Pillar 3 Report

2019

General information

The information on capital adequacy and risk management published in this document and in the Annual Report 2019 of Coop AS group has been prepared in accordance with the Capital Requirements Directive 2013/36/EU (CRD IV) and the Capital Requirements Regulation (EU) 575/2013 (CRR).

Annual Report 2019 of Coop Pank AS group, published on the bank's website www.cooppank.ee, contains information on the risk profile of the consolidation group, the total amount and composition of capital requirements and the total amount and composition of own funds, which is the basis for calculating the capital adequacy ratio. The requirements set out in Article 439 of Regulation (EU) 575/2013 do not apply to the Group, due to absence of the respective exposures. The group's risk management principles are described in Note 2 "Risk management" of the Annual Report 2019.

Key ratios and indicators of exposure

EUR thousand	31.12.2019	31.12.2018
Net loan portfolio	460 460	328 723
Credit cost per year on average loan portfolio	0.5%	0.5%
Liquid assets to total assets ratio	21%	22%
Capital adequacy	24.35%	18.06%

The Group's risk strategy operates in accordance with the operational strategy approved by the Supervisory Board. The Group focuses on growing business volumes. As a result, the Group's risk appetite is medium in the credit risk, market risk and strategic risk categories and low in the operational risk, liquidity risk, reputation risk and real estate risk categories.

	Group's risk appetite by main risk categories	Credit risk	Market risk	Liquidity risk	Operational risk
		Medium	Medium	Low	Low
Risk control means	Avoidance				
	Limiting	x	x	x	x
	Hedging	x	x		
	Separation	x	x	x	
	Reduction	x			x
	Insurance				x

Regular risk reporting to the management is carried out in the Group. In the event of a large-scale realisation of risks or a significant deviation from the general risk management principles, the Management Board and the Supervisory Board shall be notified immediately.

The Group uses risk-based capital planning, ensuring that all risks are adequately covered by own funds at all times. Capital planning is based on financial forecasts that take into account the Group's strategy, future expectations and risk profile, as well as risk appetite. The existing capital buffer is sufficient to permanently cover all risks taken to achieve the Group's strategic goals.

Information on the reconciliation between own funds balance sheet items

Disclosed information according to Article 2 of the commission implementing regulation (EU) 1423/2013

As of 31.12.2019	Value in the statement of financial position	Regulatory adjustments	Regulatory own funds
Paid-up share capital	60 960		60 960
Share premium	11 797		11 797
Reserve capital	2 526		2 526
Retained earnings	13 841	-1 583	12 258
Other reserves	227	-226	1
Tier 1 capital before adjustments	89 351	-1 809	87 542
Adjustments:			
Goodwill as intangible asset	-6 757		-6 757
Intangible assets	-3 712		-3 712
Adjustment of value arising from requirements of reliable measurement		-4	-4
Other deductions from Tier 1 capital		-538	-538
Other adjustments of own funds resulting from transitional provisions		535	535
Total regulatory adjustments of Tier 1 capital	-10 469	-7	-10 476
Total Tie 1 capital	78 882	-1 816	77 066
Subordinated debt	7 000		7 000
Total Tier 2 capital	7 000		7 000
Own funds	85 882	-1 816	84 066

Main features of capital instruments

Disclosed information according to Article 3 of the commission implementing regulation (EU) 1423/2013

