



Interim Report  
Quarter II 2018

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## Management report

Structure of the group as at 30.06.2018. First five companies are registered in Estonian Commercial Register and the last company in Latvian Commercial Register:

Company name	Activity	Holding
Coop Pank AS	banking	parent company
Coop Liising AS	leasing	100%
CP Vara AS	in liquidation	100%
Coop Finants AS	other lending activities	100%
AS Martinoza	real estate management	100%
SIA Prana Property	real estate management	100%

The strategic and largest owner of Coop Bank is Coop Estonia, formed by cooperatives operating under common trademark, which owns a total of 60.37% of bank's share capital.

During the first half of the year the number of clients of Coop Pank AS increased by 4900 new clients, by the end on June the bank had over 40 thousand clients plus the bank's subsidiary Coop Finants, active in the field of small loans, had ca 99 000 clients. The increase of the number of clients was positively influenced by renewed digital banking channels at the end of last year – migration of internet and mobile banks to new platform and development of electronic onboarding solution – as well as the implementation of authentication tool Smart ID and launch of the Coop Sula (cashback) project that offers our customers the possibility to withdraw cash at Coop stores' cashiers. By the end of June, the cashback service was available in 120 Coop stores, in August the project will cover all Coop stores in Estonia.

In the first half of the year Coop Pank continued to extend its activities in cooperation with the retail business Coop, we opened several new bank offices and banking spots during the period. By the end of first semester Coop Pank had 16 bank offices and 28 banking spots in Coop stores, as well as 96 bank stands all over Estonia.

Growing the business volumes and profit of Coop Pank are core objectives for 2018. For supporting its growth strategy, Coop Pank issued bonds to LHV pension funds in March, in the amount of 5 million euros with the maturity of 3 years. Also, based on the loan agreement, concluded with European Investment Fund at the end of last year, we introduced the loan in the amount of 4 million euros.

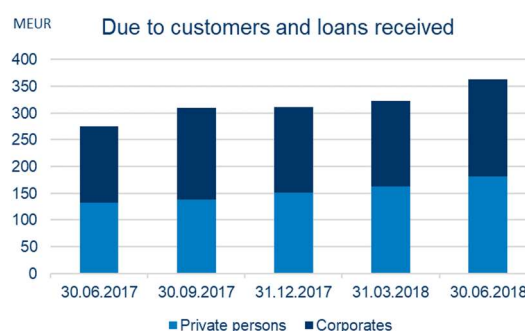
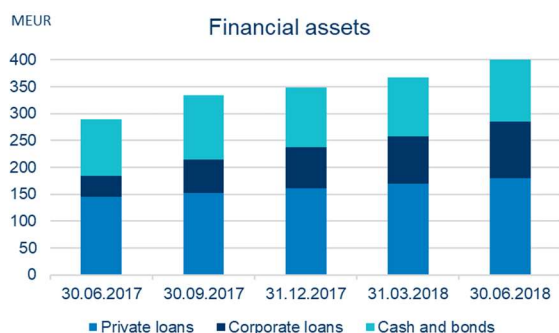
In the forthcoming quarters we continue with onboarding of new clients, active participation in corporate and private persons' loan market, as well as continuous extension of our business and cooperation with Coop retail business.

## Overview of financial results

Income statement, EUR thousand*	Q2 2018	Q1 2018	quarterly change	Q2 2017	annual change
Net interest income	3 935	3 548	11%	2 530	56%
Net fee and commissions income	687	552	24%	507	36%
Other income	202	244	-17%	64	216%
<b>Total net operating income</b>	<b>4 824</b>	<b>4 344</b>	<b>11%</b>	<b>3 101</b>	<b>56%</b>
Operating expenses	-3 405	-3 206	6%	-2 742	24%
Loan losses	34	-641	-105%	-275	-112%
<b>Net profit</b>	<b>1 453</b>	<b>497</b>	<b>192%</b>	<b>84</b>	<b>1 630%</b>
incl. attributable to owners of the parent	1 453	497		-28	

\* The results of Coop Finants AS are consolidated from 01.06.2017

Business volumes, EUR thousand	Q2 2018	Q1 2018	quarterly change	Q2 2017	annual change
Loan portfolio	285 385	257 856	11%	183 450	56%
Cash and bonds	120 048	109 185	10%	106 458	13%
Due to customers and loans received	362 546	323 500	13%	275 467	32%
Equity (attributable to owners of the parent)	46 377	44 926	3%	40 994	13%



