings		18 400	13 841
Other reserves		296	227
Total equity		94 255	89 351
Total liabilities and equity		797 460	611 302

Consolidated statement of cash flows

EUR thousand	Note	9 M 2020	9 M 2019
Cash flows from operating activities			
Interest received		24 645	18 097
Interest paid		-4 226	-2 916
Service fee and commission received		2 698	2 686
Service fee and commission paid		-1 141	-989
Other received income		638	414
Salaries paid		-8 361	-7 265
Other operating expenses paid		-3 496	-3 197
Income tax paid		-26	0
Cash flows from operating activities before the change in assets and liabilities related to operating activities		10 731	6 830
Change in operating assets:			
Loan receivables from customers		-142 326	-90 289
Change of statutory reserve in central bank		-1 646	-609
Other assets		-284	-1 149
Change in operating liabilities:			
Change in client deposits and loans received		181 313	92 281
Other liabilities		-388	365
Net cash flows from operating activities		47 400	7 429
Cash flows from investment activities			
Acquisition of property, plant and equipment		-3 129	-1 707
Sale of property, plant and equipment		52	226
Sale and redemption of debt instruments		749	4 930
Total cash flows from investment activities		-2 328	3 449
Cash flows from financing activities			
Issue of subordinated bonds		0	2 000
Contribution to share capital		0	4 026
Total cash flows from financing activities		0	6 026
Effect of exchange rate fluctuations to cash and cash equivalents		-6	-5
Change in cash and cash equivalents		45 066	16 899
Cash and cash equivalents at the beginning of period		118 002	84 797
Cash and cash equivalents at the end of period	5	163 068	101 696
Cash and cash equivalents balance is comprised of:			
Cash on hand		26 748	22 154
Demand deposits in central banks		128 035	76 916
Demand and short-term deposits in credit institutions and other financial institutions		8 285	2 626

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 31.12.2018	38 199	175	2 288	103	-154	8 552	49 163
Increase of share capital at the expense of share premium	175	-175	0	0	0	0	0
Contribution to share capital	4 026	0	0	0	0	0	4 026
Change in reserves	0	0	238	0	0	-238	0
Share options	0	0	0	92	0	0	92
Net profit 01.01. – 30.09.2019	0	0	0	0	0	3 944	3 944
Other comprehensive income 01.01. – 30.09.2019	0	0	0	0	121	0	121
Total comprehensive income	0	0	0	0	121	3 944	4 065
Equity as at 30.09.2019	42 400	0	2 526	195	-33	12 258	57 346
Contribution to share capital	18 560	11 797	0	0	0	0	30 357
Share options	0	0	0	31	0	0	31
Net profit 01.10. – 31.12.2019	0	0	0	0	0	1 583	1 583
Other comprehensive income 01.10. – 31.12.2019	0	0	0	0	34	0	34
Total comprehensive income	0	0	0	0	34	1 583	1 617
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	104	0	0	104
Net profit 01.01. – 30.09.2020	0	0	0	0	0	4 835	4 835
Other comprehensive income 01.01. – 30.09.2020	0	0	0	0	-35	0	-35
Total comprehensive income	0	0	0	0	-35	4 835	4 800
Equity as at 30.09.2020	60 960	11 797	2 802	330	-34	18 400	94 255

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 9 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 does not treat loans with a principal payment holiday as restructured loans. 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. 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.

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 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
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
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
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*.

Segment profits, Q3 2019, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	2 026	1 683	2 620	617	460	-719	6 687
Interest expense	-517	-637	-222	-221	-378	719	-1 256
Net interest income	1 509	1 046	2 398	396	82	0	5 431
Commission income	148	303	413	40	24	0	928
Commission expense	-118	-195	-72	-3	0	0	-388
Net commission income	30	108	341	37	24	0	540
Other net income	12	21	84	42	0	0	159
Net income	1 551	1 175	2 823	475	106	0	6 130
Total operating expense	-941	-1 534	-1 004	-405	-155	0	-4 039
Profit before credit losses and income tax	610	-359	1 819	70	-49	0	2 091
Impairment losses	-67	73	-499	-79	0	0	-572
Income tax expense	0	0	0	0	0	0	0
Net profit	543	-286	1 320	-9	-49	0	1 519