1	Issuer	Coop Pank AS	Coop Pank AS	Coop Pank AS
2	Unique identifier (ISIN)	EE3100007857	EE3300111384	EE3300111699
3	Governing law(s) of the instrument	Estonian	Estonian	Estonian
	Regulatory treatment			
4	Transitional CCR rules	Common equity Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Common equity Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-) consolidated/ solo & (sub-)consolidated	solo and sub-consolidated	solo and sub-consolidated	solo and sub-consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share, (EU) 575/2013 Articles 28,29	Tier 2 subordinated bond, (EU) 575/2013 Article 63	Tier 2 subordinated bond, (EU) 575/2013 Article 63
8	Amount recognised in regulatory capital (MEUR, as of 31.12.2019)	73 M, EUR	5 M, EUR	2 M, EUR
9	Nominal amount of instrument	Without nominal value, § 222^1 of the Commercial Code	5 M, EUR	2 M, EUR
9a	Issue price	73 M, EUR	100,00%	100,00%
9b	Redemption price	N/A	100,00%	100,00%
10	Accounting classification	Share capital	liability – amortised cost	liability – amortised cost
11	Original date of issuance	19.07.1999	04.12.2017	29.03.2019
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No maturity	04.12.2027	29.03.2029
14	Issuer call subject to prior supervisory approval	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	Issuer Call Option: 04.12.2022 100,00%	Issuer Call Option: 29.03.2024 100,00%
16	Subsequent call dates, if applicable	N/A	Any time after 04.12.2022	Any time after 29.03.2024
	Coupons / dividends			
17	Fixed or floating dividend/coupon	fixed	fixed	fixed
18	Coupon rate and any related index	N/A	6,75% per annum	7,58% per annum
19	Existence of a dividend stopper	No	N/A	N/A
20a	Fully discretionary, partially or mandatory (in terms of timing)	fully discretionary	mandatory	mandatory
20b	Fully discretionary, partially or mandatory (in terms of amount)	fully discretionary	mandatory	mandatory
21	Existence of step up or other incentive to redeem	N/A	No	No
22	Noncumulative or cumulative	cumulative	cumulative	cumulative
23	Convertible or non-convertible	non-convertible	non-convertible	non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	No	No	No
31	If write-down, features, write down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-down mechanism	N/A	N/A	N/A
35	Positioning subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	other debt obligation	other debt obligation
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

Disclosure of nature and amounts of specific items on own funds

Disclosed information according to Article 4 of the commission implementing regulation (EU) 1423/2013

The items and amounts of Coop Pank Group's own funds are presented according to corresponding CRR Regulation (EU) 575/2013 as referred to in Annex IV of the commission implementing regulation (EU) 1423/2013. Coop Pank group's own funds tables show only those items and amounts that are relevant to the group.

EUR thousand

Common Equity Tier 1 (CET1) capital: instruments and reserves		31.12.2019	31.12.2018
1	Capital instruments and the related share premium accounts	72 757	38 374
	of which: Instrument type 1	72 757	38 374
2	Retained earnings	12 258	7 788
3	Accumulated other comprehensive income (and other reserves to cover retained earnings on the basis of applied accounting procedures)	1	-154
3a	Funds for general banking risk	2 526	2 288
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	87 542	48 296

Common Equity Tier 1 (CET1) capital: regulatory adjustments		31.12.2019	31.12.2018
7	Additional value adjustments (negative amount)	-4	-10
8	Intangible assets (net of related tax liability) (negative amount)	-10 469	-9 047
12	Negative amounts resulting from the calculation of expected loss amounts	-538	-313
12a	IFRS 9 transitional arrangements	535	598
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-10 476	- 8 772
29	Common Equity Tier 1 (CET1) capital	77 066	39 524
45	Tier 1 capital (T1 = CET1 + AT1)	77 066	39 524

Tier 2 (T2) capital: instruments and provisions		31.12.2019	31.12.2018
46	Capital instruments and the related share premium accounts	7 000	5 000
51	Tier 2 (T2) capital before regulatory adjustments	7 000	5 000
57	Total regulatory adjustments to Tier 2 (T2) capital	0	0
58	Tier 2 (T2) capital	7 000	5 000
59	Total capital (TC = T1 + T2)	84 066	44 524

60	Total risk-weighted assets	345 284	246 591

Capital ratios and buffers		31.12.2019	31.12.2018
61	Common Equity Tier 1 (as a percentage of total risk exposure amount	22,32%	16,03%
62	Tier 1 (as a percentage of total risk exposure amount)	22,32%	16,03%
63	Total capital (as a percentage of total risk exposure amount)	24,35%	18,06%
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount)	8,00%	7,96%
65	of which: capital conservation buffer requirement	2,50%	2,50%
66	of which: countercyclical buffer requirement	0,02%	0,02%
67	of which: systemic risk buffer requirement	0,98%	0,94%
67 a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0%	0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	17,82%	11,53%