Ratios (quarterly ratios, expressed on annualised basis)	Q2 2018	Q1 2018	quarterly change	Q2 2017	annual change
Average equity (attributable to parent company), EUR thousand	45 651	45 067	584	35 239	10 413
Return on equity ROE % (net profit / average equity)	12.7	4.4	8.3	-0.3	13.0
Cash and interest-bearing assets, average, EUR thousand	392 674	364 231	28 443	291 280	101 394
Net interest margin NIM % (net interest income / interest-bearing assets, average)	4.0	3.9	0.1	3.5	0.5
Cost / income ratio % (total operating cost / total income)	70.6	73.8	-3.2	88.4	-17.8

## Capitalisation

Capital base, EUR thousand	30.06.2018	31.12.2017
<b>Tier 1 capital</b>		
Paid-in share capital and share premium	38 374	38 374
Statutory reserve capital	2 288	2 070
Retained earnings	3 799	387
Eligible profit of the reporting period	497	1 932
Other accumulated comprehensive loss	-81	0
Goodwill accounted for as intangible asset (-)	-6 757	-6 757
Intangible assets (-)	-1 840	-1 166
Adjustment of value arising from requirements of reliable measurement (-)	-14	-14
Other deductions from Tier 1 capital (-)	0	-1 388
Other transitional adjustments of own funds	598	0
<b>Total Tier 1 capital</b>	<b>36 864</b>	<b>33 438</b>
Subordinated debt	5 000	5 000
<b>Tier 2 capital</b>	<b>5 000</b>	<b>5 000</b>
<b>Eligible capital for capital adequacy calculation</b>	<b>41 864</b>	<b>38 438</b>
<b>Risk-weighted assets RWA</b>		
Central government and central banks using standardised approach	1 403	1 424
Credit institutions, investment companies and local governments using standardised approach	7 081	6 452
Companies using standardised approach	32 584	23 090
Retail claims using standardised approach	60 708	41 207
Claims secured by mortgage on real estate using standardised approach	77 142	78 431
Claims past due using standardised approach	1 643	5 271
Items subject to particularly high risk using standardised approach	20 257	7 155
Other assets using standardised approach	11 112	12 346
<b>Total credit risk and counter-party credit risk</b>	<b>211 930</b>	<b>175 376</b>
Operational risk using basic indicator approach	21 509	17 735
<b>Total risk-weighted assets (total risk exposure)</b>	<b>233 439</b>	<b>193 111</b>
<b>Capital adequacy ratio %</b>	<b>17.93%</b>	<b>19.90%</b>
<b>Tier 1 capital ratio %</b>	<b>15.79%</b>	<b>17.32%</b>

### 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
Systemic risk buffer	1.00%	of total risk exposure
Capital conservation buffer	2.50%	of total risk exposure

As at the end of the reporting period, the Group is in conformity with all regulative capital requirements. Capital adequacy has decreased by 1.97 pp compared with the end of previous year, mainly due to growing business volumes. Risk-weighted assets grew in the first half of the year as well as own funds after including the profit of 2017 and Q1 of 2018 in own funds.