Segment profits, 9M 2019, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	5 486	4 677	7 183	1 609	1 210	-1 867	18 298
Interest expense	-1 386	-1 772	-615	-584	-938	1 867	-3 428
Net interest income	4 100	2 905	6 568	1 025	272	0	14 870
Commission income	504	840	1 206	71	65	0	2 686
Commission expense	-302	-484	-195	-8	0	0	-989
Net commission income	202	356	1 011	63	65	0	1 697
Other net income	62	77	230	82	-55	0	396
Net income	4 364	3 338	7 809	1 170	282	0	16 963
Total operating expense	-2 672	-4 483	-2 897	-1 147	-427	0	-11 626
Profit before credit losses and income tax	1 692	-1 145	4 912	23	-145	0	5 337
Impairment losses	-422	417	-1 155	-233	0	0	-1 393
Income tax expense	5	-5	0	0	0	0	0
Net profit	1 275	-733	3 757	-210	-145	0	3 944

Assets and liabilities as at 30.09.2019, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Total assets	174	234	81	72	183	-193	551
Total liabilities	154	212	73	64	184	-193	494

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

Note 3 Net interest income

Interest income	Q3 2020	9 M 2020	Q3 2019	9 M 2019
Interest income calculated using the effective interest method:				
Consumer loans and hire-purchase loans	3 084	9 049	2 620	7 183
Loans to legal entities	2 929	7 893	1 884	5 053
Loans to private individuals	2 090	5 700	1 394	3 835
Bonds	24	77	50	186
Interest income on liabilities	2	4	2	36
Other assets	1	2	0	2
Other similar interest income:				
Leasing	855	2 383	737	2 003
Total	8 985	25 108	6 687	18 298
Customer deposits and loans received	-1 371	-3 869	-1 064	-2 899
Subordinated debt	-125	-372	-124	-333
Interest expense on assets	-132	-290	-63	-180
Lease liabilities	-4	-14	-5	-16
Total	-1 632	-4 545	-1 256	-3 428
Net interest income	7 353	20 563	5 431	14 870

Note 4 Net fee and commission income

Fee and commission income	Q3 2020	9 M 2020	Q3 2019	9 M 2019
Fees on card transactions	365	1 006	350	977
Monthly fees on cards	221	672	214	645
Account opening and management fees	186	548	144	438
Bank transfer fees	65	188	84	275
Gains from foreign exchange transactions	22	47	47	128
Other fee and commission income	102	237	89	223
Total	961	2 698	928	2 686
Charges on card transactions	-278	-791	-241	-638
Bank transfer fees	-61	-166	-88	-181
Other fee and commission expense	-64	-184	-59	-170
Total	-403	-1 141	-388	-989
Net fee and commission income	558	1 557	540	1 697

In Q3 2020, the Group earned 89% of fee and commission income from Estonian residents and 11% from residents of other countries (mainly from residents of EU countries). This ratio remains unchanged QoQ. All fee and commission income is recognized as incurred.

Note 5 Cash and cash equivalents

	30.09.2020	31.12.2019
Cash	26 748	21 531
Mandatory reserve at the central bank *	5 539	3 893
Demand deposits at central bank	128 014	94 019
Demand deposits at credit institutions and other financial institutions	8 285	2 452
Term deposits at credit institutions *	398	400
Total **	168 984	122 295

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

** Negative interest in the amount of 21 thousand euros included in the "Total" are 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

	30.09.2020	31.12.2019
Government debt securities	1 301	1 398
Debt securities of other non-financial companies	1 783	2 663
Total	3 084	4 061

Note 7 Loans and advances to customers

	30.09.2020	31.12.2019
Total receivables from private individuals	342 199	268 329
incl. consumers loans	69 113	62 218
incl. lease financing	34 335	26 424
incl. mortgage loans and other loans	238 751	179 687
Total receivables from legal entities	265 421	197 471
incl. lease financing	47 178	38 127
incl. other loans to legal entities	218 243	159 344
Total receivables	607 620	465 800
Loss allowances of loans and advances	-8 407	-5 340
Total	599 213	460 460

Note 8 Loss allowances of loans and advances

	30.09.2020	31.12.2019
Balance at the beginning of the reporting period	-5 340	-3 838
Allowances during the reporting period	-4 184	-2 460
Derecognized during reporting period	1 117	958
Balance of allowance at the end of the reporting period	-8 407	-5 340

Note 9 Allocation of past due loans

	30.09.2020			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	4 035	6 441	12 958	3 796	4 993	6 328
31-60 days	1 093	645	1 300	918	568	961
61-90 days	488	255	450	516	305	333
over 90 days	2 747	443	6 280	1 133	400	5 138
Total	8 363	7 784	20 988	6 363	6 266	12 760