Information regarding transitional arrangements that mitigate the impact of IFRS 9 on own funds

Disclosed information according to Annex I of the EBA guidelines EBA/GL/2018/01

EUR thousand, as of 31.12.2019

Available capital		
1	Common Equity Tier1 (CET1) capital	77 066
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	76 531
3	Tier1 capital	77 066
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	76 531
5	Total capital	84 066
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	83 531
Risk-weighted assets		
7	Total risk-weighted assets	345 284
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	344 749
Capital ratios (as a percentage of risk exposure amount)		
9	Common Equity Tier1	22,32 %
10	Common Equity Tier 1 as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	22,20 %
11	Tier1	22,32 %
12	Tier 1 as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	22,20 %
13	Total capital	24,35 %
14	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	24,23 %
Leverage ratio (as a percentage of risk exposure amount)		
15	Leverage ratio total exposure measure, amount	643 401
16	Leverage ratio	11,98 %
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11,90 %

The Bank has decided to apply the transitional period for the adoption of IFRS 9 using the static approach set out in Article 473a (7) (b) of Regulation (EU) No 575/2013 established by EU Regulation 2017/2395 and not to apply Article 473a (4) of that Regulation.

In the case of the static approach, the exposures shall be adjusted in accordance with Article 473a (7) (b) of that Regulation as follows: when calculating the exposure value (CRR Article 111), the amount of write-down, deducted from the gross position, shall be multiplied by the factor calculated the gross position shall be multiplied by a factor calculated using the equation:

sf= 1-(ABsa/RAsa) where:

ABsa – amount added to own funds (after taxes)

RAsa – total amount of specific write-down, deducted from the gross position

The specific write-down shall be adjusted by the ratio between the amount added to own funds and the initial amount of the specific write-down.

Changes in Coop Pank's prudential ratios resulting from the application of IFRS 9 or analogous ECLs transitional arrangements are not significant.

Disclosure of CRR leverage ratio

Disclosed information according to Annex I of the Commission implementing regulation (EU) 2016/200. Coop Pank group's leverage tables show only those items and amounts that are relevant to the group.

EUR thousand

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures		31.12.2019	31.12.2018
1	Total assets as per published financial statements	611 302	446 278
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	42 575	37 103
7	Other adjustments	-10 476	-8 772
8	Leverage ratio total exposure measure	643 401	474 609

CRR leverage ratio exposures

Table LRCom: Leverage ratio common disclosure		31.12.2019	31.12.2018
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	601 368	437 828
2	(Asset amounts deducted in determining Tier 1 capital)	-542	-322
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fidu-ciary assets) (sum of lines 1 and 2)	600 826	437 506
Derivative exposures			
11	Total derivatives exposures (sum of lines 4 to 10)	0	0
SFT exposures			
16	Total securities financing transaction exposures (sum of lines 12 to 15a)		
Other off-balance sheet exposures			
17	Off-balance sheet exposures at gross notional amount	42 575	37 103
18	(Adjustments for conversion to credit equivalent amounts)	0	0
19	Other off-balance sheet exposures (sum of lines 17 and 18)	42 575	37 103
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)			
19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))		
19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))		
Capital and total exposure mesure			
20	Tier 1 capital	77 066	39 524
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	643 401	474 609
Leverage ratio			
22	Leverage ratio	11,98%	8,33%
Choice on transitional arrangements and amount of derecognised fiduciary items			
23	Choice on transitional arrangements for the definition of the capital measure	fully implemented	
24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	N/A	N/A

CRR leverage ratio exposures

Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)		31.12.2019	31.12.2018
1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	601 368	437 828
2	Trading book exposures		
3	Banking book exposures, of which:	601 368	437 828
4	Covered bonds		
5	Exposures treated as sovereigns	99 802	54 317
6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns		
7	Institutions	2 864	14 246
8	Secured by mortgages of immovable properties	280 464	209 703
9	Retail exposures	122 522	87 128
10	Corporate	39 567	27 884
11	Exposures in default	5 636	855
12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	50 513	43 695

Table LRQua: disclosure on qualitative items

1 Description of the processes used for excessive leverage risk management:
In managing the risk of excessive leverage, the Group follows the requirements provided for in § 82^2 of the Credit Institutions Act. The Group monitors the dynamics of leverage risk quantitatively, mainly using the leverage indicator in accordance with Regulation (EU) No 575/2013. In order to manage the risk of excessive leverage, the Bank's Management Board and the Assets and Liabilities Management Committee monitor the leverage ratio, analyze changes in the balance sheet structure and forecasts and, if necessary, approve an action plan to respond to the changes in leverage ratio. When preparing the strategy and financial forecasts, it is taken into account that the leverage ratio normative would be met in a sustainable manner.