# Consolidated interim financial statements

## Consolidated comprehensive income statement

EUR thousand	Note	Q2 2018	6 M 2018	Q2 2017	6 M 2017
Interest income		4 680	8 887	2 938	5 316
Interest expense		-745	-1 405	-408	-804
<b>Net interest income</b>	<b>2</b>	<b>3 935</b>	<b>7 482</b>	<b>2 530</b>	<b>4 512</b>
Fee and commissions income		1 014	1 868	746	1 374
Fee and commissions expense		-327	-629	-239	-428
<b>Net fee and commissions income</b>	<b>3</b>	<b>687</b>	<b>1 239</b>	<b>507</b>	<b>946</b>
Revenue from sale of assets		163	324	261	369
Cost of assets sold		-143	-290	-287	-376
Change in fair value of investment property		70	82	0	0
Rental income		24	47	169	345
Expense for receiving rental income		-47	-67	-63	-115
Other income		135	349	87	144
Net gain on financial instruments designated at fair value		0	0	-103	-194
<b>Other net income</b>		<b>202</b>	<b>445</b>	<b>64</b>	<b>173</b>
Payroll expense		-2 065	-3 973	-1 709	-3 180
Operating expense		-1 154	-2 281	-923	-1 631
Depreciation		-186	-355	-110	-212
<b>Other operating expense</b>		<b>-3 405</b>	<b>-6 609</b>	<b>-2 742</b>	<b>-5 023</b>
<b>Net profit before provision of loan impairment</b>		<b>1 419</b>	<b>2 557</b>	<b>359</b>	<b>608</b>
Provision for loan impairment		34	-607	-275	-331
<b>Net profit from the reporting period</b>		<b>1 453</b>	<b>1 950</b>	<b>84</b>	<b>277</b>
Other comprehensive income/expense		-49	-166	0	0
<b>Comprehensive income for the reporting period</b>		<b>1 404</b>	<b>1 784</b>	<b>84</b>	<b>277</b>
Net profit attributable to:					
Owners of parent company		1 453	1 950	-28	164
Non-controlling interest		0	0	112	113
<b>Net profit for the reporting period</b>		<b>1 453</b>	<b>1 950</b>	<b>84</b>	<b>277</b>
Comprehensive income attributable to:					
Owners of parent company		1 404	1 784	-28	164
Non-controlling interest		0	0	112	113
<b>Comprehensive income for the reporting period</b>		<b>1 404</b>	<b>1 784</b>	<b>84</b>	<b>277</b>

## Consolidated statement of financial position

EUR thousand	Note	30.06.2018	31.12.2017
<b>Assets</b>			
Cash on hand		22 093	22 771
Balances with central banks	4	53 191	44 815
Loans and advances to credit institutions	4	32 296	31 287
Bonds	5	12 468	11 563
Loans and advances to customers	6,7,8,9	285 385	238 282
Goodwill		6 757	6 757
Other assets	10	14 208	15 903
<b>Total assets</b>		<b>426 398</b>	<b>371 378</b>
<b>Liabilities</b>			
Due to credit institutions		7 501	5 002
Due to customers and loans received	11	362 546	310 968
Subordinated debt		5 025	5 026
Other liabilities	12	4 949	5 206
<b>Total liabilities</b>		<b>380 021</b>	<b>326 202</b>
<b>Owner's equity</b>			
Share capital		38 199	38 199
Share premium		175	175
Reserves		2 335	2 070
Retained earnings		5 749	4 732
Change in fair value of bond portfolio		-81	0
<b>Total equity</b>		<b>46 377</b>	<b>45 176</b>
<b>Total liabilities and equity</b>		<b>426 398</b>	<b>371 378</b>

## Consolidated cash flow statement

EUR thousand	6 M 2018	6 M 2017
<b>Cash flows from operating activities</b>		
Interest received	8 873	5 033
Interest paid	-968	-948
Fee and commission received	1 868	1 374
Fee and commission paid	-629	-428
Other income received	298	367
Payroll expense paid	-4 146	-3 126
Other operating expense paid	-2 506	-1 631
<b>Cash flows from operating activities before the change of assets and liabilities related to operating activities</b>	<b>2 790</b>	<b>641</b>
<b>Change in assets related to operating activities</b>		
Loan receivables from customers	-47 133	-30 083
Change in statutory reserve in central bank	-251	-258
Other assets	684	-6 187
<b>Change in liabilities related to operating activities</b>		
Change in customer deposits	42 139	21 800
Change in deposits of credit institutions	2 500	-185
Other liabilities	-656	2 789
<b>Net cash flows from operating activities</b>	<b>73</b>	<b>-11 483</b>
<b>Cash flows from investment activities</b>		
Property, plant and equipment, and investment property acquired	-1 233	-56
Property, plant and equipment, and investment property sold	1 687	1
Obtaining of subsidiary company, net cash flow	0	-10 672
Financial assets at fair value through other comprehensive income	-1 071	146
<b>Total cash flows from investment activities</b>	<b>-617</b>	<b>-10 581</b>
<b>Cash flows from financing activities</b>		
Share capital contribution	0	13 198
Buyout of subsidiary company from minority shareholder	0	-2 058
Issue of bonds	5 000	0
Loans received	4 000	0
<b>Total cash flows from financing activities</b>	<b>9 000</b>	<b>11 140</b>
<b>Change in cash and cash equivalents</b>	<b>8 456</b>	<b>-10 924</b>
Cash and cash equivalents at the beginning of the period	95 766	103 121
<b>Cash and cash equivalents at the end of the period</b>	<b>104 222</b>	<b>92 197</b>
<b>Cash and cash equivalents include:</b>	<b>104 222</b>	<b>92 197</b>
Cash on hand	22 093	22 169
Demand deposits in central banks	50 333	34 278
Demand and short-term deposits in credit institutions	31 796	35 750

The recording of statutory reserve in central bank is adjusted for the reference year: earlier displayed under cash and cash equivalents, now under cash flows from operating activities.