Note 10 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

30.09.2020	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Assets					
Cash and cash equivalents	168 984	0	0	0	168 984
Debt securities at fair value	0	0	3 084	0	3 084
Equity instruments	68	0	0	13	81
Loans and advances to customers	54 380	86 732	367 679	257 141	765 932
Other financial assets	846	0	0	308	1 154
Total financial assets	224 278	86 732	370 763	257 462	939 235
Liabilities					
Customer deposits and loans received	355 568	231 373	93 049	15 171	695 161
Lease liabilities	161	445	647	0	1 253
Other financial liabilities	3 407	245	0	0	3 652
Subordinated debt	125	371	1 985	8 282	10 763
Total financial liabilities	359 261	232 434	95 681	23 453	710 829
Off-balance sheet liabilities					
Undrawn lines of credit and overdraft facilities	71 912	0	0	0	71 912
Financial guarantees	10 447	0	0	0	10 447
Total on-balance / off-balance-sheet liabilities	441 620	232 434	95 681	23 453	793 188
Duration gap of financial assets and financial liabilities	-217 342	-145 702	275 082	234 009	146 047

31.12.2019	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Assets					
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
Total financial assets	162 336	85 684	276 996	193 569	718 585
Liabilities					
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
Total financial liabilities	224 572	185 486	95 061	25 480	530 599
Off-balance sheet liabilities					
Undrawn lines of credit and overdraft facilities	38 414	0	0	0	38 414
Financial guarantees	4 161	0	0	0	4 161
Total on-balance / off-balance-sheet liabilities	267 037	185 486	95 061	25 480	573 064
Duration gap of financial assets and financial liabilities	-104 811	-99 802	181 935	168 089	145 411

Note 11 Customer deposits and loans received

Due to customers	30.09.2020	31.12.2019
Private individuals	445 307	338 137
Legal entities	240 108	165 693
Credit institutions	2 701	2 701
Total	688 116	506 531
Demand deposits	232 700	152 189
Term deposits	435 059	327 431
Issued debt securities	9 687	14 103
Special purpose loans	10 670	12 808
Total	688 116	506 531

Note 12 Contingent liabilities

	30.09.2020	31.12.2019
Financial guarantees	10 447	4 161
Credit lines and overdrafts	71 912	38 414
Total	82 359	42 575

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 175 thousand euros (31.12.2019: the same).

Balances	30.09.2020	31.12.2019
Shareholders:		
Loans	4	58
Deposits	9 079	275
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Loans	459	167
Deposits	603	2 736

Transactions	30.09.2020	31.12.2019
Shareholders:		
Interest expense	12	1
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Interest income of the reporting period	17	3
Interest expense of the reporting period	17	10
Other goods and services sold	3	2
Other goods and services purchased	0	23
Compensation paid to members of the Management Board and Supervisory Board	449	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.

	Q3 2020	9 M 2020	Q3 2019	9 M 2019
Profit attributable to the owners of the parent (in th. euros)	2 012	4 835	1 519	3 944
Weighted average number of shares (in th. of units)	89 456	89 456	62 220	59 663
Basic earnings per share (euros)	0,02	0,05	0,02	0,07
Adjustments for calculation of diluted earnings per share – share options (in th. of units)	2 763	2 360	2 015	2 015
Weighted average number of shares used for calculating the diluted earnings per share (in th. of units)	92 219	91 816	64 235	61 678
Diluted earnings per share (euros)	0,02	0,05	0,02	0,06

Shareholders, Supervisory Board and Management Board of Coop Pank AS

As at 30.09.2020 shareholders with holding over 5% are:

Coop Investeeringud OÜ	25,31%
Andres Sonn	9,43%
CM Capital OÜ	6,89%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 18,29% of the total amount of shares, however, separately none of them holds over 5%.

Members of Supervisory Board hold 69 thousand shares of Coop Pank and Members of Management Board hold 55 thousand shares of Coop Pank, which in total accounts for 0,14% 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: Hans Pajoma, Kerli Lõhmus, Heikko Mäe

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.

20.10.2020

Margus Rink
Chairman of the Management Board

Hans Pajoma
Member of the Management Board

Kerli Lõhmus
Member of the Management Board

Heikko Mäe
Member of the Management Board

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