2 Description of factors that had an impact on the leverage ratio during the reporting period:
The leverage ratio of the Coop Pank Group calculated in accordance with Article 1 of commission delegated regulation (EU) 2015/62 is 11.98% as of 31.12.2019 and 8.33% as of 31.12.2018. The significant increase in the ratio is the result of the increase in Tier 1 capital involved in the public offering of shares at the end of the year, which compensated the increase of exposures caused by the increase in business volumes.

Disclosure of encumbered and unencumbered assets

Disclosed information according to Article 1 of the Commission delegated regulation (EU) 2017/2295
EUR thousand, as of 31.12.2019

Template A. Encumbered and unencumbered assets

		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		010	040	060	090
010	Assets of the reporting institution	714	714	610 588	611 581
030	Equity instruments			13	13
040	Debt securities			4 061	4 061
050	of which: covered bonds			0	0
060	of which: asset-backed securities			0	0
070	of which: issued by general governments			1 398	1 398
080	of which: issued by financial corporations			0	0
090	of which: issued by non-financial corporations			2 663	2 663
120	Other assets	714	714	606 514	607 507
121	of which: loans on demand	400	400	100 364	100 364
122	of which: loans and advances			460 460	461 453

Template B. Collateral received

			Unencumbered
		Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
		010	040
250	Total assets, collateral received and own debt Securities issued	714	610 588

Template C. Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
		010	030
010	Carrying amount of selected financial liabilities	724	714
011	of which: deposits	0	0
012	of which: debt securities issued	0	0
013	of which: other sources of encumbrance	724	714

Template D. Accompanying narrative information

The Group's business strategy focuses mainly on the day-to-day banking (incl. deposits) and financing (incl. mortgage loans, unsecured loans and leasing) of private customers and small and medium-sized enterprises.

Mainly demand and term deposits and other long-term liabilities (e.g. debt Securities issued) serve as Resources for investments that require financing.
In the past, the bank has used the European Central Bank's wholesale funding facility and has pledged bonds (collateral pool) to the central bank as collateral for the loan.

Thus, the group's assets are mostly unencumbered, except for deposits set to secure various settlements in the total amount of 714 thousand euros.

Disclosure of the countercyclical buffer requirement

Disclosed information according to Article 2 of the Commission delegated regulation (EU) 2015/1555

EUR thousand, as of 31.12.2019

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

		General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements					
		Exposure value for SA	Exposure Value for IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure Value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures	Total	Own funds requirement weights (1/100)	Countercyclical capital buffer rate (%)
010	By country	010	020	030	040	050	060	070	080	090	100	110	120
	Estonia	494 765						24 383			24 383	0,966	0,00
	Latvia	6 526						522			522	0,020	0,00
	Switzerland	2 481						198			198	0,008	0,00
	USA	1 568						45			45	0,002	0,00
	other	1 563						96			96	0,004	0,00
020	Total	506 903	n/a	n/a	n/a	n/a	n/a	25 244	n/a	n/a	25 244	1	0,00

Amount of institution-specific countercyclical capital buffer		31.12.2019
Row		Column 010
010	Total risk exposure amount (EUR, thousand)	345 284
020	Institution specific countercyclical buffer rate (%)	0,02
030	Institution specific countercyclical buffer requirement (EUR, thousand)	69