## Consolidated statement of changes in equity

	Share capital	Share premium	Statutory reserve capital	Other reserves	Change in fair value	Retained earnings	Total share of parent company shareholders	Non-controlling interest	Total equity
Equity as at 31.12.2016	25 001	174	1 970	0	0	2 146	29 291	286	29 577
Increase of share capital	13 198	0	0	0	0	0	13 198	0	13 198
Acquiring non-controlling interest	0	0	0	0	0	-1 659	-1 659	-399	-2 058
Change in reserves	0	0	100	0	0	-100	0	0	0
Net profit 01.01.-30.06.2017	0	0	0	0	0	164	164	113	277
Other comprehensive income 01.01.-30.06.2017	0	0	0	0	0	0	0	0	0
Total comprehensive income for the reporting period	0	0	0	0	0	164	164	113	277
Equity as at 30.06.2017	38 199	174	2 070	0	0	551	40 994	0	40 994
Net profit 01.07.-31.12.2017	0	0	0	0	0	4 181	4 181	0	4 181
Other comprehensive income 01.07.-31.12.2017	0	0	0	0	0	0	0	0	0
Total comprehensive income for the reporting period	0	0	0	0	0	4 181	4 181	0	4 181
Rounding difference	0	1	0	0	0	0	1	0	1
Equity as at 31.12.2017	38 199	175	2 070	0	0	4 732	45 176	0	45 176
The effect of change of methodology to loan portfolio	0	0	0	0	0	-630	-630	0	-630
The effect of change of methodology to bond portfolio	0	0	0	0	85	-85	0	0	0
Change in reserves	0	0	218	0	0	-218	0	0	0
Share options	0	0	0	47	0	0	47	0	47
Net profit	0	0	0	0	0	1 950	1 950	0	1 950
Other comprehensive income	0	0	0	0	-166	0	-166	0	-166
Comprehensive income for the reporting period	0	0	0	0	-166	1 950	1 784	0	1 784
Equity as at 30.06.2018	38 199	175	2 288	47	-81	5 749	46 377	0	46 377

# 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 2017, prepared in conformity with International Financial Reporting Standards (IFRS).

Subsidiaries are consolidated line by line, by eliminating all intra-group transactions, receivables and liabilities, profits and losses. The definitions of consolidation group as established by EU Regulation No 575/2013 and by IFRS are the same.

All figures in financial statements are in thousands of euros unless noted otherwise.

The accounting principles used in Q2 Interim Report 2018 are generally in conformity with accounting principles used in Annual Report 2017, the accounting of financial assets changed according to IFRS 9 that became effective on 01.01.2018. The effect of initial implementation of the standard is recorded in the statement of changes in equity. After initial implementation of the IFRS 9, the Group uses the transition exemption and does not adjust comparative information in 2018 financial statements. Further details of classification and measuring of financial instruments on the basis of IFRS 9 and the effect of implementation moment to equity are presented in Note 24 – Subsequent events - of group's Annual Report 2017 – Subsequent events (the report is available on Coop Pank webpage [www.cooppank.ee](http://www.cooppank.ee)).

Main changes in accounting principles of Coop Pank are related to debt instruments – loans to customers and debt securities. Beginning from 01.01.2018 the Group classifies and records securities at fair value through other comprehensive income (the accounting principle has changed compared to the earlier one) and loans at amortized cost (the accounting principle has not changed). Classification is a combination of entity's business model for managing financial assets and whether the contractual cash flows represent solely principal and interest payments.

Bonds are classified as recordable at fair value through other comprehensive income if following conditions are fulfilled:

- entity's business model includes holding the assets for collecting cash flows as well as for sale;
- contractual cash flows represent solely principal and interest payments.