Disclosure of non-performing and forborne exposures

Disclosed information according to Annexes of EBA Guidelines EBA/GL/2018/10

EUR thousand, as of 31.12.2019

Template 1. Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
1	Loans and advances	3 790	0			-796	0	0	
2	Central banks	0	0			0	0	0	
3	General governments	0	0			0	0	0	
4	Credit institutions	0	0			0	0	0	
5	Other financial corporations	0	0			0	0	0	
6	Non-financial corporations	2 668	0			-741	0	0	
7	*Households*	1 122	0			-54	0	0	
8	Debt securities	0	0			0	0	0	
9	Loan commitments given	0	0			0	0	0	
10	Total	3 790	0			-796	0	0	

EUR thousand, as of 31.12.2019

Template 3. Credit quality of performing and non-performing exposures		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤30 days	Past due >30 days ≤90 days		Unlikely to pay that are not past due or are past due ≤90 days	Past due >90 days ≤180 days	Past due >180 days ≤1 year	Past due >1 year ≤2 years	Past due >2 year ≤5 years	Past due >5 year ≤7 years	Past due >7 years	Of which defaulted
1	Loans and advances	559 893	556 292	3 601	6 671		2 369	3 028	945	263	28	38	6 671
2	Central banks	97 912	97 912		0								
3	General governments	22	22		0								
4	Credit institutions	2 852	2 852		0								
5	Other financial corporations	17 030	17 030		0								
6	Non-financial corporations	173 039	171 745	1 294	5 138		1 837	2 628	673				5 138
7	Of which SMEs	69 854	68 561	1 294	834		39	122	673				834
8	Households	269 037	266 730	2 307	1 533		532	400	272	2623	28	38	1 533
9	Debt securities	4 061	4 061		0								
10	Central banks	0	0		0								
11	General governments	1 398	1 398		0								
12	Credit institutions	0	0		0								
13	Other financial corporations	0	0		0								
14	Non-financial corporations	2 663	2 663		0								
15	Off-balance-sheet exposures	42 575			0								
16	Central banks	0			0								
17	General governments	0			0								
18	Credit institutions	0			0								
19	Other financial corporations	2 815			0								
20	Non-financial corporations	18 444			0								
21	Households	21 316			0								
22	Total	606 529	560 353	3 601	6 671		2 369	3 028	945	263	28	38	6 671

Template 4. Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumu-lated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which: stage 1.	Of which: stage 2		Of which: stage 2	Of which: stage 3		Of which: stage 1.	Of which: stage 2		Of which: stage 2	Of which: stage 3			
1	Loans and advances	559 893	542 372	17 133	6 671		6 671	-4 189	-2 294	-1 684	-1 151		-1 151			
2	Central banks	97 912	97 912		0		0	0	0		0		0			
3	General governments	22	22		0		0	0	0		0		0			
4	Credit institutions	2 852	2 852		0		0	0	0		0		0			
5	Other financial corporations	17 030	17 030		0		0	-24	-24		0		0			
6	Non-financial corporations	173 039	162 293	10 681	5 138		5 138	-1 738	-682	-1 051	-231		-231			
7	Of which SMEs	69 854	61 465	8 325	834		834	-510	-211	-296	-48		-48			
8	Households	269 037	262 262	6 452	1 533		1 533	-2 426	-1 587	-633	-920		-920			
9	Debt securities	4 061	4 061 058		0			0			0					
10	Central banks	0	0		0			0			0					
11	General governments	1 398	1 397 648		0			0			0					
12	Credit institutions	0	0		0			0			0					
13	Other financial corporations	0	0		0			0			0					
14	Non-financial corporations	2 663	2 663 410		0			0			0					
15	Off-balance-sheet exposures	42 575	42 575		0			0			0					
16	Central banks	0	0		0			0			0					
17	General governments	0	0		0			0			0					
18	Credit institutions	0	0		0			0			0					
19	Other financial corporations	2 815	2 815		0			0			0					
20	Non-financial corporations	18 444	18 444		0			0			0					
21	Households	21 316	21 316		0			0			0					
22	Total	606 529	589 008	17 133	6 671	0	6 671	-4 189	-2 294	-1 684	-1 151	0	-1 151			

EUR thousand, as of 31.12.2019

Template 9: Collateral obtained by taking possession and execution processes			
		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
1	Property,plant and equipment (PP&E)	0	0
2	Other than PP&E	0	0
3	*Residential immovable property*		
4	*Commercial Immovable property*		
5	*Movable property (auto, shipping, etc.)*		
6	*Equity and debt instruments*		
7	*Other*		
8	Total	0	0

Disclosure of liquidity coverage ratio and information on liquidity risk management

Disclosed information according to Annex I of EBA Guidelines EBA/GL/2017/01; table EU LIQA

Table on qualitative/quantitative information of liquidity risk in accordance with Article 435(1) of Regulation (EU) 575/2013.	
Strategies and processes in the management of the liquidity risk	The aim of the Group's liquidity management strategy is to ensure the timely and full fulfilment of the Group's obligations at all times, while optimizing liquidity risk so as to achieve maximum and stable profitability from investments of different durations. A more detailed overview of liquidity management is provided in the Group's annual report "Note 2 Risk Management" and its subchapter "Liquidity Risk Management".
Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)	The main liquidity management body is the Assets and Liabilities Management Committee (ALCO), whose functions and areas of responsibility in liquidity management are: • planning the short-term and long-term liquidity of the group and planning and implementing the measures to be used; • analysis of information concerning the Group's assets and liabilities, interest income and expenses, liquidity and investment management and, if necessary, preparation of strategic decisions concerning liquidity management for the Management Board; • optimizing the maturity, profitability and liquidity ratio of the Group's assets and liabilities to achieve the Bank's strategic objectives; • regulation of the Group's required level of liquidity, acceptable interest rate risk and acceptable level of risk of changes in the value of assets and liabilities.
Scope and nature of liquidity risk reporting and measurement systems	The Group's liquidity position is managed using the maturity analysis of assets and liabilities. The model also captures the main observable liquidity ratios and fixed-term ratios of assets and liabilities and liquidity stress tests are conducted. Limits have been set for all key liquidity ratios. The following indicators are used to measure liquidity risk: • Liquidity Coverage Ratio (LCR); • survival period in a liquidity crisis situation; • concentration of financing; • the ratio of liquid assets to demand deposits; • the ratio of long-term liabilities to investments requiring stable financing.
Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants	The Group's liquidity policy is based on the principle of conservatism and the formed liquidity buffers are sufficient to cover the large-scale outflow of deposits. The Group has established a business continuity and recovery plan for dealing with liquidity crisis situations, which includes activities to cover cash flow deficits in emergency situations. In order to manage the liquidity position, the Group's Management Board has established an internal investment resource model that takes into account the ratio of issued loans and Resources involved. Different coefficients have been assigned to resources in the model, to the extent to which the respective resource can be used for lending activities. The Group diversifies the maturity of resources and avoids large concentrations of one counterparty.
A concise liquidity risk statement approved by the management body, succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement includes key ratios and figures, providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, (incl the risk profile of the institution and the risk tolerance set by the management body)	Liquidity risk management is an important part of the Group's overall risk management and planning process. The Group's risk appetite for liquidity risk is low, but due to the growth strategy, the Group's actual liquidity risk profile is higher than recommended. Therefore, the management actively and continuously monitors the free resource based on the internal investment resource model. The share of the Group's liquid assets in total assets as of 31.12.2019 was 21%; the share of liquid assets in customer demand deposits 83% and the share of demand deposits in total deposits was 30%. The Management Board has established a system of early warning indicators to help identify an increase in risk or financing needs.

Disclosed information according to Annex II of EBA Guidelines EBA/GL/2017/01

EUR thousand

Template EU LIQ1					
Rida		Total adjusted value			
		31.03.2019	30.06.2019	30.09.2019	31.12.2019
21	Liquidity buffer	84 016	73 829	101 593	111 064
22	Total net cash outflows	5 836	10 697	10 877	16 281
23	Liquidity coverage Ratio (%)	1440%	690%	934%	682%

The Management Board of Coop Pank AS confirms that the Group's liquidity risk management organization and established risk management systems are sufficient considering the Group's profile and strategy.

Margus Rink	Hans Pajoma	Kerli Lõhmus	Heikko Mäe
Chairman of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board

Signed digitally

31.03.2020

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Coop | Pank