The income/expense from the changes in fair value are recorded under comprehensive income and accumulated in equity. Accumulated income/expense are classified from equity to income statement after the recording of debt instrument is ended. Interest income is accounted on interest-bearing financial assets using the effective interest rate method and expected credit losses are recognized in income statement.

By implementation of IFRS 9, the Group was most significantly influenced by introducing the expected credit losses model for assessment of financial assets. The expected credit losses model is based on:

- probability of delay in payments – assessment of the current situation and a forecast for the future scenario by using macro-economic forecasts;
- amount of the claim outstanding at default – assessment of the amount of credit position by the moment probable default;
- loss given default – assessment of the amount that could not be regained given default, considering the quality and value of collateral.

The model has three phases, based on the change of credit risk, applicable through the whole lifecycle of a loan. Phase 1 is based on the assessment of 12-month period credit loss and applies to all records, except in the case of significant increase of credit risk, compared to initial recording. Phase 2 is implemented in the case of

significant increase of credit risk and phase 3 indicates default; phases 2 and 3 are based on the assessment of potential credit loss throughout the whole lifecycle of the claim.

On each balance sheet date, the Bank assesses whether the credit risk has increased significantly compared to the initial recognition, the assessment is based on quantitative and qualitative indicators – claims delayed for 30-90 days and financial assets, classified under increased level of monitoring, or claims with changed agreement conditions due to client’s financial difficulties. In case of significant increase of credit risk, compared to the initial recognition, respective impairment is recognised, and the financial assets moves to phase 2. In case further balance sheet date assessments indicate improvement of credit quality and the loan can no longer be qualified under the criteria of increased credit risk, the financial asset moves back to phase 1. Claims in phase 3 are handled as financial assets with decreased credit quality. The definition of default of these claims is in conformity with the capital requirements regulation and includes financial assets in delay over 90 days.

Bank has adopted internal policies for measuring and forecasting the expected credit losses and for determining respective input data and calculations. The models, assessment and input are designed and adjusted, if necessary, by the risk management function of the Bank.

## Note 2 Net interest income

Interest income	Q2 2018	6 M 2018	Q2 2017	6 M 2017
Consumer loans and instalment	1 905	3 673	1 098	1 821
Corporate loans	1 117	2 050	456	831
Loans to individuals	1 026	1 975	897	1 702
Leasing	416	778	242	476
Bonds	114	214	144	285
Other assets	44	87	37	74
Interest income on liabilities	58	110	64	127
<b>Total</b>	<b>4 680</b>	<b>8 887</b>	<b>2 938</b>	<b>5 316</b>
<b>Interest expense</b>				
Due to customers and loans received	-600	-1 119	-290	-558
Subordinated debt	-86	-170	-78	-155
Interest expense on assets	-59	-116	-40	-91
<b>Total</b>	<b>-745</b>	<b>-1 405</b>	<b>-408</b>	<b>-804</b>
<b>Net interest income</b>	<b>3 935</b>	<b>7 482</b>	<b>2 530</b>	<b>4 512</b>

## Note 3 Net fee and commission income

Fee and commission income	Q2 2018	6 M 2018	Q2 2017	6 M 2017
Bank transfer fees	177	334	204	422
Gain on foreign exchange transactions	106	170	144	287
Account opening and management fees	207	358	125	237
Charges on card transactions	190	347	106	185
Other fee and commission income	334	659	167	243
<b>Total</b>	<b>1 014</b>	<b>1 868</b>	<b>746</b>	<b>1 374</b>
<b>Fee and commission expense</b>				
Charges on card transactions	-207	-391	-79	-145
Bank transfer fees	-98	-179	-139	-248
Other fee and commission expense	-22	-59	-21	-35
<b>Total</b>	<b>-327</b>	<b>-629</b>	<b>-239</b>	<b>-428</b>
<b>Net fee and commission income</b>	<b>687</b>	<b>1 239</b>	<b>507</b>	<b>946</b>

## Note 4 Balances with central banks, loans and advances to credit institutions

	30.06.2018	31.12.2017
Statutory reserve in central bank	2 858	2 607
Demand deposits in central bank	50 333	42 208
<b>Total of balances with central banks</b>	<b>53 191</b>	<b>44 815</b>
EU member states, excl. Estonia	23 682	26 014
Estonia	7 841	5 048
All other countries	773	225
<b>Total of loans and advances to credit institutions</b>	<b>32 296</b>	<b>31 287</b>

## Note 5 Bonds

	30.06.2018	31.12.2017
Government bonds	2 807	2 848
Bonds of other non-financial corporations	9 661	8 715
<b>Total</b>	<b>12 468</b>	<b>11 563</b>

As at 30.06.2018, bonds are accounted at fair value through other comprehensive income. As at 31.12.2017, bonds in the amount of 503 thousand euros were accounted as held-to-maturity and the rest of bonds at fair value through profit and loss.

## Note 6 Loans and advances to customers

	30.06.2018	31.12.2017
Total receivables from private individuals	182 919	163 724
Total receivables from corporates	105 795	78 202
Total receivables	288 714	241 926
Impairment of loans and advances	-3 329	-3 644
<b>Total</b>	<b>285 385</b>	<b>238 282</b>

## Note 7 Impairment of loans and advances

	30.06.2018	31.12.2017
Balance at the beginning of the reporting period	-3 644	-2 253
The effect of IFRS 9, implemented on 01.01.2018	-630	0
Additional balance from acquiring the subsidiary	0	-1 050
Impairments posted during the reporting period	-727	-1 550
Loans written off during the reporting period	1 672	1 209
<b>Balance at the end of the reporting period</b>	<b>-3 329</b>	<b>-3 644</b>

## Note 8 Past due receivables from customers

Private individuals	30.06.2018		31.12.2017	
	Loan balance	Collateral cover	Loan balance	Collateral
1-30 days	8 825	36.9%	7 166	31.6%
31-60 days	1 793	21.5%	2 077	26.9%
61-90 days	1 183	37.4%	707	18.0%
over 90 days	1 677	39.8%	3 976	13.8%
<b>Total</b>	<b>13 478</b>		<b>13 926</b>	

Corporates	30.06.2018		31.12.2017	
	Loan balance	Collateral cover	Loan balance	Collateral
1-30 days	3 690	69.3%	3 440	56.3%
31-60 days	879	76.5%	162	80.2%
61-90 days	229	100.6%	125	66.1%
over 90 days	368	73.4%	349	64.2%
<b>Total</b>	<b>5 166</b>		<b>4 076</b>	

The collateral coverage ratio is calculated on contractual basis: credit claim to customer / market value of collateral, followed by weighting the result with the percentage of loan balance in respective group.

## Note 9 Distribution of financial assets and liabilities by maturity dates

The tables include future receivable and payable interests.

30.06.2018	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>					
Cash on hand	22 093	0	0	0	22 093
Balances with central banks	53 191	0	0	0	53 191
Loans and advances to credit institutions	31 706	592	0	0	32 298
Bonds	3 240	2 131	8 036	0	13 407
Loans and advances to customers	27 082	43 265	166 927	131 922	369 196
Other financial assets	363	0	0	186	549
<b>Total financial assets</b>	<b>137 675</b>	<b>45 988</b>	<b>174 963</b>	<b>132 108</b>	<b>490 734</b>
<b>Liabilities</b>					
Due to credit institutions	7 504	0	0	0	7 504
Due to customers	201 810	100 975	53 485	8 021	364 291
Other financial liabilities	1 420	0	0	0	1 420
Subordinated debt	84	253	1 350	6 491	8 178
<b>Total financial liabilities</b>	<b>210 818</b>	<b>101 228</b>	<b>54 835</b>	<b>14 512</b>	<b>381 393</b>
<b>Off-balance-sheet liabilities</b>					
Unused credit limits and overdrafts	32 965	0	0	0	32 965
Financial guarantees	2 579	0	0	0	2 579
<b>Total of carrying and off-balance-sheet amounts of liabilities</b>	<b>246 362</b>	<b>101 228</b>	<b>54 835</b>	<b>14 512</b>	<b>416 937</b>
<b>Maturity gap between financial assets and liabilities</b>	<b>-108 687</b>	<b>-55 240</b>	<b>120 128</b>	<b>117 596</b>	<b>73 797</b>

31.12.2017	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>					
Cash on hand	22 771	0	0	0	22 771
Balances with central banks	44 815	0	0	0	44 815
Loans and advances to credit institutions	30 625	664	0	0	31 289
Bonds	0	3 143	8 420	0	11 563
Loans and advances to customers	22 418	41 797	100 951	144 620	309 786
Other financial assets	304	0	0	186	490
<b>Total financial assets</b>	<b>120 933</b>	<b>45 604</b>	<b>109 371</b>	<b>144 806</b>	<b>420 714</b>
<b>Liabilities</b>					
Due to credit institutions	5 006	0	0	0	5 006
Due to customers	177 853	82 076	50 102	2 640	312 671
Other financial liabilities	3 216	0	0	0	3 216
Subordinated debt	84	253	1 350	6 660	8 347
<b>Total financial liabilities</b>	<b>186 159</b>	<b>82 329</b>	<b>51 452</b>	<b>9 300</b>	<b>329 240</b>
<b>Off-balance-sheet liabilities</b>					
Unused credit limits and overdrafts	30 219	0	0	0	30 219
Financial guarantees	1 187	0	0	0	1 187
<b>Total of carrying and off-balance-sheet amounts of liabilities</b>	<b>217 565</b>	<b>82 329</b>	<b>51 452</b>	<b>9 300</b>	<b>360 646</b>
<b>Maturity gap between financial assets and liabilities</b>	<b>-96 632</b>	<b>-36 725</b>	<b>57 919</b>	<b>135 506</b>	<b>60 068</b>

## Note 10 Other assets

Other assets	30.06.2018	31.12.2017
Investment property	1 387	2 398
Assets held for sale	7 110	7 323
Property, plant and equipment	2 304	2 433
Intangible assets	1 840	1 166
Other financial assets	549	490
Other assets	1 018	2 093
<b>Total</b>	<b>14 208</b>	<b>15 903</b>

## Note 11 Due to customers

Due to customers	30.06.2018	31.12.2017
Private individuals	181 626	151 787
Corporates	180 920	159 181
<b>Total</b>	<b>362 546</b>	<b>310 968</b>
Demand deposits	166 282	153 031
Term deposits	196 264	157 937
<b>Total</b>	<b>362 546</b>	<b>310 968</b>

## Note 12 Other liabilities

Other liabilities	30.06.2018	31.12.2017
Other financial liabilities	2 910	3 216
Other liabilities	2 039	1 990
<b>Total</b>	<b>4 949</b>	<b>5 206</b>

## Note 13 Contingent liabilities

	30.06.2018	31.12.2017
Financial guarantees	2 579	1 187
Credit lines and overdrafts	32 965	30 219
<b>Total</b>	<b>35 544</b>	<b>31 406</b>

## Note 14 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 the same economic interest as management, and entities related to them.

The terms of the loans granted to related parties do not differ from the loans granted to other customers regarding interest rates. Transactions with related parties are based on the price list and/or are carried out at market value.

Balances	30.06.2018	30.06.2017
Shareholders:		
Deposits	1 607	42
Members of the Management Board and Supervisory Board, and persons and companies associated with them:		
Loans	116	112
Deposits	1 232	590
Transactions	30.06.2018	30.06.2017
Shareholders:		
Interest expense	5	0
Members of the Management Board and Supervisory Board, and persons and companies associated with them:		
Interest income of the reporting period	2	2
Sale of other goods and services	0	1
Purchase of other goods and services	53	215
Compensation paid to members of the Management Board and Supervisory Board	304	408
Maximum termination benefits payable to members of the management board, on a contingent basis	175	172

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

Shareholders with over 10% holding as at 30.06.2018:

- Coop Investeeringud OÜ 38.77%
- Andres Sonn 19.87%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 21.60% of the share capital, however, separately none of them hold over 10%.

Members of Supervisory Board do not hold shares of Coop Pank, Members of Management Board hold 7 thousand shares of Coop Pank, which accounts for 0.01% of the share capital.

Chairman of the Supervisory Board: Jaanus Vihand

Members of the Supervisory Board: Priit Põldoja, Jaan Marjundi, Roman Provotorov, Märt Meerits

Chairman of the Management Board: Margus Rink

Members of the Management Board: Hans Pajoma, Kerli Lõhmus, Janek Uiboupin

## 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 results of operations of Coop Pank Group, the presented data and additional information is true and comprehensive. Current interim report is not audited.

31.07.2018

Margus Rink  
Chairman of the Management Board

Hans Pajoma  
Member of the Management Board

Kerli Lõhmus  
Member of the Management Board

Janek Uiboupin  
Member of the Management Board



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